



**CHAMBAL FERTILISERS AND CHEMICALS LIMITED**

August 17, 2020

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051

Dear Sir,

In pursuance of the Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following documents:

1. Notice of the Thirty-fifth Annual General Meeting of the Company scheduled to be held at 1030 Hours Indian Standard Time on Thursday, September 10, 2020.
2. Annual Report of the Company for the Financial Year 2019-20.

You are requested to take the same on records.

Thanking You,

Yours sincerely,

for Chambal Fertilisers and Chemicals Limited

**Rajveer Singh**  
Vice President - Legal & Secretary

Encl.: a/a



# Chambal Fertilisers and Chemicals Limited

(CIN: L24124RJ1985PLC003293)

**Registered Office:** Gadepan, District Kota, Rajasthan, PIN – 325 208, India

Telephone No. +91-744-2782915; Fax No. +91-7455-274130

**Corporate Office:** “Corporate One”, First Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025, India

Telephone Nos. +91-11-46581300, 41697900; Fax No. +91-11-40638679

Email: [isc@chambal.in](mailto:isc@chambal.in); Website: [www.chambalfertilisers.com](http://www.chambalfertilisers.com)

## NOTICE

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of the members of Chambal Fertilisers and Chemicals Limited will be held at 1030 Hours Indian Standard Time (“IST”) on Thursday, September 10, 2020, through video conferencing (“VC”) / other audio visual means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and report of the Auditors thereon.
2. To appoint Mr. Chandra Shekhar Nopany (DIN: 00014587), who retires by rotation and, being eligible, offers himself for re-appointment, as a Director.

### SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 000024), appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company, as applicable, for the financial year ending March 31, 2021, amounting to Rs. 1,00,000 (Rupees One Lakh Only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”
4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Gaurav Mathur (DIN: 07610237) as Whole-time Director designated as Joint Managing Director of the Company, for a period of

5 (five) years with effect from January 06, 2020, his office as director liable to determination by retirement by rotation, on such terms and conditions including remuneration as set out in the statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the notice of this Annual General Meeting with the authority to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/ or remuneration, as it may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine, from time to time, such increments and performance bonus payable to Mr. Gaurav Mathur, as it may deem fit and proper and to do and perform all such acts, deeds and things and take all such steps, as may be necessary, expedient or incidental to give effect to this resolution.”

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof, for the time being in force), Mr. Pradeep Jyoti Banerjee (DIN: 02985965), who was appointed as an Additional Director of the Company in the category of Independent Director with effect from December 01, 2019 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and who qualifies for being appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from December 01, 2019 to November 30, 2024 and not liable to retire by rotation.”

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including

any modification(s) or re-enactment thereof, for the time being in force), Mrs. Rita Menon (DIN: 00064714), who qualifies for being appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from September 10, 2020 to September 09, 2025 and not liable to retire by rotation."

7. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for payment, by way of commission, to the Non-Executive Directors of the Company (i.e. Directors other than Managing Director and Whole Time Director(s) of the Company) during the period of 5 (five) financial years commencing from April 01, 2020, such sum and in such manner as may be determined by the Board of Directors of the Company from time to time, but not exceeding, in any financial year, 1% (one percent) of the net profits of the Company computed in the manner prescribed under Section 198 of the Companies Act, 2013 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to the maximum of Rs. 10,00,000 per financial year per Non-Executive Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds and things and take all such steps as may be necessary, expedient or incidental to give effect to this resolution."

8. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof, for the time being in force) and other applicable laws and regulations, if any, approval of the members of the Company be and is hereby accorded for the continuation of Mr. Saroj Kumar Poddar (DIN: 00008654) as a Director of the Company, after he attains the age of seventy five (75) years, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds and things and take all such steps as may be necessary, expedient or incidental to give effect to this resolution."

By order of the Board of Directors



**Rajveer Singh**

Vice President - Legal & Secretary

New Delhi  
August 12, 2020

## NOTES:

### 1. Explanatory Statement

The statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), relating to the items of the special business is given below and forms part hereof.

### 2. Director proposed to be re-appointed

Mr. Chandra Shekhar Nopany is retiring by rotation and, being eligible, offers himself for re-appointment, as a Director. The brief resume and other details of Mr. Chandra Shekhar Nopany are given below:

Mr. Chandra Shekhar Nopany (DIN: 00014587), aged about 54 years, is an industrialist having around 30 years' experience and expertise in diverse fields like sugar, shipping, textiles, finance and fertilisers. He leads as a new generation entrepreneur with concerted focus on efficiency and growth. He is a Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, Pittsburgh, U.S.A. He is former President of Indian Chamber of Commerce, Kolkata and Indian Sugar Mills Association.

The details of other Indian companies in which Mr. Chandra Shekhar Nopany is a Director are as under:

S. No.	Name of the Company
1.	Allahabad Canning Limited
2.	Avadh Sugar & Energy Limited*
3.	Magadh Sugar & Energy Limited*
4.	New India Retailing & Investment Limited*
5.	Ronson Traders Limited*
6.	SIL Investments Limited*
7.	Sutlej Textiles and Industries Limited*
8.	Yashovardhan Investment & Trading Company Limited

\*Listed entity

The details of Mr. Chandra Shekhar Nopany's Chairpersonship/ Membership of the Committees of the Board of Directors of Indian Companies are as under:

S. No.	Name of the Company	Name of the Committee	Position held
1.	Chambal Fertilisers and Chemicals Limited	Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairperson
		Banking and Finance Committee	Member
		Project Monitoring Committee	Chairperson
2.	Magadh Sugar & Energy Limited	Corporate Social Responsibility Committee	Chairperson
3.	Ronson Traders Limited	Stakeholders Relationship Committee	Chairperson

S. No.	Name of the Company	Name of the Committee	Position held
4.	SIL Investments Limited	Stakeholders Relationship Committee	Chairperson
		Corporate Social Responsibility Committee	Chairperson

Mr. Chandra Shekhar Nopany holds 3,23,775 equity shares in the Company. Apart from this, Chandra Shekhar Nopany as Karta of C S Nopany holds 2,40,100 equity shares, Chandra Shekhar Nopany as Trustee of Shruti Family Trust holds 1,000 equity shares and Chandra Shekhar Nopany as Trustee of Shekhar Family Trust holds 1,40,01,000 equity shares of the Company.

Mr. Chandra Shekhar Nopany is not a relative (as defined under the Act and Rules thereunder) of any Director or Key Managerial Personnel of the Company. He was first appointed as Alternate Director on the Board of Directors of the Company on November 15, 1994 and served as Alternate Director thereafter from time to time. He was appointed as Director of the Company with effect from September 16, 2008. He had attended all 7 meetings of the Board of Directors of the Company held during the financial year 2019-20. The Company has paid sitting fee of Rs. 4,25,000 to him during the financial year 2019-20 and commission of Rs.5,00,000 is payable to him for the said financial year. If re-appointed, Mr. Chandra Shekhar Nopany shall be liable to retire by rotation and he shall be entitled to receive sitting fee for attending the meetings of the Board of Directors and Committees thereof and the payment by way of commission within the limits approved by the members.

### 3. Conducting Annual General Meeting through video conferencing or other audio visual means and dispatch of documents

3.1 In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India vide General Circular no. 20/2020 dated May 05, 2020 read with General Circular no. 14/2020 dated April 08, 2020 and General Circular no. 17/2020 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") has allowed the companies to conduct annual general meeting to be held during the calendar year 2020 through video conferencing ("VC") or other audio visual means ("OAVM"). In pursuance of the applicable provisions of the Act read with MCA Circulars, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular"), the Thirty-fifth Annual General Meeting of the Company ("AGM") is being convened and conducted through VC / OAVM, which does not require physical presence of members at a common venue. The venue of AGM shall be deemed to be the Registered Office of the Company at Gadepan, District Kota, Rajasthan, PIN - 325 208.

- 3.2 In pursuance of the MCA Circulars and SEBI Circular, notice of AGM and the Annual Report of the Company for the financial year 2019-20 ("Annual Report 2019-20") comprising audited financial statements for the financial year 2019-20, Auditors Reports, Board's Report and all other documents required to be attached thereto and Business Responsibility Report are being sent only through email to those members whose email addresses are registered with the Company or the depositories/depository participants. These documents will also be available on the website of the Company at [www.chambalfertilisers.com](http://www.chambalfertilisers.com), the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 3.3 As per the provisions of Section 105 of the Act, a member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Since the AGM will be held through VC / OAVM and physical attendance of members has been dispensed with, the facility for appointment of proxies by the members will not be available for the AGM. Accordingly, the Proxy Form, Attendance Slip and Route Map are not enclosed hereto.
- 3.4 The attendance of the members in the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 3.5 The documents referred in this notice of AGM shall be available for inspection electronically by the members upto the date of AGM. The members seeking to inspect such documents may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).
- 3.6 The Registers maintained under Sections 170 and 189 of the Act and the certificate from Auditors of the Company, in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, regarding implementation of 'CFCL Employees Stock Option Scheme 2010', shall be available for inspection electronically by members during the AGM. The members seeking to inspect such documents may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).
- 3.7 The institutional investors who are members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM.
- 3.8 The special business under Item Nos. 3 to 8 of the notice of AGM, to be transacted at the AGM, has been considered unavoidable by the Board of Directors of the Company.

### 4. E-voting Facility

- 4.1 The Company is providing to its members a facility to exercise their right to vote on resolutions proposed to be considered at the AGM through voting by electronic means ("E-voting") and the business set out in the notice of AGM may be transacted through E-voting. The Company has engaged NSDL to provide the facility of remote E-voting to the members and the facility of E-voting to the members participating in the AGM through VC/OAVM.

- 4.2 The members who have cast their vote by remote E-voting may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- 4.3 The facility of E-voting shall also be made available to the members participating in the AGM through VC/OAVM. Only those members, who are attending the AGM through VC / OAVM facility and have not cast their vote through remote E-voting, shall be allowed to vote through E-voting in the AGM.
- 4.4 The process and manner of remote E-voting is as under:

4.4.1 Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>.

4.4.2 Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

4.4.3 A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsd.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.

4.4.4 The User ID details are given below:

Manner of holding shares		User ID
(i)	For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
(ii)	For members who hold shares in demat account with Central Depository Services (India) Limited ("CDSL")	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
(iii)	For members holding shares in Physical Form	EVEN (E-Voting Event Number) of the Company followed by Folio Number registered with the Company. For example, if folio number is E001**** and EVEN is 101456 then user ID is 101456E001****

4.4.5 Password details are given below:

- (i) If a member is already registered with NSDL for E-voting, then he / she can use his / her existing password to login and cast vote.
- (ii) If a member is using NSDL e-Voting system for the first time, he / she needs to retrieve the 'initial password' in the following manner:
  - (a) The members, whose e-mail addresses are registered with the Company/ depository participants, shall receive an e-mail alongwith a PDF file attached therewith. The member should open the PDF file attached with the e-mail. The said PDF file contains his/ her user ID and password for E-voting. The password to open the PDF file is member's 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account and folio number for shares held in physical form.
  - (b) If a member's email address is not registered with the Company/ depository participant, such member shall follow the steps mentioned in Note no. 6 below for registration of email address and obtaining the password details.

4.4.6 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- (i) Click on "**Forgot User Details/Password?**" option (if you are holding shares in your demat account with NSDL or CDSL) and click on "**Physical User Reset Password?**" option (if you are holding shares in physical mode). These options are available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- (ii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your Permanent Account Number ("PAN"), your name and your registered address.
- (iii) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4.4.7 After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

4.4.8 Now, you will have to click on "Login" button and thereafter Home page of e-Voting will open.

4.4.9 After successful login, the below mentioned steps should be followed for casting the vote through remote E-voting:

- i) On the Home page of e-Voting, click on "e-Voting". Then, click on "Active e-Voting Cycles / VC Or OAVM".

- ii) Select "EVEN" of Chambal Fertilisers and Chemicals Limited. Now, you are ready for remote E-voting as the Voting page opens.
- iii) Cast your vote by selecting appropriate option i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- iv) Upon confirmation, the message "Vote cast successfully" will be displayed.
- v) You can similarly vote in respect of all the items forming part of the notice of AGM. The members can login any number of times during the remote E-voting period, till they have voted on all the resolutions.
- vi) You can also take print of the votes cast by you by clicking on the print option on the confirmation page.
- vii) Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.

4.5 The remote E-voting period shall commence at **0900 Hours IST on Saturday, September 05, 2020** and ends at **1700 Hours IST on Wednesday, September 09, 2020**. At the end of the remote E-voting period, the remote E-voting facility shall be blocked by NSDL forthwith. The remote E-voting shall not be allowed after 1700 Hours IST on September 09, 2020.

4.6 In pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote E-voting and participation and voting in the AGM. Corporate / Institutional members (i.e. other than individuals, HUF, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution, Authority letter, Power of Attorney, etc. to the Scrutiniser by e-mail at [scrutinizer@chambal.in](mailto:scrutinizer@chambal.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### 5. Procedure for attending the AGM through VC/OAVM and voting at AGM

- 5.1 The members may follow the same procedure for E-voting during the AGM as mentioned above for remote E-voting.
- 5.2 Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholder/member login by using the remote E-voting credentials. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and password for E-voting or have forgotten the User ID and password may retrieve the same by following the process for remote E-voting mentioned in the Note No.4 above. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 5.3 The facility to join the AGM through VC/OAVM shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the

proceedings of the AGM. The members can join the AGM through VC/OAVM by following the procedure mentioned in this notice of AGM. The facility of participation in the AGM through VC/OAVM will be available for members on a first-come-first-served basis.

- 5.4 Members are encouraged to join the meeting through laptops for better experience. Further, members will be required to use internet with a good speed to avoid any disturbance during the AGM.
- 5.5 Members can submit queries / questions in advance with regard to the financial statements or any other matter to be placed at the AGM, through email at [isc@chambal.in](mailto:isc@chambal.in) from their registered email address, mentioning their name, DP ID and Client ID /Folio Number, PAN and mobile number, atleast 48 hours before the scheduled time of the commencement of AGM and such questions/ queries shall be replied suitably depending upon the availability of time at the AGM.
- 5.6 Members who would like to express their views or ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN and mobile number at [isc@chambal.in](mailto:isc@chambal.in) atleast 48 hours before the scheduled time of the commencement of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending upon the availability of time.

#### 6. Process for procuring User ID and password and registration of email address for participation in the AGM through VC/OAVM and E-voting, for those Members whose email address is not registered

A member whose email address is not registered with the Company or depository / depository participant and who wish to receive through email, the communications sent by the Company from time to time and obtain User ID and password to participate in the AGM through VC / OAVM and vote through E-voting system in the AGM or through remote E-voting, can get his/ her / its email address registered by following the procedure mentioned below:

- (i) In case the shares of the Company are held by a member in physical form, such member shall submit scanned copy of a signed request letter mentioning his/ her / its email address, name, folio number and complete address alongwith self-attested copies of PAN Card and any document for proof of address (such as Driving License, Bank Statement, Election Card, Passport, AADHAAR Card, etc.) by email to [isc@chambal.in](mailto:isc@chambal.in) or send these documents to the Share Transfer Agent of the Company; and
- (ii) In case the shares of the Company are held by a member in dematerialized form, such member shall register his / her / its email address in the demat account maintained with the depository participant. Further, such member can temporarily get the email address registered with the Company for obtaining

User ID and password for participation in the AGM through VC / OAVM and vote through E-voting system in the AGM or through remote E-voting by submitting scanned copy of a signed request letter mentioning his/ her / its email address, name, DP ID and Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID) alongwith self attested scanned copies of Client Master or Consolidated Demat Account Statement, PAN Card and any document for proof of address (such as Driving License, Bank Statement, Election Card, Passport, AADHAAR Card, etc.) through email to [isc@chambal.in](mailto:isc@chambal.in).

## 7. Entitlement for E-Voting

7.1 A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories (in case of shares held in dematerialised form) as on the cut-off date i.e. **September 03, 2020** only shall be entitled to avail the facility of remote E-voting as well as voting in the AGM through E-voting system. A person who is not a member as on the cut-off date should treat this notice of AGM for information purposes only. The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid-up equity share capital of the Company as on cut-off date i.e. **September 03, 2020**.

7.2 A person who becomes a member of the Company after sending of the notice of AGM and holding shares as on the cut-off date i.e. **September 03, 2020**, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [isc@chambal.in](mailto:isc@chambal.in) or call on toll free no. 1800-222-990.

## 8. Contact Details for Queries / Grievances

In case of any queries, the members may refer the Frequently Asked Questions (FAQs) (for Shareholders) on the e-Voting System of NSDL and User Manual on e-Voting System for Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990. In case of any queries/ grievances connected with remote E-voting and the E-voting in the AGM or if the members need any assistance before or during the AGM, the members may contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) (Telephone No. 022-24994545) or Mr. Shyamal Kumar Choudhury, Deputy Manager - Secretarial at the Corporate Office of the Company at "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025, Telephone No. 011- 41697900 / 011-46581300, Fax: 011-40638679, E-mail: [isc@chambal.in](mailto:isc@chambal.in).

## 9. Declaration of voting results

9.1 The Board of Directors of the Company has appointed Mr. Manish Gupta, Partner, RMG & Associates, Company Secretaries in whole time practice (Membership No. FCS 5123 and Certificate of Practice No. 4095) and in his absence, Mr. Manoj Maheshwari, Partner, V. M. & Associates, Company Secretaries in whole time practice (Membership No. FCS 3355 and

Certificate of Practice No. 1971), to scrutinise the remote E-voting process and voting in the AGM in a fair and transparent manner.

9.2 After completion of scrutiny of the votes cast at the AGM and the votes cast through remote E-voting, the Scrutiniser shall make, not later than 48 Hours of conclusion of the AGM, a consolidated scrutiniser's report and submit the same to the Chairperson of AGM or any other person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith. The results declared alongwith scrutiniser's report shall be placed on the Company's website [www.chambalfertilisers.com](http://www.chambalfertilisers.com) and NSDL website [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the results are declared.

## 10. Unclaimed Dividend

The members are hereby informed that the Company is required to transfer the dividends, which remain unclaimed/ unpaid for a period of seven years, to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government. During the financial year 2019-20, the Company has transferred unclaimed / unpaid dividend for the financial year 2011-12 to IEPF.

The Company has uploaded the details of unpaid / unclaimed dividend lying with the Company, on the website of the Company ([www.chambalfertilisers.com](http://www.chambalfertilisers.com)). The members are advised to send their requests for payment of unpaid / unclaimed dividend pertaining to the financial years 2012-13 and subsequent dividends declared by the Company to the Company's Share Transfer Agent for payment before the same becoming due for transfer to IEPF.

## 11. Transfer of shares to IEPF

The members may kindly note that pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more shall be transferred by the Company to the demat account of Investor Education and Protection Fund Authority ("IEPF Authority"). During the financial year ended March 31, 2020, the Company has transferred 4,40,622 equity shares to the demat account of IEPF Authority in respect of which dividend has remained unpaid/ unclaimed for the last seven years. 43,65,395 equity shares of the Company were lying in the demat Account of IEPF Authority as on March 31, 2020.

The members, whose unclaimed dividend and / or shares have been transferred to IEPF/ IEPF Authority, may claim the refund of dividend and / or shares, as the case may be, from IEPF/IEPF Authority by submitting an application in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) and following the procedure mentioned at the said website and in IEPF Rules.

In pursuance of the IEPF Rules, the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to IEPF during the financial year 2020-21. The Company

has also uploaded details of such shareholders and shares due for transfer to IEPF on its website at [www.chambalfertilisers.com](http://www.chambalfertilisers.com) under the section "Investors & Policies".

## 12. Updation of PAN and Bank details and discontinuation of transfer of shares in physical form

12.1 As per circular dated April 20, 2018 issued by the Securities and Exchange Board of India, the listed companies are required to obtain copy of PAN card and bank account details (original cancelled cheque leaf / attested bank passbook showing the name of account holder) of all securities holders holding shares in physical form. Accordingly, the Share Transfer Agent of the Company has communicated individually to the shareholders of the Company who are holding shares in physical form to submit the aforesaid documents alongwith the duly filled-in format sent with the said communication, for updation of records. The members holding shares in physical form, who have not yet submitted these documents to the Company / Share Transfer Agent, are requested to submit the same to the Share Transfer Agent of the Company.

12.2 In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, except in case of transmission or transposition of shares, the processing of requests for effecting transfer of shares held in physical form is not allowed with effect from April 01, 2019. The Securities and Exchange Board of India vide its press release dated March 27, 2019 had clarified that the transfer deed(s) once lodged prior to deadline of April 01, 2019 and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Therefore, the members holding equity shares of the Company in physical form are advised to dematerialise their shareholding.

## 13. Share Transfer Agent

Zuari Finserv Limited is Share Transfer Agent of the Company. All investor related communication may be addressed to:

Zuari Finserv Limited  
"Corporate One", First Floor, 5, Commercial Centre,  
Jasola, New Delhi - 110 025  
Tel: 011 - 41616619, 41697900  
Fax: 011 - 40638679  
E-mail: [rta@adventz.zuarimoney.com](mailto:rta@adventz.zuarimoney.com)

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 3

The Board of Directors, on the recommendation of the Audit Committee, had approved the appointment of M/s. K. G. Goyal & Associates, Cost Accountants, as Cost Auditor for conducting audit of the cost records of the Company, as applicable, for the financial year 2020-21 at a fee of Rs. 1,00,000 plus applicable taxes and reimbursement of out of pocket expenses.

In pursuance of the provisions of Section 148 of the

Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company. Accordingly, the consent of the shareholders is being sought for ratification of the remuneration payable to the Cost Auditor for the financial year 2020-21.

None of the Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 3 of the Notice for approval of members.

### Item No. 4

The Board of Directors at its meeting held on November 08, 2019, on the recommendations of Nomination and Remuneration Committee and exercising the powers vested in it in terms of the Articles of Association of the Company and Section 196(4) and other relevant provisions of the Companies Act, 2013 ("Act"), appointed Mr. Gaurav Mathur (DIN: 07610237) as a Whole-time Director, designated as Joint Managing Director, for a period of 5 (five) years with effect from January 06, 2020, subject to the approval of the members of the Company. His period of office as Director is liable to determination by retirement by rotation.

Mr. Gaurav Mathur, aged about 51 years, is a Chemical Engineer from Indian Institute of Technology, Kanpur having more than 30 years of experience in the fields of Industrial Explosives, Specialty Chemicals, Coatings & Paints and Pharmaceutical Industries. Mr. Gaurav Mathur started his career in 1989 as a Management Trainee in the explosives business with ICI India Limited (now AkzoNobel India Limited). He worked with ICI India Limited / AkzoNobel India Limited for around 27 years and held various senior executive positions in India and abroad such as Head of Research and Development – Decorative Paints, Global Manufacturing & Supply Chain Director, Global Director - Continuous Improvement & Strategic Initiatives, etc. Prior to joining the Company, Mr. Gaurav Mathur was working as Managing Director of TEVA API India Private Limited since September 2016 and was heading Active Pharmaceutical Ingredient operations for Asia Pacific, Israel and Europe.

The key terms and conditions of appointment including remuneration payable to Mr. Gaurav Mathur are as under:

- I. **Tenure of appointment:** Five years from January 06, 2020.
- II. **Salary & Allowances:**
  - (i) Basic salary of Rs. 11,50,000 per month in the range of Rs. 11,50,000 to Rs. 20,00,000 per month;
  - (ii) Special allowance of Rs. 2,67,000 per month in the range of Rs. 2,67,000 to Rs. 5,00,000 per month;
  - (iii) Annual increments may be determined by the Board of Directors;
  - (iv) Lump sum one-time joining payment of Rs. 26,00,000;
  - (v) The Company shall provide fully furnished accommodation or house rent allowance equivalent to 60% of the basic salary;
  - (vi) Initial performance bonus of Rs. 1,00,00,000 (paid in June 2020); and
  - (vii) Performance bonus pertaining to the financial year 2020-21 and subsequent financial years may be determined by the Board of Directors from time



to time; Provided that the maximum performance bonus paid / payable in respect of a financial year shall not exceed the amount equivalent to 18 months' basic salary (calculated based on the last drawn basic salary).

III. Perquisites and other Benefits:

- (i) A Company provided and maintained air conditioned car with driver or vehicle allowance of Rs. 2,00,000 per month in lieu thereof;
- (ii) Telephone alongwith internet facility at residence and mobile phone, at the Company's expense;
- (iii) Group health insurance cover for self and dependent family members and life insurance cover, as per the policy of the Company;
- (iv) Leave travel assistance and medical allowance as applicable to the senior management employees as per policy of the Company; and
- (v) In addition to the above, all other benefits such as gratuity, employer's contribution to provident fund and superannuation fund / national pension system or superannuation allowance in lieu thereof, club fee (not more than two clubs), long service awards, paid leaves and encashment of unavailed leaves, etc. as applicable to the senior management employees as per the policy of the Company, shall be applicable and allowed to Mr. Gaurav Mathur, Joint Managing Director.

IV. The payment of remuneration to Mr. Gaurav Mathur, Joint Managing Director shall be within the overall limits prescribed under Section 197 of the Act.

V. If Mr. Gaurav Mathur ceases to hold office of Whole Time Director/ Joint Managing Director due to any reason whatsoever, he shall immediately cease to be a Director of the Company.

The Company has entered into an Employment Agreement dated December 16, 2019 ("Employment Agreement") with Mr. Gaurav Mathur containing the terms and conditions of his appointment including remuneration. Either of the parties to the Employment Agreement may terminate the Employment Agreement by giving the other party 90 days' notice in writing.

The Company has not defaulted in the payment of dues to any bank or public financial institution or non-convertible debenture holders, or any other secured creditor.

The Company has received in writing from Mr. Gaurav Mathur (i) consent to act as Director of the Company; and (ii) intimation to the effect that he is not disqualified from being appointed as Director in terms of Section 164(2) of the Act.

Mr. Gaurav Mathur is not a Director of any listed entity other than the Company. Mr. Gaurav Mathur is member of Risk Management Committee of the Board of Directors of the Company.

Mr. Gaurav Mathur does not hold equity shares in the Company and he is not a relative (as defined under the Act and Rules thereunder) of any Director or Key Managerial Personnel of the Company. He has attended 2 meetings of the Board of Directors held during the financial year 2019-20.

The details of remuneration paid to Mr. Gaurav Mathur during the financial year 2019-20 are as under:

(Amount in Rs.)

Salary	Perquisites	Others-Retirement Benefits and other perquisites	Total
93,21,569	3,26,000	4,20,191	1,00,67,760

The Employment Agreement, the Articles of Association of the Company and other documents referred above shall be available for inspection electronically by members upto the date of Annual General Meeting. The members seeking inspection of these documents may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).

Save and except Mr. Gaurav Mathur, none of the Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 4 of the Notice for approval of members.

**Item No. 5**

The Board of Directors at its meeting held on November 08, 2019, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as an Additional Director under Section 161 of the Companies Act, 2013 ("Act") and Article 64 of the Articles of Association of the Company, with effect from December 01, 2019, in the category of Independent Director. The Board of Directors has recommended to the shareholders of the Company, the appointment of Mr. Pradeep Jyoti Banerjee as an Independent Director for a period of 5 (five) consecutive years from December 01, 2019 to November 30, 2024. In pursuance of Section 149 read with Schedule IV to the Act, the appointment of an independent director requires approval of the members. The Company has received notice in writing from a member under the provisions of Section 160 of the Act, proposing the candidature of Mr. Pradeep Jyoti Banerjee for the office of Director.

The Company has received in writing from Mr. Pradeep Jyoti Banerjee (i) consent to act as Director of the Company; (ii) intimation to the effect that he is not disqualified from being appointed as Director in terms of Section 164(2) of the Act; and (iii) declaration that he meets the criteria of independence as specified under Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Pradeep Jyoti Banerjee, aged about 61 years, is Bachelor of Technology (Chemical) from Indian Institute of Technology, Delhi. He started his career as Management Trainee at Hindustan Unilever Limited ("HUL") in the year 1980 and held series of assignments in several departments at HUL including in the areas of supply chain, research and development, etc. He became the Vice President - Technical (Home and Personal Care) at HUL in 2003 and later on moved to London in the year 2005 as Vice President, Global Supply Chain for Personal Care category where he was responsible for strategic elements of Unilever's global personal care supply chain. He has also served as Vice President for Global Procurement in Singapore where

he was handling procurement operations for the Unilever businesses in Asia and Africa. Mr. Pradeep Jyoti Banerjee retired from the position of Executive Director - Supply Chain of HUL on December 31, 2019.

The details of other Indian companies in which Mr. Pradeep Jyoti Banerjee is a Director, are as under:

S. No.	Name of the Company
1.	Gabriel India Limited*
2.	Whirlpool of India Limited*

\*Listed entity

The details of Mr. Pradeep Jyoti Banerjee's Chairpersonship / Membership of the Committees of the Board of Directors of Indian Companies, are as under:

S. No.	Name of the Company	Name of the Committee	Position held
1.	Chambal Fertilisers and Chemical Limited	Risk Management Committee	Member
2.	Gabriel India Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Nomination and Remuneration Committee	Chairperson
3.	Whirlpool of India Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Chairperson
		Stakeholders Relationship Committee	Member

Mr. Pradeep Jyoti Banerjee does not hold any shares in the Company and he is not a relative (as defined under the Act and Rules thereunder) of any Director or key managerial personnel of the Company.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the name of Mr. Pradeep Jyoti Banerjee has been included in the data bank maintained by the Indian Institute of Corporate Affairs.

Considering the qualification and experience of Mr. Pradeep Jyoti Banerjee, his appointment as Independent Director shall immensely benefit the Company. In the opinion of the Board of Directors, Mr. Pradeep Jyoti Banerjee fulfils the conditions for appointment as Independent Director as specified in the Act, the Rules made thereunder and the Listing Regulations and he is independent of the management of the Company.

The approval of the members is being sought for appointment of Mr. Pradeep Jyoti Banerjee as Independent Director of the Company to hold office for a term of 5 (five) consecutive years effective from December 01, 2019. He has attended 3 meetings of the Board of Directors held during the financial year 2019-20. The Company has paid sitting fee of Rs. 1,50,000

to him during the financial year 2019-20 and commission of Rs. 1,66,667 is payable to him for the said financial year.

If appointed, Mr. Pradeep Jyoti Banerjee shall be entitled to receive sitting fee for attending the meetings of the Board of Directors and Committees thereof and payment by way of commission within the limits approved by the members. The other terms and conditions of appointment of Mr. Pradeep Jyoti Banerjee shall be as per the draft letter of appointment. The draft letter of appointment setting out terms and conditions of appointment of Mr. Pradeep Jyoti Banerjee, the Articles of Association of the Company and other documents referred above shall be available for inspection electronically by members upto the date of Annual General Meeting. The members seeking inspection of these documents may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).

Save and except Mr. Pradeep Jyoti Banerjee, none of the Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 5 of the Notice for approval of members.

#### Item No. 6

In pursuance of Section 149 of the Companies Act, 2013 ("Act") read with Schedule IV to the Act, the appointment of an independent director requires approval of the members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors made a recommendation to the shareholders of the Company for appointment of Mrs. Rita Menon (DIN: 00064714) as an Independent Director of the Company for a period of 5 (five) years. The Company has received notice in writing from a member under the provisions of Section 160 of the Act, proposing the candidature of Mrs. Rita Menon for the office of Director.

Mrs. Rita Menon, aged about 68 years, is M.A (Economics) from Delhi School of Economics. She joined the Indian Administrative Service in the year 1975 and held a number of senior positions in the Government of India and the Government of Uttar Pradesh. She retired in the year 2015 from the position of Chairperson and Managing Director of India Trade Promotion Organisation. In her career in public service, she had worked in various departments / ministries of Government of India such as Secretary in Ministry of Textiles, Additional Secretary and Special Secretary in Ministry of Finance, Joint Secretary in Ministry of Defence, etc. She was also Director of various public sector undertakings. Mrs. Rita Menon has vast experience in the areas of industrial development, finance, defence planning and procurement, public policy & administration, etc.

Mrs. Rita Menon volunteers for few not for profit organizations like All India Women's Education Fund Association, Association of Independent Directors of India and Music Concepts India. She has also served as the President of the Governing body of Lady Irwin College, University of Delhi.

The Company has received in writing from Mrs. Rita Menon (i) consent to act as Director of the Company; (ii) intimation to the effect that she is not disqualified from being appointed as Director in terms of Section 164(2) of the Act; and (iii) declaration that she meets the criteria of independence

as specified under Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The details of other Indian companies in which Mrs. Rita Menon is a Director, are as under:

S. No.	Name of the Company
1.	Mangalore Chemicals & Fertilizers Limited *
2.	Micromax Informatics Limited
3.	Metropolitan Clearing Corporation of India Limited

\*Listed entity

The details of Mrs. Rita Menon's Chairpersonship / Membership of the Committees of the Board of Directors of Indian Companies, are as under:

S. No.	Name of the Company	Name of the Committee	Position held
1.	Mangalore Chemicals & Fertilizers Limited	Audit Committee	Member
		Stakeholders' Relationship Committee	Member
		Corporate Social Responsibility Committee	Chairperson
		Banking and Finance Committee	Chairperson
2.	Micromax Informatics Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairperson
		Risk Management Committee	Member
3.	Metropolitan Clearing Corporation of India Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Member and Core Settlement Guarantee Fund Committee	Chairperson
		Risk Management Committee	Chairperson
		Corporate Social Responsibility Committee	Chairperson
		Regulatory Oversight Committee	Chairperson
		Executive Committee	Chairperson
		Public Interest Directors Committee	Member

Mrs. Rita Menon does not hold any shares in the Company and she is not a relative (as defined under the Act and Rules thereunder) of any Director or key managerial personnel of the Company.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the name of Mrs. Rita Menon has been included in the data bank maintained by the Indian Institute of Corporate Affairs.

Considering the qualification and experience of Mrs. Rita Menon, her appointment as Independent Director shall immensely benefit the Company. In the opinion of the Board of Directors, Mrs. Rita Menon fulfils the conditions for appointment as Independent Director as specified in the Act, the Rules made thereunder and the Listing Regulations and she is independent of the management of the Company.

The approval of the members is being sought for appointment of Mrs. Rita Menon as Independent Director of the Company to hold office for a term of 5 (five) consecutive years effective from September 10, 2020.

If appointed, Mrs. Rita Menon shall be entitled to receive sitting fee for attending the meetings of the Board of Directors and Committees thereof and payment by way of commission within the limits approved by the members. The other terms and conditions of appointment of Mrs. Rita Menon shall be as per the draft letter of appointment. The draft letter of appointment setting out terms and conditions of appointment of Mrs. Rita Menon and other documents referred above shall be available for inspection electronically by members upto the date of Annual General Meeting. The members seeking inspection of these documents may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).

None of the Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 6 of the Notice for approval of members.

#### Item No. 7

The shareholders of the Company at the Annual General Meeting held on September 15, 2015 had approved payment of commission upto one percent of the net profits of the Company subject to the maximum of Rs. 5,00,000 (Rupees Five Lakhs only) per annum, to each of the Non-Executive Directors of the Company for a period of 5 (five) years starting from the financial year 2015-16, which was valid till March 31, 2020.

In order to appropriately remunerate the Non-Executive Directors commensurate with the responsibilities and time and efforts put in by them, the Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, has recommended to the members of the Company for their approval, payment, by way of commission, to the Non-Executive Directors of the Company for a period of 5 (five) financial years commencing from the financial year 2020-21.

The aggregate commission payable to all the Non-Executive Directors in a financial year, shall not exceed 1% (one percent) of the net profits of the Company computed in the manner

prescribed under Section 198 of the Companies Act, 2013 ("Act"). The commission payable to a Non-Executive Director during a financial year shall not exceed Rs. 10,00,000 (Rupees Ten Lakhs only) and it shall be paid in addition to the sitting fee payable to the Non-Executive Directors for attending meetings of the Board of Directors and Committees thereof.

The Company has not defaulted in the payment of dues to any bank or public financial institution or non-convertible debenture holders, or any other secured creditor.

In pursuance of Section 197 of the Act read with the Articles of Association of the Company, the payment by way of commission to Non-Executive Directors requires approval of the members by way of an ordinary resolution.

The Articles of Association of the Company shall be available for inspection electronically by members upto the date of Annual General Meeting. The members seeking inspection thereof may send an email to the Company at [isc@chambal.in](mailto:isc@chambal.in).

All the Non-Executive Directors of the Company (to the extent of commission payable to them) are interested in the resolution. None of the other Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 7 of the Notice for approval of members.

#### Item No. 8

The members of the Company at the Thirty-third Annual General Meeting held on September 18, 2018 had approved the re-appointment of Mr. Saroj Kumar Poddar as Director of the Company, liable to retire by rotation.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 01, 2019, no listed entity shall appoint or continue the directorship of a non-executive director who has attained the age of seventy five years, unless a special resolution is passed to that effect. Mr. Saroj Kumar Poddar shall attain the age of 75 (seventy-five) years on September 15, 2020. Accordingly, approval of the members by way of special resolution is required for continuation of directorship of Mr. Saroj Kumar Poddar after he attains the age of 75 years.

Mr. Saroj Kumar Poddar (DIN: 00008654), Chairman of the Company, a gold medalist in B.Com (Hons.) from Calcutta University, is an eminent Industrialist of India. Mr. Saroj Kumar Poddar has been a pioneer in creating various seminal projects including joint ventures with leading international corporations. He was also instrumental in promoting Gillette India Limited (a venture with the Gillette Company of USA) and he was founder Chairman since 1984, before relinquishing the position in December 2013.

Having served as President of Federation of Indian Chambers of Commerce and Industry (FICCI) and International Chamber of Commerce in India, Mr. Saroj Kumar Poddar has been appointed by Government of India on the Board of Trade - the highest body on trade and on the Court of the Indian Institute of Science, Bangalore. He has also served for a decade as a member of the Board of Governors of the Indian Institute of Technology, Kharagpur and also on local Board of the Reserve Bank of India. He was also on the Advisory Board of one of the

most reputed investment brokers, M/s N M Rothschild & Sons (India) Pvt. Limited.

The details of other Indian companies in which Mr. Saroj Kumar Poddar is a Director, are as under:

S. No.	Name of the Company
1.	Adventz Finance Private Limited
2.	Adventz Homecare Private Limited
3.	Forte Furniture Products India Private Limited
4.	Hepo India Private Limited
5.	Hettich India Private Limited
6.	Lionel India Limited
7.	Paradeep Phosphates Limited
8.	Texmaco Infrastructure & Holdings Limited*
9.	Texmaco Rail & Engineering Limited*
10.	Zuari Agro Chemicals Limited*
11.	Zuari Global Limited*

\*Listed entity

The details of Mr. Saroj Kumar Poddar's Chairpersonship / Membership of the Committees of the Board of Directors of Indian companies, are as under:

S. No.	Name of the Company	Name of the Committee	Position held
1.	Adventz Finance Private Limited	Audit Committee	Chairman
		Nomination Committee	Chairman
2.	Paradeep Phosphates Limited	Nomination & Remuneration Committee	Member
3.	Texmaco Infrastructure & Holdings Ltd.	Sub Committee of Directors	Member
4.	Texmaco Rail & Engineering Ltd.	Committee of Directors	Chairman
5.	Zuari Agro Chemicals Limited	Committee of Directors for Banking & Finance	Chairman
6.	Zuari Global Limited	Committee of Directors for Banking & Finance	Chairman

Mr. Saroj Kumar Poddar holds 7,06,128 equity shares in the Company and he is not a relative (as defined under the Companies Act, 2013 and Rules thereunder) of any Director or key managerial personnel of the Company.

Mr. Saroj Kumar Poddar was first appointed on the Board of Directors of the Company with effect from February 13, 1995. He is Chairman of the Company since September 16, 2008. He is entitled to receive sitting fee for attending

the meetings of the Board of Directors and Committees thereof and payment by way of commission within the limits approved by the members. He has attended 6 meetings of the Board of Directors of the Company held during the financial year 2019-20. The Company has paid sitting fee of Rs. 3,00,000 to him during the financial year 2019-20 and commission of Rs.5,00,000 is payable to him for the said financial year.

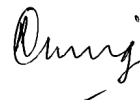
Under the guidance and mentorship of Mr. Saroj Kumar Poddar, the Company had achieved substantial growth during last 10 years. The Company had successfully commissioned its new Urea plant during the financial year 2018-19. In addition to this, the Company had substantially increased the volume of marketed products. As a result of these initiatives, the revenue and profitability of the Company had increased substantially. Considering the seniority, expertise and vast experience of Mr. Saroj Kumar Poddar, the Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that continuation of Mr. Saroj Kumar Poddar as a Director would immensely benefit the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 23, 2020 has recommended to the members of the Company to approve the continuation of Mr. Saroj Kumar Poddar as Director of the Company after he attains the age of 75 years.

Save and except Mr. Saroj Kumar Poddar, none of the Directors, key managerial personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No. 8 of the Notice for approval of members.

**By order of the Board of Directors**



**Rajveer Singh**

Vice President - Legal & Secretary

New Delhi  
August 12, 2020



**Together We Secure Food for Nation**



Annual Report  
**2019-20**

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**DIRECTORS**

Saroj Kumar Poddar  
Chairman

Shyam Sunder Bhartia  
Co-Chairman

Anil Kapoor  
Managing Director

Gaurav Mathur  
Joint Managing Director

Pradeep Jyoti Banerjee

Nimesh Nagindas Kampani

Vivek Mehra

Chandra Shekhar Nopany

Radha Singh

Marco Philippos Ardeshir Wadia

**SECRETARY**

Rajveer Singh

**SENIOR EXECUTIVES**

Abhay Baijal  
Chief Financial Officer

Upendra Rajnarayan Singh  
Vice President - Works

Virendra Kumar Gupta  
Vice President - Marketing

**AUDITORS**

Price Waterhouse  
Chartered Accountants LLP

**COST AUDITORS**

K.G. Goyal & Associates

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**Chambal Fertilisers and Chemicals Limited**

(CIN : L24124RJ1985PLC003293)

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

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

**Corporate Office :** "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi -110 025

**Tel. Nos. :** +91-11- 46581300, 41697900; **Fax :** +91-11- 40638679

**Email :** isc@chambal.in; **Website :** www.chambalfertilisers.com

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**BOARD'S REPORT**

Dear Members,

Your Board of Directors have pleasure in presenting the 35<sup>th</sup> Annual Report on the business and operations of the Company together with audited financial statements for the Financial Year ended March 31, 2020.

**1. Standalone Financial Results**

(Rs. in Crore)

Particulars	Financial Year	
	2019-20	2018-19
Revenue from Operations	12205.95	10094.52
Other Income	179.34	141.60
Total Income	12385.29	10236.12
Total Expenses	11093.01	9246.16
Profit before Exceptional Items and Tax	1292.28	989.96
Exceptional Items	(33.42)	197.27
Profit before Tax	1325.70	792.69
Total Tax Expenses	101.39	247.42
<b>Profit for the Year</b>	<b>1224.31</b>	<b>545.27</b>
Other Comprehensive Income for the Year (Net of Tax)	(251.62)	(111.35)
<b>Total Comprehensive Income for the Year</b>	<b>972.69</b>	<b>433.92</b>
<b>Retained Earnings - Opening Balance</b>	<b>2381.60</b>	<b>1981.57</b>
Add:		
Profit for the Year	1224.31	545.27
Any Other Change	0.57	0.93
Less:		
Cash Dividend (including Dividend Distribution Tax)	301.05	95.34
Transfer to General Reserve	50.00	50.00
Re-measurement Loss on Defined Benefit Plans	1.31	0.83
<b>Retained Earnings - Closing Balance</b>	<b>3254.12</b>	<b>2381.60</b>

**2. Operations**

The Company is engaged in manufacturing of Urea with three Urea plants at Gadepan, District Kota, Rajasthan. The third Urea plant of the Company ("Gadepan-III Plant") had commenced the commercial production of Urea with effect from January 01, 2019. The Company also markets other branded Agri-inputs such as Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK Fertilisers, agrochemicals, sulphur, micronutrients and city compost.

Financial year 2019-20 being first full year of operation of Gadepan-III Plant, the Company had achieved highest ever production of 32.66 lakh MT of Urea in comparison to 25.04 lakh MT of Urea during the Financial Year ended March 31, 2019. It is heartening that despite first year of operation, Gadepan-III Plant ran at its full capacity. The Gadepan-III Plant has not only boosted the top line and bottom line of the Company, it has also helped in reducing the gap in demand and supply of Urea in the country.

During the Financial Year 2019-20, the Company achieved growth in sales volumes of DAP whereas the sales volumes of MOP, NPK Fertilisers and agrochemicals were slightly lower in comparison to the previous year.

With increased volumes of Urea, the Company has focused on enhancing its marketing reach and made a multi-pronged strategy to achieve this objective. During the year under review, the Company has increased its presence by opening new marketing centers in Madhya Pradesh and Uttar Pradesh. The Company has also facilitated easy availability of funds to the dealers by introducing them to the financing schemes of the public sector and private sector banks. This initiative has enabled the dealers of the Company to raise working capital at reasonable rates and helped the Company in increasing its business volumes with the existing dealers. The Company has made a plan to diversify its sources of supply of imported fertilisers in terms of suppliers and countries from which the material is imported.

The outbreak of Novel Corona Virus ("COVID-19") pandemic hit the world and the country during last quarter of the Financial Year 2019-20 resulting into nationwide lockdown from March 25, 2020. Fertiliser being an essential commodity, the Company's manufacturing operations were exempted from lockdown and the Company has been able to continue its operations at normal levels. The Company's production, dispatches, sales and market collections remained unaffected. The Company has been taking all necessary precautions to run its operations in a safe and secure manner. The Company took several pro-active measures such as mobilizing its critical work force, locating them within factory premises and adopting stringent social distancing procedures. In view of the above, there was no impact of COVID-19 pandemic on the operations of the Company.

The Company has achieved highest ever revenue and profit after tax during the financial year 2019-20. The increase in revenue and operating profit was mainly contributed by higher production and sale of Urea from Gadepan-III Plant and higher sales volumes with better margins in DAP. The reduction in margins with lower volumes of MOP, agrochemicals and other products have, on the other hand, impacted the profitability of the Company to some extent.

During the Financial Year 2019-20, the Company has recognized a deferred tax credit of Rs. 343.97 Crore in pursuance of the provisions of the Taxation Laws (Amendment) Act, 2019, which has contributed to the increase in profit after tax of the Company. Further, the Company

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has provided for Rs. 62.02 Crore towards impairment loss in respect of Single Super Phosphate Plant, write off of certain plant & machinery items and fair value loss on investments, which had a negative impact on the profit after tax of the Company.

During the previous year, the Company had provided for Rs. 197.27 Crore due to delay in implementation of Modified New Pricing Scheme – Stage – III (“Modified NPS-III”) for payment on account of additional fixed cost to Urea units by the Ministry of Chemicals and Fertilizers, Government of India (“MOCF”). During the Financial Year 2019-20, MOCF has amended Modified NPS-III and in terms of such amended Modified NPS-III, the Company has reversed the aforesaid provision of Rs. 197.27 Crore and written off an amount of Rs. 91.70 Crore towards subsidy accrued during the previous years. The Company has also provided for a loss of Rs. 72.15 Crore on account of re-measurement of fair value of its investment in CFCL Ventures Limited and its commitment in respect of ISGN Corporation, both being subsidiaries of the Company. The net impact of the above has been shown as “Exceptional Items”.

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

### 3. Dividend

The Board of Directors of the Company declared an interim dividend of Rs. 4.00 per equity share of Rs. 10 each @ 40% (Previous Year – Dividend of Rs. 2.00 per equity share @ 20%) during the Financial Year ended March 31, 2020. The total outgo on this account was Rs. 200.69 Crore including dividend distribution tax of Rs. 34.21 Crore. The Board of Directors has not recommended any further Dividend for the Financial Year 2019-20.

The Dividend Distribution Policy of the Company is attached as **Annexure “B”** to this Report. There has been no change in this policy during the year under review. This policy is also available on the website of the Company and can be accessed at the weblink - <http://www.chambalfertilisers.com/pdf/Final-Dividend-Distribution-Policy.pdf>. The interim dividend declared by the Board of Directors is in accordance with the Dividend Distribution Policy of the Company.

### 4. Consolidated Financial Statements

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

### 5. Corporate Governance Report and Code of Conduct

Your Directors believe in maintaining the high standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2019-20 is attached as **Annexure “C”** to this Report. All the Directors of the Company and senior management personnel have confirmed the compliance of Code of Conduct and Ethics of the Company. The declaration of the Managing Director confirming compliance with the ‘Code of Conduct and Ethics’ of the Company is enclosed as **Annexure “D”** to this Report and Auditor’s Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **Annexure “E”** to this Report.

### 6. Subsidiaries and Joint Venture

The details of the subsidiaries and joint venture as on March 31, 2020 are given below:

#### (a) Subsidiaries

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

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

The business of ISGN, USA includes designing, developing, marketing and distribution of software products for the mortgage lending industry in USA including licensing of the technology products as well as providing software as a service. ISGN, India supports this business through its operations in India. ISGN, USA and ISGN, India have sold / transferred certain assets/ liabilities to the respective buyers and these transactions were completed in the last quarter of the Financial Year 2019-20. After completion of these transactions, these subsidiaries were not having any business activity.

During the Financial Year 2018-19, the shareholders of Inuva Info Management Private Limited (Under Liquidation) (“Inuva”), a subsidiary of ISGN, India, had approved its voluntary liquidation in pursuance of the provisions of Insolvency and Bankruptcy Code, 2016 (“Insolvency Code”) read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (“Insolvency Rules”). The liquidator has completely liquidated the assets of Inuva during the Financial Year 2019-20 and it was not having any assets or liabilities as on March 31, 2020. Inuva is in the process of voluntary liquidation / dissolution.

##### (ii) Other Subsidiaries

Chambal Infrastructure Ventures Limited is a wholly owned subsidiary of the Company in India. There was no business activity in this subsidiary during the year under review.

During the Financial Year 2018-19, the shareholders of India Steamship Limited (Under Liquidation) (“ISS, India”), a wholly owned subsidiary of the Company, had approved its voluntary liquidation in pursuance of the provisions of Insolvency Code read with the Insolvency Rules. The liquidator had completely liquidated the assets of ISS, India during the Financial Year 2019-20 and it was not having any assets or liabilities as on March 31, 2020. ISS, India is in the process of voluntary liquidation/ dissolution.

Further, the Board of Directors of India Steamship Pte. Ltd. (“ISS, Singapore”), a wholly owned subsidiary of the Company in Singapore, and the Company as its shareholder had approved the closure and voluntary striking-off the name of ISS, Singapore from the register of Accounting and Corporate Regulatory Authority, Singapore (“ACRA”). The assets and liabilities of ISS, Singapore were settled during the Financial Year 2019-20. The name of ISS, Singapore has been struck-off from the register of ACRA on April 6, 2020 and it ceased to be a subsidiary of the Company.

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

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

The performance of IMACID is summarized below:

Particulars	April 01, 2019 to March 31, 2020	January 01, 2018 to March 31, 2019
Production of Phosphoric Acid (MT)	344,381	472,138
Sales of Phosphoric Acid (MT)	293,093	481,808
Revenue	Moroccan Dirham 1944.07 Million (Rs. 1425.01 Crore)	Moroccan Dirham 3409.55 Million (Rs. 2475.33 Crore)
Profit after Tax	Moroccan Dirham 12.34 Million (Rs.9.04 Crore)	Moroccan Dirham 482.15 Million (Rs. 350.04 Crore)

During the previous year, the Company has considered financial results of IMACID for 15 months period ended March 31, 2019 for preparation of its consolidated financial statements, in order to align the financial reporting period of IMACID and the Company. In the current year, the Company has considered financial results of IMACID for 12 months ended March 31, 2020 for preparation of its consolidated financial statements.

IMACID faced challenges on the demand side and the margins were also low due to adverse market conditions. The lower production and sales with lower margins have impacted the financial performance of IMACID during the Financial Year 2019-20.

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

The performance of the subsidiaries of the Company is summarized in Form AOC - 1 attached to the Financial Statements of the Company in pursuance of Section 129 of the Companies Act, 2013. The contribution of subsidiaries and joint venture to the overall performance of the Company is also provided in Note no. 48 to the Consolidated Financial Statements.

The Company shall place the financial statements of subsidiaries on its website in pursuance of Section 136 of the Companies Act, 2013.

Except as mentioned above, no subsidiary, associate or joint venture has been acquired or ceased/ sold / liquidated during the Financial Year 2019-20.

**7. Health, Safety, Quality and Environmental Protection**

The health and safety of people is of utmost importance to your Company and it continuously works towards improving the safety standards at workplace. The Health, Safety, Security, Environment & Quality Policy of the Company sets out a formal process to achieve this objective. An Integrated Management System based on ISO- 45001:2018, ISO-14001:2015, ISO- 9001:2015 is in place in the Company and it has also adopted Process Safety Management. The details of various activities of the Company in this regard are as under:

**(a) Health & Hygiene**

The health assessment and occupational disease monitoring of employees and contractor workers is carried out through periodic medical examinations and hygiene monitoring at work place.

A well-equipped health centre at Gadepan operates round the clock to provide health services to employees & their families, contractor workforce and villagers in the vicinity of the plants. Three well equipped ambulances are available on round the clock basis at Gadepan which also cater to the requirements of villagers in medical emergencies. The Company also facilitates employees to consult a Company affiliated doctor to ensure the well-being of the employees. The Company also organizes training and awareness programs on health and hygiene related matters from time to time through external experts. In addition to this, various health camps and campaigns like pulse polio & swine flu vaccination, blood donation, immunization programmes for children, etc. are also organized periodically. The self-sustainable complex at Gadepan provides neat, clean and healthy environment to the employees and their families which goes a long way in their well-being.

**(b) Safety Management**

In order to ensure highest levels of health and safety of all the employees and contractor workforce, there is a well-defined health and safety management system in place in your Company. The Company has implemented a number of safety measures for accident prevention like hazard identification and risk assessment, job safety analysis, safety work permit system, etc. A strong Process Safety Management system is also in place to take care of safety in operation of plants and maintenance of equipment and machinery.

In order to take care of safety aspects in maintenance jobs in the plants, a cross functional team of senior management members review the jobs on a daily basis from safety perspective and ensures that all recommended actions are taken to prevent hazards. Extensive trainings and drills are conducted by internal and external experts which helps in maintaining and improving safety systems. The schemes of "Near-Miss" and "Make-to Good" reporting are in place and various programmes and campaigns are organized to encourage safety awareness and involvement among employees and contractor workforce. Keeping in view the nature of its operations, the Company has a well-defined "Onsite Disaster Management Plan" and "Mutual Aid and Response Group" arrangement with neighboring industry. The Company also provides services to neighboring villages surrounding Gadepan plants in case of any fire emergency.

**(c) Environment Management**

Your Company gives utmost importance to protection of environment and conservation of natural resources. There is a strong focus on optimization of resource consumption (including raw materials, fuels and water) and reduction of waste generation and emissions to the atmosphere.

Your Company has a robust mechanism in place to ensure that all the environmental parameters are maintained within the permissible limits. A dedicated Environment Management Cell monitors the compliances related to environment.

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The Company's Gadepan campus made a positive change in ecology by developing a dense green belt comprising of variety of fruits and shrubs. Regular plantation is done in the campus to provide soothing & healthy environment for people working/residing in and around the complex. The campus is a habitat to many species of birds which include large number of peacocks. Only treated waste water is used in maintaining the green belt through irrigation network spread all over the complex. Use of polythene bags is strictly prohibited in the Gadepan campus.

The Gadepan-III Plant of the Company has a reverse osmosis-zero liquid discharge plant for treatment of effluent which has resulted in lesser intake of fresh water from the river. The Gadepan-III Plant is more energy efficient and therefore consumes less natural resources. Bio-Methanation plant is operational at Gadepan to handle the kitchen waste of plant canteen and township facilities and bio-gas is being utilized in the kitchen facility of guest house.

**(d) Quality Management**

Your Company has adopted state of the art technology in its plants to ensure world class quality of the product. The Urea manufactured by the Company is preferred in its marketing territory because of its quality. The Company is having a well-equipped laboratory at Gadepan for testing of raw material as well as end product. The quality is ensured at all stages of manufacturing processes, maintenance and support services. The Company sources the products marketed by it from the reputed manufacturers and the quality of branded products is ensured through testing at different stages. The Company gives utmost importance to customer feedback which is one of the most important tool for recognizing the areas of improvement.

**8. Corporate Social Responsibility**

The Corporate Social Responsibility ("CSR") has always been given due importance by the Company since inception. The Company has developed projects and programs keeping in view the needs and requirements of the community in the rural areas especially the villages near its plants. The CSR projects / programs of the Company cover the areas of Education including Technical and Vocational Education, Rural Development, Health care and Sanitation, Employability and Empowerment and Environmental Sustainability, Animal Welfare and Soil Health.

The brief outline of the CSR projects / programs of the Company is as under:

**a) Project Akshar - Pre-primary & School Education**

The comprehensive school education program aims to deliver better access to quality education to children from deprived and disadvantaged section of the society. Your Company is supporting more than 7700 students through 41 Government Aanganwadi centers and 44 Government schools of District Kota and Baran in Rajasthan. Your Company has adopted two additional government schools during the Financial Year 2019-20. The Company is giving priority to modernization of educational means in the adopted schools. During the Financial Year 2019-20, 10 additional smart classes and 2 digital English labs were set up in adopted schools taking the total number to 31 smart classes, 2 digital English labs and 44 computer labs. 4 science labs were also developed in Senior Secondary Schools for developing science acumen amongst students of higher classes. The Company is also focusing on promotion of extra-curricular activities which plays a vital role in holistic development of the child.

CFDAV School is being run in collaboration with DAV College Trust and Management Society and over 61% students in this school are from nearby villages.

In 25<sup>th</sup> State Level Bhamashah Awards - 2019, the Company was conferred with "Commendation Letter - Shiksha Vibhushan" by the Government of Rajasthan for its contribution in the field of education. Your Company was also conferred with the 3<sup>rd</sup> Rajasthan CSR Award in "Education and Skill Development Category" by the Government of Rajasthan.

**b) Project Saksham - Technical and Vocational Education**

Technical Education project / program of the Company aims to enhance the skills and employability of the students in order to enable them to get better employment opportunities. Your Company is supporting 5 Industrial Training Institutes (ITIs) i.e. ITI Sangod, ITI Sultanpur, ITI Baran, ITI Jhalawar and ITI Khanpur in Rajasthan. More than 1300 students are enrolled in these institutions pursuing courses in 10 different employable trades.

In order to expand the technical education initiative, your Company has adopted Government Polytechnic College, Baran during the Financial Year 2019-20. This initiative is expected to support more than 780 students in 4 different diploma engineering courses.

The objective of the Company is to enhance the infrastructure and education level in the adopted institutions and create employment opportunities for the students. The employees of the Company are involved in the management of these institutions to ensure that the institutions follow the plans to meet the above objective.

During the Financial Year 2019-20, 10 additional smart classes were added and 1575 trainees were certified in the courses such as "Fire and Safety" and "Occupational Health and First Aid" in these institutions. In order to bridge the gender gap in institutions, two trades - Computer Operator and Programming Assistant in ITI Jhalawar and Sewing Technology in ITI Baran are reserved for female candidates only.

Your Company is also offering short term vocational training programs in 4 Vocational Training Centers at Gadepan, Simliya, Palaiitha and Rajgarh villages. These centers are providing certificates courses on Advance Tailoring, Food preservation and Value addition, Tie and Dye techniques, Motor Driving, Automobile Repairing and Solar Panel Assembling and Repairing, etc.

**c) Project Saakar - Rural Development**

The Company has made significant investment over the years for the development of rural infrastructure to provide better living opportunity to the community members.

During the Financial Year 2019-20, your Company has undertaken construction of cement concrete roads, drainage improvement system, development of playground, community shed, drinking water facility, etc. in nearby villages. The Company has also undertaken renovation and maintenance activities in 17 Government Schools during the Financial Year 2019-20.

**d) Project Arogya - Health Care and Sanitation**

Your Company is focusing on improvement in health and hygiene conditions of people in the rural areas through organizing various awareness programs and health checkup camps.

In order to address the outbreak of COVID-19 pandemic, special sessions were organized in all adopted schools. The Company has also provided necessary support in the nearby areas including support to local administration to spray disinfectant in villages.

The health care facilities are also extended in the remote villages of Dehradun and Tehri districts in Uttarakhand.

**e) Project Pragati - Employability and Empowerment**

With the aim of enabling community to become self-reliant by developing their competencies and skills, 44 Self Help Groups having more than 600 members are being supported in nearby villages.

The Company is facilitating women for production of school bags, reusable bags and school uniforms. These women have also started making low cost sanitary napkins for rural women and school going girls.

The Company is also facilitating small and marginalized farmers with "On-farm livelihood" activities which enable the farmers to access modern agriculture practices.

**f) Project Bhoomi - Environmental Sustainability, Animal Welfare and Soil Health**

The Company is running two agriculture development laboratories in Gadepan (Rajasthan) and Agra (Uttar Pradesh) along with three mobile soil testing vans in Rajasthan and Uttar Pradesh. These laboratories are providing soil testing reports to farmers for balanced usage of fertilisers. Based on the analysis reports, advisory services are being offered to the farmers to optimize farm outputs. Farmer's training, distribution of horticulture plants, etc. are also being organized by your Company on regular basis.

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

For the purpose of Section 135 of the Companies Act, 2013, the amount equivalent to 2% of the average net profits of the Company made during the immediately preceding three financial years works out to Rs. 15.30 Crore. As against this, the Company had spent Rs. 15.33 Crore on CSR projects / programs during the Financial Year 2019-20.

**9. Directors and Key Managerial Personnel**

The Board of Directors of the Company consists of ten directors. There are eight non-executive directors including five independent directors, a Managing Director and a Joint Managing Director.

The Board of Directors at its meeting held on August 10, 2019 had re-appointed Mr. Anil Kapoor (DIN: 00032299) as Managing Director of the Company for a period from February 16, 2020 to April 15, 2021, which was approved by the members of the Company at the Annual General Meeting held on September 28, 2019.

The Board of Directors at its meeting held on November 8, 2019 had appointed:

- (i) Mr. Gaurav Mathur (DIN: 07610237) as Whole Time Director designated as Joint Managing Director of the Company for a period of 5 (five) years with effect from January 06, 2020, subject to approval of the shareholders of the Company; and
- (ii) Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as an Additional Director in the category of Independent Director of the Company with effect from December 01, 2019 and subject to approval of the shareholders of the Company, the term of appointment of Mr. Pradeep Jyoti Banerjee as an Independent Director of the Company shall be 5 (five) years with effect from December 01, 2019.

The Board of Directors is of the opinion that Mr. Pradeep Jyoti Banerjee is a person of integrity with high level of ethical standards and having worked in senior positions with large multinational organization, he possesses requisite expertise and experience for appointment as Independent Director of the Company.

The tenure of appointment of Mr. Nimesh Nagindas Kampani (DIN: 00009071), Independent Director shall expire on September 14, 2020. Mr. Nimesh Nagindas Kampani has requested the Board of Directors not to consider him for re-appointment. The Board of Directors expresses its sincere gratitude and appreciation of the contribution of Mr. Nimesh Nagindas Kampani as an Independent Director of the Company.

Mr. Saroj Kumar Poddar (DIN: 00008654), Chairman shall attain the age of 75 years on September 15, 2020. Pursuant to Regulation 17(1A) of Listing Regulations, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, recommends to the shareholders of the Company, to approve continuation of Mr. Saroj Kumar Poddar as non-executive Director of the Company after he attains the age of 75 years.

Mr. Chandra Shekhar Nopany (DIN: 00014587) is due for retirement at the forthcoming Annual General Meeting and has offered himself for re-appointment.

All the Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, the rules framed thereunder and the Listing Regulations. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

During the Financial Year 2019-20, the Managing Director and Joint Managing Director had not received any commission or remuneration from any subsidiary of the Company.

Seven meetings of the Board of Directors were held during the Financial Year 2019-20.

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

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

**10. Internal Financial Controls**

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

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safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The details of internal control system are given in the Management Discussion and Analysis Report attached as **Annexure "A"** to this Report.

#### 11. Remuneration Policy

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Remuneration Policy. The Remuneration Policy, *inter-alia*, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy, remuneration structure, etc. of the Directors including Managing Director and Whole Time Director(s), Key Managerial Personnel (KMP) and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an Independent Director, the person should fulfill the criterion of independence prescribed under the Companies Act, 2013, rules framed thereunder and the Listing Regulations. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Managing Director and Whole Time Director(s) and payment of sitting fee & commission to the non-executive Directors and describes fundamental principles for determination of remuneration of senior management personnel and other employees which are as follows:

- a) demand-supply relationship of the concerned job expertise;
- b) need of organization to retain and attract talent and its ability to pay;
- c) employees' social aspiration for enhancing standard of living; and
- d) compensation trends in the industries in which the Company operates.

The Remuneration Policy was amended with effect from April 01, 2019. Apart from certain changes of clarificatory nature, the Remuneration Policy was amended mainly to the effect that Nomination and Remuneration Committee shall also recommend to the Board of Directors, all remuneration in whatever form payable to the Directors, KMPs and senior management personnel of the Company and the Board of Directors shall take into consideration the recommendations of Nomination and Remuneration Committee while considering the appointment and remuneration of Directors, KMPs and senior management personnel of the Company.

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

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

- a) Your Company has not issued any shares during the Financial Year 2019-20.
- b) No significant and material orders have been passed by the regulators or courts or tribunals or statutory and quasi-judicial bodies impacting the going concern status and Company's operations in future.
- c) All related party transactions entered during the Financial Year 2019-20 were on arm's length basis and in the ordinary course of business. No material related party transaction (in terms of the Company's Policy on Related Party Transactions) was entered during the year by the Company and no contracts or arrangements were entered during the year with related parties which are required to be disclosed under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2.
- d) The extract of annual return in Form MGT-9 is attached as **Annexure "H"** to this Report which is also available on the website of the Company at the weblink: <http://chambalfertilisers.com/pdf/Form-MGT-9-2019-20.pdf>.
- e) A copy of annual return of the Company is available on the weblink: <http://chambalfertilisers.com/annualreturns/>.
- f) The following information is given in the Corporate Governance Report attached as **Annexure "C"** to this Report:
  - i) The performance evaluation of the Board of Directors, the Committees of the Board of Directors, Chairman of the Company and the individual Directors;
  - ii) The composition of Audit Committee; and
  - iii) The details of establishment of Vigil Mechanism.
- g) The particulars of loans and guarantees given, security provided and investments made, if any, under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.
- h) During the Financial Year 2019-20, the auditors, secretarial auditors and cost auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.
- i) The Company has complied with the applicable Secretarial Standards prescribed under Section 118(10) of the Companies Act, 2013.
- j) The Company has complied with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- k) There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year 2019-20 and the date of this report.

#### 13. Directors Responsibility Statement

Your Directors hereby state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended March 31, 2020;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**14. Auditors and Cost Auditors**

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

The shareholders of the Company, at the Annual General Meeting held on September 15, 2017, had appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of Thirty-second Annual General Meeting of the Company held on September 15, 2017 till the conclusion of Thirty-seventh Annual General Meeting of the Company.

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

The Board of Directors of the Company has appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost records of the Company, as applicable, for the Financial Year 2020-21. As required under the Companies Act, 2013 and Rules framed thereunder, your Directors are seeking ratification from the members of the Company for the remuneration payable to M/s K.G. Goyal & Associates, Cost Accountants.

**15. Secretarial Audit**

The Board of Directors of the Company had appointed M/s. RMG & Associates, Company Secretaries for conducting secretarial audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report issued by the aforesaid Secretarial Auditor is attached as **Annexure "I"** to this Report.

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

**16. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The Company always seeks to make its manufacturing facilities energy efficient and evaluates various options in this regard from time to time. Gadepan-III Plant of the Company is energy efficient in comparison to the existing plants. The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the Companies (Accounts) Rules, 2014 is set out in **Annexure "J"** attached to this Report.

**17. Risk Management**

Your Company has developed and implemented a Risk Management Policy. The Risk Management Committee of the Company periodically reviews all risks, finalise the risk document and monitors various risks of the Company including the risks, if any, which may threaten the existence of the Company. The composition and terms of reference of the Risk Management Committee are given in the Corporate Governance Report.

The risk document containing Key and Non-Key risks including way forward for mitigation thereof, as approved by the Risk Management Committee, is also reviewed by the Audit Committee and the Board of Directors periodically.

**18. Deposits**

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. There was no public deposit outstanding as at the beginning and end of the Financial Year 2019-20.

**19. Particulars of employees**

Your Company believes that human resource is an important asset which plays a vital role in the performance and growth of the Company. Your Company maintains a cordial work environment and encourages the employees to contribute their best. The information required to be disclosed in pursuance of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure "K"** to this Report.

**20. Employees Stock Option Scheme**

The members of the Company had approved CFCL Employees Stock Option Scheme 2010, as amended and revised from time to time ("ESOS 2010") for grant of stock options exercisable into not more than 41,62,000 equity shares of face value of Rs. 10/- each to eligible employees and Whole Time Director(s)/ Managing Director of the Company. Each stock option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company.

The Company has not granted any stock options during the year under review.

There has been no change in ESOS 2010 during the Financial Year 2019-20. ESOS 2010 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations") and implemented through CFCL Employees Welfare Trust ("Trust"). For the purpose of ESOS 2010, the Trustee of the Trust was holding 9,18,500 equity shares of the Company as on March 31, 2020 (13,35,900 equity shares as on March 31, 2019), being 0.22% of the paid up share capital of the Company. The ownership of these shares cannot be attributed to any particular employee till he/ she exercises the stock options granted to him / her and the concerned shares are transferred to him / her. Hence, the concerned employees to whom the stock options were granted under ESOS 2010 cannot exercise voting rights in respect of aforesaid shares held by the Trustee of the Trust as such employees are not holders of such shares. The Trustee has not exercised the voting rights in respect of the aforesaid shares during the Financial Year 2019-20.

The disclosures required to be made under ESOP Regulations read with SEBI circular no. CIR/CFD/Policy Cell/2/2015 dated June 16, 2015 are given on the website of the Company at the weblink: <http://chambalfertilisers.com/pdf/ESOP-Disclosure-2019-20.pdf>. The disclosures in respect of ESOS 2010 are also given in the notes to the Financial Statements.

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**21. Business Responsibility Report**

In pursuance of the provisions of the Listing Regulations, the Business Responsibility Report for the Financial Year 2019-20 describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

**22. Investor Service Centre**

The in-house Investor Service Centre of your Company is located in the Corporate Office of the Company at New Delhi which provides prompt and efficient service to the investors. The Company takes various initiatives for investor satisfaction including reminders to investors about unclaimed dividends.

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 2020-21.

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

**23. Acknowledgements**

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

**For and on behalf of Board of Directors**

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020



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

**1. Industry Structure and Developments**

**A) Urea**

The Company is having three Urea manufacturing plants located at Gadepan, District Kota, Rajasthan with annual production capacity of around 3.4 million MT of Urea. It is largest single location Urea manufacturing facility in the country.

Urea is one of the most important crop nutrients which plays a vital role in ensuring the food security in the country. The Urea industry comprises of manufacturers from public, co-operative and private sectors. The demand of Urea in the country is met through indigenous manufacturing and imports. The subsidised price at which the Urea to be sold to the farmers, is determined by the Government of India and it pays subsidy to the manufacturing units based on the applicable policy parameters. The import of Urea is also canalised by the Government of India through its appointed entities. Natural gas is the main input for manufacture of Urea and the cost of natural gas is pass-through for Urea units up to a pre-determined level of annual production and energy norm under the subsidy policy of the Government of India. In view of this, the fluctuation in prices of natural gas does not have much impact on the Urea manufacturing units.

The Urea manufacturing capacity remained almost stagnant since the year 1999 as no new plants were set up and there was only marginal increase in the capacity through de-bottlenecking of some of the existing plants. In this backdrop, implementation of New Investment Policy - 2012 ("NIP-2012") by the Government of India gave impetus to the capacity addition in Urea sector. The new Urea plant of the Company ("Gadepan-III Plant"), which commenced commercial production from January 1, 2019, is the first plant operating under NIP-2012. Few more Urea plants are expected to come on stream in next 1-3 years which are likely to make the country self-sufficient in Urea production.

The country continues to import large quantity of Urea to meet the demand-supply gap. Urea production in the country during the financial year 2019-20 was 24.45 million MT against 23.90 million MT during the financial year 2018-19. During the financial year 2019-20, total 9.20 million MT of Urea was imported in the country in comparison to 7.45 million MT of Urea imported during the previous year. The Urea sales in the country during the financial year 2019-20 was 33.57 million MT against the Urea sales of 31.72 million MT during the previous year.

During the financial year 2019-20, the imported Urea was 27% of the total Urea sales in the country as against 23% during the previous year. The price of imported Urea remained in the range of USD 252 per MT to USD 297 per MT during the financial year 2019-20.

**B) Other Products**

The product basket of other agri-products of the Company comprises of fertilisers like Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK fertilisers, agrochemicals, sulphur, micro-nutrients and city compost. The brand image of the Company is very strong in its marketing territory and the Company is known for quality of its products apart from marketing and financial discipline. The Company sources its products from reputed domestic and international manufacturers and quality of the products is ensured at all levels.

DAP, MOP and NPK fertilisers are covered under the Nutrient Based Subsidy ("NBS") policy of the Government of India. The pricing of these products is de-controlled and the Government of India pays fixed amount of subsidy based on the different nutrients in these fertilisers. NBS gives level playing field to all the players by creating a competitive market for the products.

The demand of DAP and NPK fertilisers in the country is met through imports and domestic production whereas the demand of MOP is met solely through imports. The volume of imports of these products vary due to factors such as demand, pipeline inventories, pricing of the products in the international market, cost of raw material as well as indigenous production of DAP and NPK fertilisers, etc. As far as agrochemicals market is concerned, the technical grade agrochemicals are produced by large multinational organisations and domestic producers. The technical grade agrochemicals are used to formulate insecticides, herbicides, fungicides, etc. for agricultural use. These formulations for agriculture use are marketed by the manufacturers themselves as well as by marketers in their own brands. Sulphur and micro-nutrients markets are fragmented with many small manufacturers and suppliers.

DAP sales in the country during the financial year 2019-20 was 10.28 million MT in comparison to 9.50 million MT during the financial year 2018-19. The robust demand and lower farm gate prices resulted into year-on-year increase of 8% in the sales of DAP. The total production of DAP in the country during the financial year 2019-20 was around 4.55 million MT as against 3.90 million MT during the previous year. Further, 5.52 million MT of DAP was imported in the country during the financial year 2019-20 as against 6.60 million MT of DAP imported during the previous year. MOP imports for direct application as fertiliser in the country during the financial year 2019-20 were 2.87 million MT as against 3.03 million MT during the financial year 2018-19. MOP sales during the year 2019-20 were 2.99 million MT against the sale of 2.95 million MT in the previous year.

There was a deep declining trend in the prices of DAP during the financial year 2019-20. The prices of DAP were around USD 410 per MT in April 2019 which came down to as low as USD 295 per MT in January 2020. The prices have started moving up again in February 2020 and went upto USD 320 per MT in March 2020.

The price of MOP was USD 290 per MT up to June 2019 and thereafter marginally reduced to USD 280 per MT.

**2. Opportunities and Threats**

Financial year 2019-20 was the first full year of operation of Gadepan-III Plant of the Company. With the increased Urea capacity, the Company has strengthened its position in the market place which shall augur well for the business of the Company. It has enabled the Company to achieve economies of scale at all levels and to be more cost efficient thereby increasing its competitive strength. Apart from this, the Company has enhanced and strengthened its reach in the marketing territory by opening up new marketing offices. The Company has an established brand and sizeable market share in the DAP and MOP fertilisers. All these factors offer an opportunity to the Company to enhance its sales volumes and market share.

Few more Urea plants are expected to come on stream during next 1-3 years. The addition of manufacturing capacity of Urea by new players in the coming years will reduce the demand-supply gap in the country. Most of these plants are located in eastern part of India whereas the core marketing territory of the Company is Northern and Central part of India. Further, the Urea manufactured by the Company

is preferred by the customers in its marketing territory due to good product quality and the brand image of the Company is very strong. Accordingly, the capacity addition by new players in Urea sector is not likely to have much impact on the business of the Company. The demand variation due to change in monsoon patterns, volatility in the prices of DAP and MOP in the international market and variation in the foreign exchange rates are few challenges pertaining to DAP and MOP business. The Company continuously evaluates these factors and considers them appropriately while making its marketing strategy.

### 3. Risks and Concerns

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

The outbreak of Novel Corona Virus ("COVID-19") pandemic is a concern area for the entire industry as it has disrupted the economy at global and national level. The Company is operating its plants with utmost care for health and safety of its work force. The entry in the complex at Gadepan is restricted and all measures are taken to ensure that the operations of the Company are not affected. Despite the challenges caused due to COVID-19 pandemic, the Company has been able to operate its plants at normal levels.

The short provision of funds in the Union Budget for fertiliser subsidy is another concern area. The delay in payment of subsidy by the Government of India affects the liquidity and increases the finance cost of the Company. The interest burden due to delay in payment of subsidy and change in subsidy policy by the Government of India may impact the profitability of the Company. However, falling natural gas prices shall reduce the overall subsidy outgo enabling the Government of India to reduce the backlog of outstanding fertiliser subsidy to some extent.

### 4. Outlook

After successful implementation of Gadepan-III Plant, the focus of the Company in next 2-3 years will be on strengthening its position in the market and repay the loans availed for Gadepan-III Plant. Subsequently, it may look into avenues for expansion in fertiliser and other related sectors. Considering the Company's brand image and strong marketing network, the outlook in Urea remains positive. The brand strength, reliable supply channels and established network shall also enable the Company to maintain its market share in DAP and MOP business.

### 5. Operational and Financial Performance

The operational and financial performance is summarized below:

Particulars	Financial Year	
	2019-20	2018-19
Urea Production (MT in Lakhs)	32.66	25.04
Urea Sales (MT in Lakhs)	31.57	25.91
SSP Sales (MT in Lakhs)	NIL	0.05
Sales including other Agri-inputs (Rs. in Crore)	12204.66	10094.24
Profit before Interest, Depreciation, Exceptional Items and Tax (Rs. in Crore)	2081.77	1354.39

Financial year 2019-20 being the first full year of operation of Gadepan- III Plant, the Company has achieved highest ever production and sales of Urea. Single Super Phosphate plant was under shutdown since September 2017 due to adverse market conditions. The Company has provided for Rs. 62.02 Crore towards impairment loss in respect of Single Super Phosphate plant, write off of certain plant & machinery items and re-measurement of fair value of its investments.

The revenue from branded marketed products was Rs. 4059.46 Crore during the financial year 2019-20 in comparison to Rs. 3847.22 Crore in the previous year. The sales of various marketed products were as under:

Product	Financial Year	
	2019-20	2018-19
DAP (MT in Lakhs)	9.58	7.99
MOP (MT in Lakhs)	2.06	2.16
Other Fertilisers (MT in Lakhs)	0.39	0.42
Agrochemicals (Net) – (Rs. in Crore)	170.82	204.48
Seeds (Net) – (Rs. in Crore)	NIL	47.00

The increase in revenue from branded marketed products was contributed mainly by DAP due to increase in sales volumes of DAP. There was marginal decrease in sales volumes of MOP mainly due to increased competition and lower margins. The performance of agrochemicals and other fertilisers remained subdued.

Gadepan-III Plant has contributed significantly to the overall performance of the Company during the financial year 2019-20. In addition to this, the higher sales volumes of DAP with better margins has also improved the profitability of the Company in comparison to previous year. However, the reduction in margins with lower volumes of MOP, agrochemicals and other products have impacted the profitability of the Company to some extent.

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

Sr. No.	Key Financial Ratio	Financial Year 2019-20	Financial Year 2018-19
1.	Debtors Turnover	2.35	2.75
2.	Inventory Turnover	8.37	8.36
3.	Interest Coverage Ratio	3.57	5.03
4.	Current Ratio	1.10	1.12
5.	Debt Equity Ratio	2.46	2.64
6.	Operating Profit Margin (%)*	14.49	12.07
7.	Net Profit Margin (%)*	9.71	6.58

\* Calculated without considering the impact of Exceptional Items.

There was significant change in Interest Coverage Ratio (29.03%) and Net Profit Margin (47.57%) in comparison to the previous financial year. The reasons for such changes are as under:

**(i) Change in Interest Coverage Ratio**

Gadepan-III Plant of the Company had commenced commercial production from January 1, 2019 and financial year 2019-20 was first full year of operation of Gadepan-III Plant. The higher profit from Gadepan-III Plant coupled with better performance of branded traded products mainly improved the profitability of the Company.

However, the interest on term loans availed for Gadepan-III Plant for full year is part of the interest cost of the Company for the financial year 2019-20 whereas it was part of the interest cost only for the last quarter of the financial year 2018-19. Further, the profit contribution from the two existing Urea plants during the financial year 2019-20 was lower in comparison to previous year mainly due to factors such as lower production, higher energy consumptions, higher repair & maintenance costs and lower contribution on production beyond 100% of the re-assessed capacity of the plants. The Company has also provided for Rs. 62.02 Crore towards impairment loss in respect of Single Super Phosphate Plant, write off of certain plant & machinery items and fair value loss on investments during the financial year 2019-20. Apart from this, the subsidy on Urea payable by the Government of India has also increased due to increase in production after implementation of Gadepan-III Plant. This has resulted into higher outstanding subsidy during the financial year 2019-20 in comparison to the financial year 2018-19. These factors have impacted the Interest Coverage Ratio of the Company.

**(ii) Change in Net Profit Margin**

Financial year 2019-20 was first full year of operation of Gadepan - III Plant and net profit margin on Urea manufactured from Gadepan-III Plant is higher than the Urea produced from the existing two plants. The higher profit margin from Gadepan-III Plant coupled with better margins and higher volumes of DAP and reduction in deferred tax in pursuance of the provisions of the Taxation Laws (Amendment) Act, 2019 has significantly improved the net profit margin of the Company.

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

The Return on Net Worth is calculated by dividing Profit after Tax for the financial year by average net worth during the financial year. The Return on Net Worth during the financial year 2019-20 was 34.22% in comparison to 17.76% during the financial year 2018-19.

The profitability of the Company has improved substantially during the financial year 2019-20 in comparison to the financial year 2018-19, which has resulted into substantial improvement in the Return on Net Worth as mentioned above. This was mainly attributable to the following factors:

- (i) During the financial year 2019-20, Gadepan-III Plant operated for full year in comparison to 3 months' operation during the financial year 2018-19, as it commenced commercial production from January 1, 2019. This has resulted into higher production and sales of Urea and increase in profitability of the Company.
- (ii) The Company has achieved higher volumes with better margins in DAP.
- (iii) The reversal of the provision made during the financial year 2018-19 on account of uncertainty on some aspects of the Modified New Pricing Scheme – Stage - III of the Government of India.
- (iv) Reduction in deferred tax in pursuance of the provisions of the Taxation Laws (Amendment) Act, 2019.

**8. Material Developments in Human Resources/ Industrial Relations**

The Company is having three hi-tech Urea plants. The efficient and safe operation of these plants is of highest importance to the Company. The Company also gives due importance to logistics, marketing and support functions as efficiency thereof plays a vital role in the sustainability of the Company.

The recruitment and retention of qualified and experienced workforce is critical for maintaining the talent pool in the Company. The Company has a team of highly qualified and experienced personnel most of whom are having long association with the Company. The appropriate recruitment, retention and training plans are in place to maintain the Company's talent pool.

The Company selects technical personnel from premier institutes in addition to lateral hiring wherever required. The Company has an appropriate system for training of employees. The technical training is imparted to new employees in the plants, which includes classroom sessions, training through simulator and on the job training. In case of existing employees, the training and development needs are identified as part of the appraisal process and appropriate training programmes are designed. The Company had organized various training programs during the year involving internal and external faculties to update the skill sets of the employees and keep them abreast with the changing work environment.

The permanent employee strength of the Company was 1034 as on March 31, 2020. The Company continues to maintain open and cordial employee relations.

**INTERNAL CONTROL SYSTEM**

The Company has a strong internal control system comprising various levels of authorization, supervision, checks & balances and procedures through documented policy guidelines and manuals. The Internal Audit Department regularly monitors the efficacy of internal controls and compliances with Standard Operating Procedures and Manuals with an objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are made.

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

The Internal Audit team develops a risk based annual audit programme which is aligned to the previous year's observations, suggestions from the operating managers and statutory auditors. The internal audit programme is approved by the Audit Committee.

The audit approach is based on random sample selection and takes into consideration the generally accepted business practices. The internal audit reports are discussed by the Management Committee and subsequently placed before the Audit Committee of the Board of Directors along with the directions/ action plan recommended by the Management Committee. The directions are implemented by the respective departments and Action Taken Report is placed before the Audit Committee.

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The Internal Audit Department also assesses opportunities for improvement in business processes, systems and controls, gives recommendations and reviews the implementation of directions issued by the management, Board of Directors or its committees.

**CAUTIONARY STATEMENT**

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

**For and on behalf of Board of Directors**

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020

**Annexure "B" to Board's Report  
DIVIDEND DISTRIBUTION POLICY**

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

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

The parameters for declaration of dividend are as under:

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

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

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

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

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

- a) In case there are no profits or the profits are not adequate during a financial year for declaration of dividend, the Board of Directors may recommend payment of dividend, partly or fully, out of the profits of the Company for any previous financial year(s), provided such profits are not required to be retained for business needs of the Company.
- b) The Board of Directors of the Company may consider recommending payment of dividend out of free reserves of the Company in case of inadequacy of profits during a financial year, if the Board of Directors is of the opinion that:
  - i) Inadequacy of profits is of temporary nature and the Company is expected to earn profits in the next 2 to 3 financial years; and
  - ii) The amount of dividend to be declared out of the reserves is not required to be conserved for business needs of the Company.

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

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

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

**III) Policy in respect of utilization of retained earnings**

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

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

**IV) Parameters to be adopted for various classes of shares**

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

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

For and on behalf of Board of Directors

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020

**Annexure “C” to Board’s Report  
CORPORATE GOVERNANCE REPORT**

**(1) Company’s Philosophy**

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

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

The Company seeks to protect and facilitate the exercise of rights by the shareholders, provides timely information to them and ensures equitable treatment of all shareholders. It recognizes the rights of its stakeholders and encourages co-operation between the Company and the stakeholders and ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

**(2) Board of Directors**

As on March 31, 2020, the Board of Directors of the Company comprised of ten directors including a Managing Director and a Joint Managing Director.

Out of the eight non-executive directors, five are independent directors including one independent woman director. The composition of Board of Directors is balanced in terms of specialisation in one or more areas. The Board of Directors takes into account the interest of all stakeholders and provides strategic guidance to the Company’s management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

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

The Independent Directors have knowledge of business in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company. The Company had issued letters of appointment to the Independent Directors and the terms and conditions of their appointment have been uploaded on the website of the Company.

During the financial year 2019-20, no Independent Director had resigned before the expiry of his/her tenure. The shareholders of the Company, at the Annual General Meeting (“AGM”) held on September 28, 2019, had re-appointed Mr. Anil Kapoor (DIN: 00032299) as Managing Director of the Company for a period from February 16, 2020 to April 15, 2021, not liable to retire by rotation. The Board of Directors of the Company at its meeting held on November 08, 2019, on the recommendation of the Nomination and Remuneration Committee, approved the following:

- (i) subject to approval of shareholders of the Company, the appointment of Mr. Gaurav Mathur (DIN: 07610237) as Whole Time Director designated as Joint Managing Director of the Company, for a period of 5 (five) years with effect from January 06, 2020, liable to retire by rotation; and
- (ii) the appointment of Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as an Additional Director in the category of Independent Director of the Company with effect from December 01, 2019. The term of appointment of Mr. Pradeep Jyoti Banerjee as an Independent Director of the Company shall be 5 (five) consecutive years with effect from December 01, 2019, not liable to retire by rotation, subject to approval of shareholders of the Company.

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

Mr. Chandra Shekhar Nopany (DIN: 00014587), Director is retiring by rotation at the forthcoming AGM scheduled to be held on Thursday, September 10, 2020 and being eligible has offered himself for re-appointment.

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

In pursuance of the Listing Regulations, the chart setting out the core skills / expertise/ competencies identified by the Board of Directors as required by it in the context of the Company’s business and sector for it to function effectively and those actually available with the Board of Directors and the names of directors who have such skills / expertise / competencies are as under:

Name of Director	Skills/ Expertise / Competencies			
	Corporate Governance and Legal Compliance	Accounting and Finance	Leadership and General Management	Industry Experience
Mr. Saroj Kumar Poddar	√	√	√	√
Mr. Pradeep Jyoti Banerjee	√		√	√
Mr. Shyam Sunder Bhartia	√	√	√	√

Name of Director	Skills/ Expertise / Competencies			
	Corporate Governance and Legal Compliance	Accounting and Finance	Leadership and General Management	Industry Experience
Mr. Nimesh Nagindas Kampani	√	√	√	
Mr. Anil Kapoor	√		√	√
Mr. Gaurav Mathur	√		√	√
Mr. Vivek Mehra	√	√	√	
Mr. Chandra Shekhar Nopany	√	√	√	√
Ms. Radha Singh	√		√	
Mr. Marco Philippus Ardeshir Wadia	√		√	

### (3) Meetings and Attendance

The Meetings of the Board of Directors are generally held at the Corporate Office of the Company at "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025. The Company provides facility of video conferencing to facilitate the Directors to participate in the board meetings. The meetings of the Board of Directors are scheduled in such a manner that it coincide with the announcement of quarterly/annual financial results. Additional Board meetings are convened depending upon the business requirements. As and when required, the resolutions are also passed by circulation as permitted by law. During the financial year 2019-20, seven Board meetings were held on April 03, 2019, May 16, 2019, August 10, 2019, November 08, 2019, December 16, 2019, February 01, 2020 and March 04, 2020. The gap between two consecutive Board meetings did not exceed one hundred twenty days.

The composition of the Board of Directors, attendance of the Directors at the AGM and meetings of the Board of Directors of the Company held during the financial year 2019-20 and number of other directorships of the Directors and membership / chairpersonship of the Committees of the Board of Directors of other Indian public limited companies as on March 31, 2020, are as follows:

Name of Director	Category of Director	Whether Attended Last AGM	Number of Board Meetings attended	Number of other Directorships	Membership of Committees of other Board of Directors	
					Chairperson	Member
Mr. Saroj Kumar Poddar	NED/PG	No	6	11	0	0
Mr. Pradeep Jyoti Banerjee (Appointed with effect from 01.12.2019)	NED/ID	Not Applicable	3	2	0	4
Mr. Shyam Sunder Bhartia	NED/PG	No	6	15	0	2
Mr. Nimesh Nagindas Kampani	NED/ID	No	5	7	1	1
Mr. Anil Kapoor	MD	Yes	7	3*	0	0
Mr. Gaurav Mathur (Appointed as Joint Managing Director with effect from 06.01.2020)	ED	Not Applicable	2	0	0	0
Mr. Vivek Mehra	NED/ID	No	6	8	2	4
Mr. Chandra Shekhar Nopany	NED/PG	No	7	8	2	0
Ms. Radha Singh	NED/ID	Yes	7	1	0	1
Mr. Marco Philippus Ardeshir Wadia	NED/ID	Yes	6	13	4	4

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

\* includes directorship in India Steamship Limited (Under Liquidation).

Notes:

- Other Directorships given above excludes directorships in foreign companies.
- In accordance with Regulation 26 of the Listing Regulations, memberships / chairpersonships of only Audit Committee and Stakeholders Relationship Committee of other Indian Public Limited Companies have been considered.
- The aforesaid Directors are not relatives of each other (as defined under the Companies Act, 2013 and Rules thereunder).

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

Names of the other listed entities in which Directors of the Company are directors and category of directorships as on March 31, 2020, are as follows:

S. No.	Name of the Company	Category of Directorship
<b>Mr. Saroj Kumar Poddar</b>		
1.	Texmaco Infrastructure & Holdings Limited	Non-Executive Chairman
2.	Texmaco Rail & Engineering Limited	Executive Chairman
3.	Zuari Agro Chemicals Limited	Non-Executive Chairman
4.	Zuari Global Limited	Non-Executive Chairman
<b>Mr. Pradeep Jyoti Banerjee</b>		
1.	Whirlpool of India Limited	Independent - Non-Executive
2.	Gabriel India Limited	Independent - Non-Executive
<b>Mr. Shyam Sunder Bhartia</b>		
1.	Jubilant Foodworks Limited	Non-Executive Chairman
2.	Jubilant Life Sciences Limited	Non-Executive Chairman
<b>Mr. Nimesh Nagindas Kampani</b>		
1.	JM Financial Limited	Non-Executive Chairman
<b>Mr. Vivek Mehra</b>		
1.	Digicontent Limited	Independent - Non-Executive
2.	DLF Limited	Independent - Non-Executive
3.	HT Media Limited	Independent - Non-Executive
4.	Jubilant Life Sciences Limited	Independent - Non-Executive
<b>Mr. Chandra Shekhar Nopany</b>		
1.	Avadh Sugar & Energy Limited	Non-Executive Director
2.	Magadh Sugar & Energy Limited	Non-Executive Chairman
3.	New India Retailing & Investment Limited	Non-Executive Chairman
4.	Ronson Traders Limited	Non-Executive Director
5.	SIL Investments Limited	Non-Executive Chairman
6.	Sutlej Textiles and Industries Limited	Executive Chairman
<b>Mr. Marco Philippos Ardeshir Wadia</b>		
1.	Gobind Sugar Mills Limited	Independent - Non-Executive
2.	Josts Engineering Company Limited	Independent - Non-Executive
3.	Stovec Industries Limited	Independent - Non-Executive
4.	Zuari Agro Chemicals Limited	Independent - Non-Executive
5.	Zuari Global Limited	Independent - Non-Executive

Mr. Anil Kapoor, Managing Director, Mr. Gaurav Mathur, Joint Managing Director and Ms. Radha Singh, Independent Director of the Company, are not holding any directorship in any other listed entity.

**(4) Board Meeting Agenda**

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



## (5) Committees of the Board of Directors

The Board of Directors has constituted various committees with specific terms of reference to ensure timely and effective working of the Board of Directors and the Company in addition to comply with the provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other applicable regulations, guidelines, circulars and notifications of the Securities and Exchange Board of India ("SEBI"). The committees operate as empowered bodies of the Board of Directors. There are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles & responsibilities and business of the Company. These Committees are - (i) Audit Committee; (ii) Corporate Social Responsibility Committee; (iii) Nomination and Remuneration Committee; (iv) Stakeholders Relationship Committee; (v) Banking and Finance Committee; (vi) Project Monitoring Committee; (vii) Risk Management Committee; and (viii) Strategy Committee. The Committees meet as often as required and the minutes of meetings of the Committees are circulated to the Board of Directors.

The brief description of terms of reference and composition of these Committees is as follows:

### 5.1 Audit Committee

#### (i) Terms of reference:

The terms of reference of the Audit Committee are in accordance with section 177 of the Companies Act, 2013 and the Listing Regulations. It also discharges such other functions as may be delegated by the Board of Directors from time to time. The terms of reference of the Audit Committee, *inter-alia*, include oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending the appointment, remuneration and terms of appointment of auditors of the Company and approval of payment for any other services rendered by the statutory auditors, reviewing with the management and examination of the annual financial statements and the auditor's report thereon before submission to the Board of Directors for approval, reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions with related parties including omnibus approval for related party transactions, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, wherever necessary, evaluation of internal financial controls and risk management systems, reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems, reviewing the adequacy of internal audit function, formulation, in consultation with the internal auditor, the scope, functioning, periodicity and methodology for conducting the internal audit, discussion with internal auditors of any significant findings and follow up thereon, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors, discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, reviewing the functioning of whistle blower mechanism, approval of appointment of Chief Financial Officer, reviewing the financial statements, in particular, the investments made by the unlisted subsidiary, reviewing the utilization of loans and/ or advances from/investment by the Company in a subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments and reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify that the systems for internal control are adequate and are operating effectively.

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

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

#### (ii) Composition:

The Audit Committee comprises of four Independent Directors. All members of the Audit Committee are financially literate and Mr. Nimesh Nagindas Kampani and Mr. Vivek Mehra, being Chartered Accountants, have accounting and financial management expertise. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Joint Managing Director, Chief Financial Officer, Internal Auditor and representatives of Auditors. Further, the cost auditor and other executives of the Company are invited in the Audit Committee meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Audit Committee met five times during the financial year 2019-20 on May 15, 2019, August 09, 2019, November 07, 2019, December 16, 2019 and February 01, 2020 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco Philippus Ardeshir Wadia	Chairman	Independent Director	5
Mr. Nimesh Nagindas Kampani	Member	Independent Director	2
Mr. Vivek Mehra	Member	Independent Director	4
Ms. Radha Singh	Member	Independent Director	5

## 5.2 Corporate Social Responsibility Committee

### (i) Terms of reference:

The terms of reference of the Corporate Social Responsibility Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder and it discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility ("CSR") Policy indicating the activities to be undertaken by the Company as specified in the Companies Act, 2013, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy of the Company from time to time. The Corporate Social Responsibility Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

### (ii) Composition:

The Corporate Social Responsibility Committee comprises of three Directors. The Committee met twice during the financial year 2019-20 on May 15, 2019 and February 01, 2020 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Chandra Shekhar Nopany	Chairman	Non-executive Director	2
Mr. Anil Kapoor	Member	Managing Director	2
Ms. Radha Singh	Member	Independent Director	2

## 5.3 Nomination and Remuneration Committee

### (i) Terms of reference:

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

The role of the Nomination and Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees of the Company, formulation of criteria for evaluation of performance of Directors including Independent Directors and the Board of Directors, specifying the manner for effective evaluation of performance of the Board of Directors, its committees and individual Directors of the Company to be carried out either by the Board of Directors or by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, devising a policy on diversity of Board of Directors, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal, recommending to the Board of Directors all remuneration, in whatever form, payable to senior management of the Company and determining whether to extend or continue the term of appointment of an Independent Director of the Company, on the basis of the report of performance evaluation of Independent Directors of the Company.

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

The performance evaluation parameters / criteria for Independent Directors, as determined by the Nomination and Remuneration Committee, include level of participation in decision making process, understanding of Company's business and industry, ensuring adequacy and functionality of vigil mechanism, communicating *inter-se* with members of the Board of Directors and senior management, striving to safeguard the interest of all stakeholders in particular the minority shareholders, ensuring that adequate deliberations are held before approving related party transactions and assuring himself/herself that the same are in the interest of the Company, etc.

### (ii) Composition:

The Nomination and Remuneration Committee comprises of three Directors. The Committee met three times during the financial year 2019-20 on May 15, 2019, August 10, 2019 and November 08, 2019 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Ms. Radha Singh	Chairperson	Independent Director	3
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	3
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	3

## 5.4 Stakeholders Relationship Committee

### (i) Terms of reference:

The terms of reference of the Stakeholders Relationship Committee are in accordance with the provisions of Companies Act, 2013 and the Listing Regulations. It discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Stakeholders Relationship Committee includes resolving the grievances of the security holders of the Company, issue of duplicate certificates for securities of the Company, deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent of the Company, review of the various measures and initiatives taken by the

Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and approve, from time to time, issue of new share certificates and transfer/transmission of shares to Investor Education and Protection Fund Authority or any other statutory body or authority, as may be applicable, and all other matters allied or incidental thereto, in pursuance of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In order to provide quick service to investors and expedite the process of transfers, the Board of Directors had delegated sufficient powers to the Company's executives to deal with various matters including transfer of shares, transmission of shares, etc.

(ii) **Composition:**

The Stakeholders Relationship Committee comprises of three Directors. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting. The Committee met five times during the financial year 2019-20 on May 15, 2019, August 09, 2019, November 07, 2019, February 01, 2020 and February 25, 2020 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Ms. Radha Singh	Chairperson	Independent Director	5
Mr. Anil Kapoor	Member	Managing Director	5
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	4

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

Mr. Rajveer Singh

Vice President - Legal & Secretary

Chambal Fertilisers and Chemicals Limited

"Corporate One", First Floor,

5, Commercial Centre, Jasola, New Delhi -110 025

Telephone : 91 11 41697900

Fax : 91 11 40638679

E-mail : [complianceofficer@chambal.in](mailto:complianceofficer@chambal.in)

(iv) **Shareholders' complaints received and solved during the year:**

The Company had 1,18,642 shareholders as on March 31, 2020. During the financial year 2019-20, the status of investor complaints was as follows:

No. of Investor Complaints			
Opening Balance as on April 01, 2019	Received	Solved to the satisfaction of investors	Pending as on March 31, 2020
1	413	411	3*

\*since redressed

## 5.5 Banking and Finance Committee

(i) **Terms of reference:**

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

(ii) **Composition:**

The Banking and Finance Committee comprises of four Directors. No meeting of the Banking and Finance Committee was held during the financial year 2019-20. The composition of the Committee is as follows:

Name of the Member	Status	Category
Mr. Shyam Sunder Bhartia	Chairman	Non-executive Director
Mr. Anil Kapoor	Member	Managing Director
Mr. Vivek Mehra	Member	Independent Director
Mr. Chandra Shekhar Nopany	Member	Non-executive Director

## 5.6 Project Monitoring Committee

(i) **Terms of reference:**

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

(ii) **Composition:**

The Project Monitoring Committee comprises of three Directors. No meeting of the Project Monitoring Committee was held during the financial year 2019-20. The composition of the Committee is as follows:

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

## 5.7 Risk Management Committee

### (i) Terms of reference:

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

### (ii) Composition:

The Risk Management Committee comprises of three Directors. The Committee met two times during the financial year 2019-20 on May 15, 2019 and November 07, 2019 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Shyam Sunder Bhartia	Chairman	Non-executive Director	NIL
Mr. Anil Kapoor	Member	Managing Director	2
Mr. Vivek Mehra	Member	Independent Director	2

## 5.8 Strategy Committee

### (i) Terms of reference:

The terms of reference of the Strategy Committee include evaluation of non-core businesses of the Company from time to time, appointment of legal, tax, financial and other consultants and determine the scope of their services and terms of appointment and to recommend to the Board of Directors suitable option(s) pertaining to any of these businesses.

### (ii) Composition:

The Strategy Committee comprises of three Directors. No meeting of the Strategy Committee was held during the financial year 2019-20. The composition of the Committee is as follows:

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

## (6) Details of remuneration paid to Directors during the Financial Year 2019-20

### 6.1 Executive Directors

(Amount in Rs.)

Name	Designation	Salary	Performance Bonus	Value of Perquisites as per Income Tax Act, 1961	Others - Retirement Benefits & Other Perquisites**
Mr. Anil Kapoor	Managing Director	3,52,61,342	1,84,00,000	1,04,56,300*	26,98,049
Mr. Gaurav Mathur	Joint Managing Director	93,21,569	-	3,26,000	4,20,191

\* Including Rs. 55,88,855 pertaining to perquisite value of stock options exercised during the financial year 2019-20.

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

- (i) The shareholders of the Company at the Annual General Meeting held on September 28, 2019 had approved the re-appointment of Mr. Anil Kapoor as Managing Director of the Company for a period from February 16, 2020 to April 15, 2021. The term of appointment of Mr. Anil Kapoor is upto April 15, 2021, which can be terminated by either party by giving three months' written notice to other party.
- (ii) Subject to the approval of the shareholders of the Company, the Board of Directors, at its meeting held on November 08, 2019, appointed Mr. Gaurav Mathur as Whole Time Director designated as Joint Managing Director of the Company for a period of 5 years from January 06, 2020, liable to retire by rotation. The term of appointment of Mr. Gaurav Mathur can be terminated by either party by giving three months' written notice to other party.
- (iii) No sitting fee or severance fee is payable to Managing Director and Joint Managing Director.
- (iv) The performance bonus payable by the Company to Managing Director is determined by the Board of Directors considering the recommendations of the Nomination and Remuneration Committee, on annual basis, based on the performance of the Company, industry trends and other relevant factors. The initial performance bonus of Rs. 1,00,00,000 is payable to Mr. Gaurav Mathur, Joint Managing Director on or before June 30, 2020. Performance bonus payable to Mr. Gaurav Mathur subsequently may be determined by the Board of Directors considering the recommendations of the Nomination and Remuneration Committee, based on the performance of the Company, industry trends and other relevant factors.
- (v) The Company had granted 150,000 stock options to Mr. Anil Kapoor, Managing Director during the financial year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the

latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the committee in which the options were granted. The details of vesting of stock options are as under:

Date of Vesting	No. of Options
16.09.2011	22,500
16.09.2012	22,500
16.09.2013	30,000
16.09.2014	37,500
16.09.2015	37,500
<b>Total</b>	<b>1,50,000</b>

The stock options can be exercised within 8 years from the respective dates of vesting. Mr. Anil Kapoor had exercised 80,000 stock options till March 31, 2020 and 70,000 stock options are outstanding.

## 6.2 Non - Executive Directors

The Company paid sitting fee for attending the meetings of the Board of Directors and its committees to its Non-Executive Directors @ Rs. 50,000 per Board meeting, Rs. 50,000 per Audit Committee meeting with effect from May 16, 2019 (earlier Rs. 25,000 per meeting) and Rs. 15,000 per meeting of other Committees of the Board of Directors.

The shareholders of the Company, at the Annual General Meeting held on September 15, 2015, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2015-16 subject to the aggregate limit of one percent of the net profits of the Company in any financial year and the commission payable to a non-executive director shall not exceed Rs. 5,00,000 in any financial year. In pursuance of the approval of the shareholders and considering the recommendations of the Nomination and Remuneration Committee, the Board of Directors determined the commission payable to individual Directors for the financial year 2019-20 based on the time devoted and the contribution made by individual directors in the affairs of the Company. In case of directors who have served for part of the year, the commission is payable on pro-rata basis.

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

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission payable for the Financial Year 2019-20 (Rs.)
1.	Mr. Saroj Kumar Poddar	3,00,000	5,00,000
2.	Mr. Pradeep Jyoti Banerjee <sup>§</sup>	1,50,000	1,66,667
3.	Mr. Nimesh Nagindas Kampani	3,50,000	5,00,000
4.	Mr. Vivek Mehra	5,05,000	5,00,000
5.	Mr. Chandra Shekhar Nopany	4,25,000	5,00,000
6.	Ms. Radha Singh	7,25,000	5,00,000
7.	Mr. Marco Philippus Ardeshir Wadia	6,30,000	5,00,000

§ Appointed as Director with effect from December 01, 2019.

Mr. Shyam Sunder Bhartia opted out from receiving any sitting fee and commission. There was no other pecuniary relationship or transaction with the non-executive directors.

## (7) Board Diversity Policy

Board diversity is imperative in view of globalization of business, rapid deployment of technology, greater social responsibility, ever increasing emphasis on corporate governance and increasing need for risk management. Having members of the Board of Directors from different fields enable the Company to keep pace with changing business dynamics and provide financial, reputational and qualitative benefits. The Board of Directors had adopted "Board Diversity Policy" which sets out the basic guidelines to constitute a diverse Board of Directors that can, *inter alia*, draw upon a range of perspectives, experience and knowledge.

## (8) Performance Evaluation

In pursuance of the provisions of the Companies Act, 2013 and Listing Regulations, the Company has laid down a Performance Evaluation Policy. The said policy prescribed in detail the process for effective evaluation of performance of the Board of Directors, the Committees thereof, individual Directors and the Chairman of the Company. The Nomination and Remuneration Committee had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board of Directors and its committee(s), individual Directors and the Chairman of the Company.

As per the Performance Evaluation Policy of the Company, the evaluation of performance of the Board of Directors as a whole, Committees of the Board of Directors, individual Directors and Chairman of the Company was carried out for the financial year 2019-20. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairman of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

Based on the responses to the questionnaires received from the Directors and considering the evaluations carried out by Independent Directors, the Board of Directors evaluated its own performance and that of its committees and individual Directors including Independent Directors.

## (9) Vigil Mechanism and Whistle Blower Policy

The Company has a Whistle Blower Policy for establishing vigil mechanism for Directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud, violation of the Company's "Code of Conduct and Ethics" or leak of Unpublished Price

Sensitive Information of the Company. The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under the Whistle Blower Policy. The vigil mechanism under the Whistle Blower Policy provides adequate safeguard against victimization of the Directors and the employees who avail of the mechanism and also provides for direct access to Chairman of the Audit Committee in appropriate or exceptional cases. No personnel was denied access to the Audit Committee during the financial year 2019-20. The Whistle Blower Policy is available on the website of the Company at the weblink: <http://chambalfertilisers.com/pdf/Whistle-Blower-Policy.pdf>.

**(10) Related Party Transactions**

During the financial year 2019-20, there were no materially significant transactions with related parties that may have potential conflict with the interest of the Company at large. The Company has formulated a policy on dealing with related party transactions which has been uploaded on the website of the Company and can be accessed at the weblink: <http://www.chambalfertilisers.com/pdf/Policy-on-Related-Party-Transactions.pdf>.

**(11) Fees paid to Auditors and firms / entities in its network**

The details of total fee paid/payable by the Company for the financial year 2019-20 to M/s. Price Waterhouse Chartered Accountants LLP, Auditors are as under:

Particulars	Amount* (Rs. in Crore)
Audit Fee (including limited review of quarterly results)	0.63
Tax Audit Fee	0.06
Fees for issue of various certificates	0.23
Out of pocket expenses	0.06
<b>Total</b>	<b>0.98</b>

\*The fees is exclusive of taxes.

The Company has not paid any fees to any entity in the network firm of the Auditor or to any network entity of which Auditor is a part. No fees was paid/payable by the Company's subsidiaries to M/s. Price Waterhouse Chartered Accountants LLP, Auditors or the entities in the network firm/ network entities of which the auditor is a part, during the financial year 2019-20.

**(12) Credit Ratings**

The details of the Credit Ratings assigned to the Company as on March 31, 2020 are as under:

Type of Facility/ Programme	Amount (Rs. in Crore)	Credit Rating by CRISIL Limited	Credit Rating by ICRA Limited
Commercial Paper Programme	3500.00 (Refer Note below)	CRISIL A1+	[ICRA] A1+
Bank Loan Facilities (Long Term Rating)	6148.56	CRISIL AA/Stable	-
Bank Loan Facilities (Short Term Rating)	4175.00	CRISIL A1+	-
Fixed Deposits	-	FAA+/Stable	-

Notes:

- (i) CRISIL Limited and ICRA Limited has enhanced the rating amount from Rs. 3000 Crore to Rs. 3500 Crore vide their respective letters dated June 18, 2019.
- (ii) The Company does not have any fixed deposits.

**(13) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

**13.1 Commodity Risk**

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

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

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

- (a) Di-Ammonium Phosphate; and
- (b) Natural Gas.

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

**(ii) Exposures of the Company to aforesaid commodities and commodity risks faced by the Company throughout the financial year 2019-20**

- a. Total exposure of the Company to aforesaid commodities - Rs. 7983.38 Crore

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

Commodity Name	Exposure in INR towards the particular commodity (Rs. in Crore)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Di-Ammonium Phosphate	2146.07	8,82,435 MT	NIL	NIL	NIL	NIL	NIL
Natural Gas	5837.31	2071.80 Million Standard Cubic Meters	NIL	NIL	NIL	NIL	NIL

(iii) **Commodity Risks faced by the Company during the financial year 2019-20 and how they have been managed**

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

- Dynamic sourcing strategy and review of demand and supply on regular basis;
- No long term commitments; and
- Constant review of market conditions including costing of competitors.

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

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

### 13.2 Foreign Exchange Risk

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

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

In order to mitigate the foreign exchange risk in respect of imported fertilisers, the Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts and option structures. As on March 31, 2020, the major portion of foreign exchange exposure of the Company in respect of imported fertilisers was hedged by the Company through foreign exchange hedging transactions. The details of foreign currency risk and hedging activities are also given in the Notes to Financial Statements.

### (14) Shareholding of Directors as on March 31, 2020

Name	Number of Shares held
Mr. Saroj Kumar Poddar	7,06,128
Mr. Pradeep Jyoti Banerjee	NIL
Mr. Shyam Sunder Bhartia	NIL
Mr. Anil Kapoor	37,000
Mr. Nimesh Nagindas Kampani	NIL
Mr. Gaurav Mathur	NIL
Mr. Vivek Mehra	NIL
Mr. Chandra Shekhar Nopany*	3,23,775
Ms. Radha Singh	NIL
Mr. Marco Philippus Ardeshir Wadia	6,000

\* Apart from 3,23,775 equity shares mentioned above, Chandra Shekhar Nopany as Karta of C S Nopany was holding 2,40,100 equity shares, Chandra Shekhar Nopany as Trustee of Shruti Family Trust was holding 1,000 equity shares and Chandra Shekhar Nopany as Trustee of Shekhar Family Trust was holding 1,40,01,000 equity shares of the Company as on March 31, 2020.

### (15) General Body Meetings

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

Financial year	Date	Time	Location
2018-19	28.09.2019	1030 Hours	Registered Office of the Company at Gadepan, District Kota, Rajasthan, PIN-325 208
2017-18	18.09.2018	1030 Hours	
2016-17	15.09.2017	1030 Hours	

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

Date of Annual General Meeting	Nature of approval
September 18, 2018	Approval of the borrowing powers/limits of the Board of Directors of the Company.
September 15, 2017	1. Re-appointment of Mr. Marco Philippus Ardeshir Wadia as an Independent Director of the Company.
	2. Re-appointment of Ms. Radha Singh as an Independent Director of the Company.
	3. Approval to make offer or invitation for subscription of non- convertible debentures, on private placement basis.

Shareholders' approval by way of special resolution was not sought for any matter in the Annual General Meeting held on September 28, 2019.

15.3 Shareholders' approval through postal ballot was not sought for any matter during the financial year 2019-20.

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

#### (16) Disclosures

16.1 No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three years, for non-compliance by the Company.

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

16.3 The Company has formulated a "Policy for determining Material Subsidiaries" which has been uploaded on the website of the Company ([www.chambalfertilisers.com](http://www.chambalfertilisers.com)) and can be accessed at the weblink: <http://www.chambalfertilisers.com/pdf/Policy-for-determining-Material-Subsidiary.pdf>.

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

16.5 The details of familiarization programmes imparted to Independent Directors are available on the website of the Company and can be accessed at the weblink: <http://chambalfertilisers.com/pdf/Familiarization-Prog-Indep-Directors-2019-20.pdf>.

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

16.7 The Company has adopted the following discretionary requirements under Regulation 27(1) of the Listing Regulations relating to:

- Maintenance of the office of Non-Executive Chairman at the Company's expense.
- Unmodified audit opinion on financial statements of the Company.

16.8 All the recommendations made by the Committees of the Board of Directors were accepted by the Board of Directors.

16.9 No complaint was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year ended March 31, 2020. Further, no complaint was pending with the Company as at the beginning and end of the financial year 2019-20 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### (17) Means of Communication

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

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

17.3 The quarterly results are also posted on the website of the Company at [www.chambalfertilisers.com](http://www.chambalfertilisers.com). The investors can also find on this website the Annual Reports, Quarterly Results, various policies of the Company, details of unpaid dividend, composition of various committees of the Board of Directors, terms and conditions for appointment of independent directors, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, de-materialisation of shares, details of shares to be transferred to Investor Education and Protection Fund, etc.

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

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

#### (18) Code of Conduct and Ethics

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

This Code of Conduct and Ethics sets out a policy for one's conduct in dealing with the Company, fellow directors and employees and with the external environment in which the Company operates.

The declaration given by Managing Director of the Company affirming compliance of the Code of Conduct and Ethics by the Directors and Senior Management Personnel of the Company during the financial year 2019-20 is enclosed as **Annexure "D"** to Board's Report.



**(19) General Shareholders' Information**
**19.1 35<sup>th</sup> Annual General Meeting**

Venue : 35<sup>th</sup> AGM will be held through video conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at Gadepan, District Kota, Rajasthan – 325 208

Time : 1030 Hours

Day & Date : Thursday, September 10, 2020

**19.2 Financial Year : April to March**
**19.3 Tentative Financial Calendar**

Event	Date
Audited Annual Results (Financial Year 2019-20)	May 23, 2020
Mailing of Annual Report*	August 2020
First Quarter Results	Late July 2020
Half Yearly Results	Early November 2020
Third Quarter Results	Early February 2021
Audited Annual Results (Financial Year 2020-21)	May 2021

\* In compliance with the Circular no. 20/2020 dated May 05, 2020 read with circular no. 14/2020 dated April 08, 2020 and circular no. 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the Annual Report for the financial year 2019-20 and notice of 35<sup>th</sup> AGM of the Company will be sent only through emails registered with the Company or with the depository participants / Depositories. These documents will also be available on the website of the Company at [www.chambalfertilisers.com](http://www.chambalfertilisers.com).

**19.4 Dividend Payment Date**

The Board of Directors declared an interim dividend of Rs. 4.00 (40%) per equity share of Rs. 10 each of the Company during the financial year 2019-20, which was paid on March 17, 2020.

**19.5 Listing on Stock Exchanges and Stock codes**

The names and addresses of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

S. No.	Name of the Stock Exchange	Stock Code
1.	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500085
2.	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

The Company has paid annual listing fees for the financial year 2020-21 to BSE and NSE.

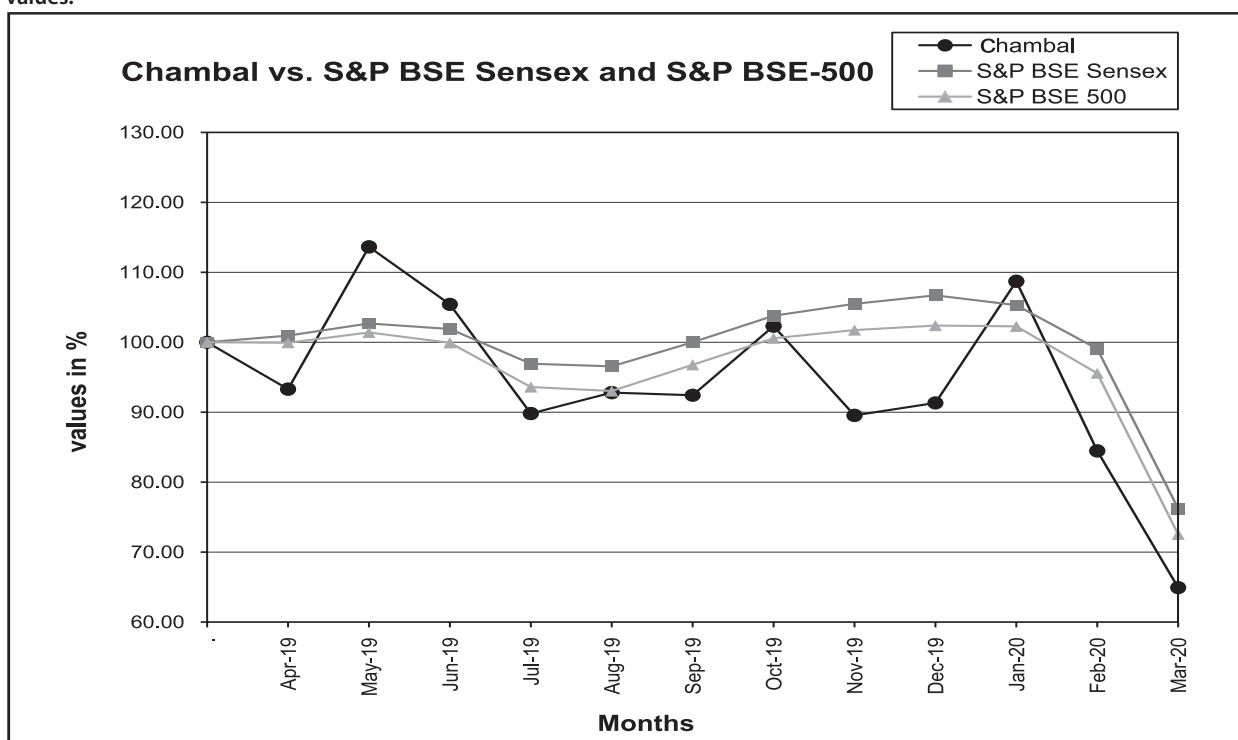
**19.6 Market Price Data**

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2019-20 were as follows:

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2019	173.00	155.00	173.25	154.50
May, 2019	192.10	136.10	192.40	136.25
June, 2019	196.25	166.40	195.00	166.05
July, 2019	190.75	144.50	190.50	144.25
August, 2019	157.25	133.70	157.50	133.80
September, 2019	181.00	150.10	180.50	150.00
October, 2019	171.40	141.00	171.50	144.15
November, 2019	184.75	148.05	185.00	147.60
December, 2019	153.20	142.50	153.30	142.25
January, 2020	186.00	149.25	185.00	149.00
February, 2020	184.75	139.00	184.80	139.00
March, 2020	146.25	95.25	146.80	93.80

**19.7 Performance of equity share of the Company (Chambal) in comparison to S&P BSE Sensex and S&P BSE 500 on the basis of closing values:**



The base of 100 is taken to be the closing price of shares at BSE and values of indices as on March 31, 2019.

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

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

**M/s. Zuari Finserv Limited**

"Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025

Tel : 011-41616619, 46581300, Fax : 011-40638679

E-mail : [rta@adventz.zuarimoney.com](mailto:rta@adventz.zuarimoney.com)

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

The Share Transfer Agent has an online computerized system for transfer of shares in physical form. The designated officials of the Company are authorised to approve transfer of shares after they are processed by the Share Transfer Agent. Average time taken in transfer of shares is around 2 working days from the date of receipt of the request. In pursuance of Regulation 40 of Listing Regulations, except in case of transmission or transposition of shares, the processing of requests for effecting transfer of shares held in physical form is not allowed with effect from April 01, 2019. SEBI vide its press release dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline of April 01, 2019 and returned due to deficiency in the document may be re-lodged for transfer even after April 01, 2019.

**19.9 Address for Correspondence**

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

**Chambal Fertilisers and Chemicals Limited**

**Investor Service Centre**

"Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025

Tel : 011-41697900, Fax : 011-40638679

E-mail : [isc@chambal.in](mailto:isc@chambal.in)

Website : [www.chambalfertilisers.com](http://www.chambalfertilisers.com)

**19.10 Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are compulsorily traded in dematerialised form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Limited and Central Depository Services (India) Limited. As on March 31, 2020, about 96.35% of the share capital of the Company was held in dematerialised form.

### 19.11 Details of Unpaid Dividend

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

Dividend Year	Amount lying in Unpaid Dividend Account as on March 31, 2020 (in Rs.)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2012-2013	1,74,74,658.07	14.10.2020
2013-2014	1,76,65,983.85	19.10.2021
2014-2015	1,88,46,452.65	18.10.2022
2015-2016	1,90,17,904.87	25.10.2023
2016-2017	1,99,51,789.78	15.10.2024
2017-2018	1,44,81,996.59	21.10.2025
2018-2019	1,40,14,201.16	28.10.2026

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

During the financial year ended March 31, 2020, the Company has transferred unpaid dividend of Rs. 1,56,51,742 for the financial year 2011-12 to IEPF. The Company has also transferred 4,40,622 equity shares to the demat account of IEPF Authority in respect of which the dividend has been unpaid/ unclaimed for the last seven years. 43,65,395 equity shares of the Company were lying in the demat Account of IEPF Authority as on March 31, 2020.

### 19.12 Transfer of shares in Unclaimed Suspense Account

The Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

Particulars	No. of Shareholders	No. of Shares
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on April 01, 2019	308	1,36,488
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2019-20	2	700
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2019-20	2	700
Shares transferred to IEPF during the financial year 2019-20	65	23,030
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2020	241	1,12,758

The voting rights on the shares outstanding in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

### 19.13 Distribution of Shareholding

The distribution of shareholding as on March 31, 2020 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	1,01,545	85.59	1,72,41,619	4.14
2	501 to 1000	10,052	8.47	85,77,452	2.06
3	1001 to 5000	5,733	4.83	1,25,78,980	3.02
4	5001 to 10000	683	0.58	51,57,873	1.24
5	10001 to 100000	503	0.42	1,27,59,736	3.07
6	100001 to 500000	69	0.06	1,66,51,952	4.00
7	500001 & above	57	0.05	34,32,40,240	82.47
	<b>Total</b>	<b>1,18,642</b>	<b>100.00</b>	<b>41,62,07,852</b>	<b>100.00</b>

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

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

### 19.15 Location of the Plants

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

For and on behalf of Board of Directors

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020

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**Annexure “D” to Board’s Report**  
**DECLARATION OF MANAGING DIRECTOR**

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that the members of Board of Directors and senior management personnel of the Company have affirmed their compliance with the Code of Conduct and Ethics of the Company during the financial year 2019-20.

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director

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**Annexure “E” to Board’s Report**  
**Auditors’ Certificate regarding compliance of conditions of Corporate Governance**

To the Members of Chambal Fertilisers and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Chambal Fertilisers and Chemicals Limited (“the Company”), for the year ended March 31, 2020, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred to as “SEBI Listing Regulations, 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

Place : New Delhi  
Date : May 23, 2020

**Pramit Agrawal**  
Partner  
Membership No: 099903  
UDIN: 20099903AAAAEU6810

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**Annexure “F” to Board’s Report**  
**CERTIFICATE**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company stated below for the Financial Year ended March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

S. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Mr. Saroj Kumar Poddar	00008654	13/02/1995
2.	Mr. Nimesh Nagindas Kampani	00009071	15/09/2017
3.	Mr. Shyam Sunder Bhartia	00010484	13/02/1995
4.	Mr. Chandra Shekhar Nopany	00014587	16/09/2008
5.	Mr. Anil Kapoor	00032299	16/02/2007
6.	Mr. Vivek Mehra	00101328	18/09/2018
7.	Mr. Marco Philippus Ardeshir Wadia	00244357	11/04/2000
8.	Ms. Radha Singh	02227854	21/10/2009
9.	Mr. Pradeep Jyoti Banerjee	02985965	01/12/2019
10.	Mr. Gaurav Mathur	07610237	06/01/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board of Directors is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RMG & Associates  
Company Secretaries  
Firm Registration No. P2001DE16100  
Peer Review No. : 734 / 2020**

**Place : New Delhi  
Date : 23-05-2020  
UDIN : F005123B000268232**

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

**Annexure "G" to Board Report**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and Projects or Programs	<p>The Corporate Social Responsibility Policy ("CSR Policy") of the Company outlines the Company's philosophy and responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for inclusive &amp; sustainable development of the community.</p> <p>The Company, <i>inter-alia</i>, aims to:</p> <ol style="list-style-type: none"> <li>(a) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates;</li> <li>(b) Promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services; and</li> <li>(c) Build lasting social capital through interventions in the social initiatives for the benefit of the community residing in the vicinity of its plants and other places in India.</li> </ol> <p>The Corporate Social Responsibility ("CSR") projects and programs of the Company cover the areas of Education including Technical and Vocational Education, Rural Development, Healthcare and Sanitation, Employability and Empowerment, Environmental Sustainability, Animal Welfare, and Soil Health. The CSR Projects / Programs of the Company in the area of Education are focused on providing quality education to the children in and around its plants including digitization of education and improvement in learning levels of students. Under technical education initiative through Industrial Training Institutes, Polytechnic College and Vocational Training Centers, the Company works towards skill development and vocational training in order to enhance the employability of rural youth and make them self-reliant.</p> <p>Rural Development Project / Program of the Company aims towards sustainable development of the village infrastructure for the well-being of the community at large. The Company also extend its helping hand for relief in case of natural calamities/disaster.</p> <p>The Company helps the community through medical facilities including doorstep delivery of medical care services in remote areas, preventive healthcare, awareness campaigns, general and specialized health camps, etc. Apart from this, the Company has also facilitated the healthcare and sanitation in the wake of outbreak of Novel Corona Virus pandemic.</p> <p>In order to achieve gender equality and promote income generating activities for the marginalized section of women, the Company supports Women Self Help Groups. Farming community, especially small and marginalized landholders, are supported through soil testing laboratories, mobile soil testing vans and training and advisory services to ensure optimum use of agricultural inputs.</p> <p>CSR Policy of the Company includes the details of projects / programs to be undertaken by the Company, in compliance with the provisions of the Companies Act, 2013. The CSR Policy is placed on the Company's website and can be accessed at the web-link: <a href="http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy.pdf">http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy.pdf</a></p>
2.	The Composition of the CSR Committee	<p>Mr. Chandra Shekhar Nopany      -Chairman</p> <p>Mr. Anil Kapoor                      -Member</p> <p>Ms. Radha Singh                      -Member</p>
3.	Average net profit of the company for the last three financial years	<b>Rs. 764.78 crore</b>
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	<b>Rs. 15.30 crore</b>
5.	Details of CSR spent during the financial year	
	a) Total amount to be spent for the Financial Year	<b>Rs. 15.30 crore</b>
	b) Total amount spent for the Financial Year	<b>Rs. 15.33 crore</b>
	c) Amount unspent, if any	NIL
	d) Manner in which the amount spent during the financial year	As per details given below:

Manner in which the amount spent on CSR Projects and Programs during the Financial Year 2019-20							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local Area or other 2) State and District where projects or programs was undertaken	Amount outlay – (Budget) Project or program wise (Rs. in Crore)	Amount spent on the projects or programs: 1) Direct expenditure on projects or programs 2) Overheads (Rs. in Crore)	Cumulative expenditure upto the reporting period (Rs. in Crore)	Amount spent : direct or through implementing agency*
<b>(i) Education Initiative</b>							
(a)	Pre-primary and School Education (Project Akshar)	Promoting education including special education and employment enhancing vocational skills	(1) Local Area & Other (2) District Kota and Baran, Rajasthan and District Dehradun, Uttarakhand	a) 5.56 b) 0.19	(1) 5.59 (2) 0.19	5.78	Direct (including in collaboration with DAV College Trust and Management Society) and KK Birla Memorial Society ("KKBMS")
(b)	Technical and Vocational Education (Project Saksham)		(1) Local Area (2) District Kota, Baran and Jhalawar, Rajasthan	a) 1.52 b) 0.05	(1) 1.62 (2) 0.05		
(ii)	<b>Rural Development Initiatives (Project Saakar)</b>	Rural Development Projects	(1) Local Area & Other (2) District Kota and Baran, Rajasthan and various districts of Odisha	a) 4.24 b) 0.14	(1) 4.33 (2) 0.15	4.48	Direct and KKBMS
(iii)	<b>Health care and Sanitation Initiatives (Project Arogya)</b>	Promoting Health care including preventive health care, sanitation and availability of safe drinking water	(1) Local Area & Other (2) Districts Kota and Baran, Rajasthan and District Tehri and Dehradun, Uttarakhand	a) 1.55 b) 0.05	(1) 1.35 (2) 0.04	1.39	Direct and KKBMS
(iv)	<b>Employability and Empowerment (Project Pragati)</b>	Empowerment of Women, reducing inequality faced by socially and economically backward groups	(1) Local Area (2) District Kota and Baran, Rajasthan	a) 0.75 b) 0.03	(1) 0.71 (2) 0.03	0.74	Direct and KKBMS
(v)	<b>Environmental Sustainability, Animal Welfare, and Soil Health Initiatives (Project Bhoomi)</b>	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry and Maintaining quality of soil, air and water	(1) Local Area & Other (2) District Kota, Baran, & Jodhpur, Rajasthan and District Bareilly and Budaun, Uttar Pradesh	a) 1.20 b) 0.04	(1) 1.23 (2) 0.04	1.27	Direct and KKBMS
<b>Total (i to v)</b>				<b>15.32</b>	<b>15.33</b>	<b>15.33</b>	

**\*Details of implementing agencies**

- KK Birla Memorial Society had been set up by the Company for implementation of CSR Projects and Programs.
- DAV College Trust and Management Society is a pioneer in the field of education and running a school in Gadepan under a Memorandum of Understanding with the Company.

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

**Anil Kapoor**  
Managing Director

**Chandra Shekhar Nopany**  
Chairman – Corporate Social Responsibility Committee

Date : May 23, 2020

**Annexure "H" to Board's Report**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on March 31, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
i	CIN	L24124RJ1985PLC003293
ii	Registration Date	May 7, 1985
iii	Name of the Company	Chambal Fertilisers and Chemicals Limited
iv	Category / Sub-Category of the Company	Public Limited
v	Address of the Registered office and contact details	Gadepan, District Kota, Rajasthan, PIN-325 208, Phone : 0744-2782915, Fax: 07455-274130 Email : <a href="mailto:isc@chambal.in">isc@chambal.in</a>
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Zuari Finserv Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110025 Phone : 011-41616619, 46581300 Fax : 011-40638679, Email : <a href="mailto:rta@adventz.zuarimoney.com">rta@adventz.zuarimoney.com</a>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Urea	20121	65.79
2.	Di-ammonium Phosphate	46692	26.64

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Chambal Infrastructure Ventures Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025	U45200DL2007PLC157223	Subsidiary	100	2(87)
2.	India Steamship Limited (Under Liquidation)*, Gadepan, District Kota, Rajasthan, PIN -325 208 C/o Mr. Hardev Singh (Liquidator), 101, Plot No. 6, LSC, Vardhman Rajdhani Plaza, New Rajdhani Enclave, New Delhi - 110092	U61100RJ2011PLC034702	Subsidiary	100	2(87)
3.	India Steamship Pte. Ltd.** 24, Raffles Place, #24-03 Clifford Centre, Singapore 48621	Foreign Company	Subsidiary	100	2(87)
4.	ISGN Corporation, 1333, Gateway Drive, Suite 1000, Melbourne, FL 32901, USA	Foreign Company	Subsidiary	72.27	2(87)
5.	CFCL Ventures Limited, C/o M&C Corporate Services Limited, PO. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands	Foreign Company	Subsidiary	72.27	2(87)
6.	ISG Novasoft Technologies Limited, 128/9, Maruthi Sapphire, 2nd Floor, Madivala Machideva Road, Murgeshpalya, Bengaluru - 560017	U72900KA2003PLC050528	Subsidiary	72.27	2(87)
7.	Inuva Info Management Private Limited (Under Liquidation)* Flat No.3B, 3rd Floor, 208, S.P. Mukherjee Road, PS - Tollygunge, Kolkata - 700 026 C/o Mr. Satwinder Singh (Liquidator), Vaish Associates, Advocates, 11th Floor, Mohan Dev Building, 13, Tolstoy Marg, New Delhi - 110001	U72900WB2001PTC093549	Subsidiary	51.32	2(87)
8.	Indo Maroc Phosphore S.A. -IMACID 2, Rue Al Abtal, Hay Erraha, 20200,Casablanca, Morocco	Foreign Company	Joint Venture	33.33	2(6)

\* The respective liquidators of these subsidiaries completely liquidated the assets thereof during the financial year 2019-20 and these subsidiaries are in the process of voluntary liquidation / dissolution.

\*\* Dissolved on April 6, 2020.



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (including Promoter Group)</b>									
<b>(1) Indian</b>									
a) Individual/HUF	23124232	0	23124232	5.56	23324232	0	23324232	5.60	0.05
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	218801336	0	218801336	52.57	222852836	0	222852836	53.54	0.97
e) Banks / FIs	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1)</b>	<b>241925568</b>	<b>0</b>	<b>241925568</b>	<b>58.13</b>	<b>246177068</b>	<b>0</b>	<b>246177068</b>	<b>59.15</b>	<b>1.02</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	2670025	0	2670025	0.64	2704451	0	2704451	0.65	0.01
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FIs	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub – Total (A) (2)</b>	<b>2670025</b>	<b>0</b>	<b>2670025</b>	<b>0.64</b>	<b>2704451</b>	<b>0</b>	<b>2704451</b>	<b>0.65</b>	<b>0.01</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A) (2)</b>	<b>244595593</b>	<b>0</b>	<b>244595593</b>	<b>58.77</b>	<b>248881519</b>	<b>0</b>	<b>248881519</b>	<b>59.80</b>	<b>1.03</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	55235117	29300	55264417	13.28	57293690	29200	57322890	13.77	0.49
b) Banks / FIs	460403	110734	571137	0.14	355572	109489	465061	0.11	(0.03)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	5883376	0	5883376	1.41	7190788	0	7190788	1.73	0.32
g) FIs	0	3200	3200	0	0	3200	3200	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
i) Alternate Investment Funds	3979232	0	3979232	0.96	5154414	0	5154414	1.24	0.28
ii) Foreign Portfolio Investors	26984501	0	26984501	6.48	27037243	0	27037243	6.50	0.02
<b>Sub-total (B)(1):</b>	<b>92542629</b>	<b>143234</b>	<b>92685863</b>	<b>22.27</b>	<b>97031707</b>	<b>141889</b>	<b>97173596</b>	<b>23.35</b>	<b>1.08</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
(i) Indian	11825460	113648	11939108	2.87	3639739	109518	3749257	0.90	(1.97)
(ii) Overseas	300000	0	300000	0.07	0	0	0	0	(0.07)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	26171646	12839061	39010707	9.37	27698383	11533800	39232183	9.43	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	11329112	130700	11459812	2.76	11080635	78000	11158635	2.68	(0.08)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Trusts	192851	1000	193851	0.05	648516	1000	649516	0.16	0.11
ii) Hindu Undivided Family	798414	12700	811114	0.19	869725	12400	882125	0.21	0.02
iii) Clearing Member	1399162	0	1399162	0.34	1072390	0	1072390	0.26	(0.08)
iv) Non-Resident Indian	1481564	1686213	3167777	0.76	1596452	1587563	3184015	0.77	0.01
v) Foreign Nationals	2309375	2708081	5017456	1.21	3000000	1708081	4708081	1.13	(0.08)
vi) Limited Liability Partnership	224633	3600	228233	0.05	116282	3600	119882	0.03	(0.03)
vii) Unclaimed Suspense Account	136488	0	136488	0.03	112758	0	112758	0.03	0.00
viii) Investor Education and Protection Fund (IEPF)	3926788	0	3926788	0.94	4365395	0	4365395	1.05	0.11
ix) Employee Benefit Trust	1335900	0	1335900	0.32	918500	0	918500	0.22	(0.10)
<b>Sub-total (B)(2):</b>	<b>61431393</b>	<b>17495003</b>	<b>78926396</b>	<b>18.96</b>	<b>55118775</b>	<b>15033962</b>	<b>70152737</b>	<b>16.85</b>	<b>(2.11)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>153974022</b>	<b>17638237</b>	<b>171612259</b>	<b>41.23</b>	<b>152150482</b>	<b>15175851</b>	<b>167326333</b>	<b>40.20</b>	<b>(1.03)</b>
C. Shares held by Custodian for GDRs & ADRs	Not Applicable								
<b>Grand Total (A+B+C)</b>	<b>398569615</b>	<b>17638237</b>	<b>416207852</b>	<b>100</b>	<b>401032001</b>	<b>15175851</b>	<b>416207852</b>	<b>100</b>	<b>0</b>

*(ii) Shareholding of Promoters (including Promoter Group)*

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Akshay Poddar	2260025	0.54	0	2294451	0.55	0	0.01
2	Chandra Shekhar Nopany	323775	0.08	0	323775	0.08	0	0
3	Chandra Shekhar Nopany as Karta of C S Nopany	240100	0.06	0	240100	0.06	0	0
4	Chandra Shekhar Nopany (Trustee of Shruti Family Trust)	1000	0.00	0	1000	0.00	0	0
5	Chandra Shekhar Nopany (Trustee of Shekhar Family Trust)	1000	0.00	0	14001000	3.36	0	3.36
6	Jyotsna Poddar	3971866	0.95	0	4171866	1.00	0	0.05
7	Jyotsna Poddar (Trustee of Jyotsna Poddar Family Trust)	125000	0.03	0	125000	0.03	0	0
8	Nandini Nopany	14702667	3.53	0	702667	0.17	0	(3.36)
9	Saroj Kumar Poddar	706128	0.17	0	706128	0.17	0	0
10	Shobhana Bhartia	2726796	0.66	0	2726796	0.66	0	0
11	Shradha Agarwala	325900	0.08	0	325900	0.08	0	0
12	Shruti Vora	410000	0.10	0	410000	0.10	0	0
13	Shyam Sunder Bhartia	0	0.00	0	0	0.00	0	0
14	Adventz Finance Private Limited	265407	0.06	0	265407	0.06	0	0
15	Adventz Securities Enterprises Limited	20022	0.00	0	20022	0.00	0	0
16	Deepshikha Trading Co. Private Ltd.	57700	0.01	0	57700	0.01	0	0

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
17	Duke Commerce Limited	550200	0.13	0	550200	0.13	0	0
18	Earthstone Holding (Two) Private Limited	13656476	3.28	0	14757077	3.55	0	0.26
19	Earthstone Investment & Finance Limited	8424515	2.02	0	8424515	2.02	0	0
20	Earthstone Holding (Three) LLP	5000	0.00	0	5000	0.00	0	0
21	Ganges Securities Limited	704160	0.17	0	704160	0.17	0	0
22	Gobind Sugar Mills Limited	1947	0.00	0	1947	0.00	0	0
23	Hargaon Investment & Trading Co. Ltd	0	0.00	0	136634	0.03	0	0.03
24	La Monde Trading & Investments Private Ltd.	15000	0.00	0	15000	0.00	0	0
25	Manavta Holdings Ltd.	3425000	0.82	0	3425000	0.82	0	0
26	Manbhawani Investment Ltd.	4800000	1.15	0	4800000	1.15	0	0
27	Master Exchange & Finance Limited	1601600	0.38	0	1601600	0.38	0	0
28	New India Retailing and Investment Ltd.	581163	0.14	0	581163	0.14	0	0
29	Nilgiri Plantations Limited	4056740	0.97	0	4056740	0.97	0	0
30	Pavapuri Trading and Investment Company Ltd.	100000	0.02	0	100000	0.02	0	0
31	Premium Exchange and Finance Limited	3086500	0.74	0	3086500	0.74	0	0
32	Ricon Commerce Ltd.	150200	0.04	0	150200	0.04	0	0
33	Ronson Traders Ltd.	6929000	1.66	0	6929000	1.66	0	0
34	RTM Investment and Trading Co. Ltd.	1946200	0.47	0	1946200	0.47	0	0
35	RTM Properties Ltd.	125000	0.03	0	125000	0.03	0	0
36	SCM Investment & Trading Co. Ltd.	561200	0.13	0	561200	0.13	0	0
37	Shital Commercial Limited	138318	0.03	0	138318	0.03	0	0
38	Shree Vihar Properties Ltd.	700000	0.17	0	700000	0.17	0	0
39	Sidh Enterprises Limited	153500	0.04	0	153500	0.04	0	0
40	SIL Investments Limited	33343455	8.01	0	33343455	8.01	0	0
41	SIL Properties Ltd.	100000	0.02	0	100000	0.02	0	0
42	Simon India Limited	2200000	0.53	0	2200000	0.53	0.53	0
43	Sonali Commercial Ltd.	379350	0.09	0	379350	0.09	0	0
44	Texmaco Infrastructure & Holdings Limited	106864	0.03	0	106864	0.03	0	0
45	Texmaco Rail & Engineering Ltd.	1000000	0.24	0	1000000	0.24	0	0
46	The Hindustan Times Limited	54354384	13.06	0	57168649	13.74	0	0.68
47	Uttam Commercial Ltd.	6857100	1.65	0	6857100	1.65	0	0
48	Uttar Pradesh Trading Co. Ltd.	1262635	0.30	0.30	1262635	0.30	0.30	0
49	Yashovardhan Investment & Trading Co. Ltd.	7724500	1.86	0	7724500	1.86	0	0
50	Zuari Global Limited	59015360	14.18	0	59015360	14.18	14.12	0
51	Zuari Investments Limited	402840	0.10	0	402840	0.10	0.10	0
	<b>Total</b>	<b>244595593</b>	<b>58.77</b>	<b>0.30</b>	<b>248881519</b>	<b>59.80</b>	<b>15.05</b>	<b>1.03</b>

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>At the beginning of the year – April 1, 2019</b>	<b>244595593</b>	<b>58.77</b>		
	Date wise Increase / (Decrease) in Shareholding during the year				
1.	<b>The Hindustan Times Limited</b>				
	August 14, 2019 - Market Purchase	15000	0.00	244610593	58.77
	August 16, 2019- Market Purchase	16129	0.00	244626722	58.77
	August 19, 2019 - Market Purchase	30000	0.01	244656722	58.78
	August 20, 2019 - Market Purchase	53227	0.01	244709949	58.79
	August 21, 2019 - Market Purchase	50000	0.01	244759949	58.80
2.	<b>Earthstone Holding (Two) Private Limited</b>				
	August 22, 2019 - Market Purchase	7600	0.00	244767549	58.81
3.	<b>The Hindustan Times Limited</b>				
	August 22 and 23, 2019 – Market Purchase	35644	0.01	244803193	58.82
4.	<b>Earthstone Holding (Two) Private Limited</b>				
	August 23, 2019 - Market Purchase	7592	0.00	244810785	58.82
	August 26, 2019 - Market Purchase	34000	0.01	244844785	58.83
	August 27, 2019 - Market Purchase	50808	0.01	244895593	58.84
5.	<b>The Hindustan Times Limited</b>				
	August 27, 2019 - Market Purchase	20000	0.00	244915593	58.84
	August 28, 2019 - Market Purchase	3701	0.00	244919294	58.84
6.	<b>Hargaon Investment &amp; Trading Co. Ltd</b>				
	August 29, 2019 - Market Purchase	10000	0.00	244929294	58.85
	August 30, 2019 - Market Purchase	10000	0.00	244939294	58.85
	September 03, 2019 - Market Purchase	10000	0.00	244949294	58.85
	September 04, 2019 - Market Purchase	10000	0.00	244959294	58.85
	September 05, 2019 - Market Purchase	10000	0.00	244969294	58.86
	September 09, 2019 - Market Purchase	10000	0.00	244979294	58.86
	September 11, 2019 - Market Purchase	6957	0.00	244986251	58.86
	September 12, 2019 - Market Purchase	4799	0.00	244991050	58.86
	September 13, 2019 - Market Purchase	10000	0.00	245001050	58.87
	September 16, 2019 - Market Purchase	10000	0.00	245011050	58.87
	September 17, 2019 - Market Purchase	13374	0.00	245024424	58.87
	September 18, 2019 - Market Purchase	10327	0.00	245034751	58.87
	September 19, 2019 - Market Purchase	10433	0.00	245045184	58.88
	September 20, 2019 - Market Purchase	10744	0.00	245055928	58.88
7.	<b>The Hindustan Times Limited</b>				
	September 26, 2019 - Market Purchase	50000	0.01	245105928	58.89
8.	<b>Nandini Nopany</b>				
	November 13, 2019 – Transfer	(14000000)	(3.36)	231105928	55.53
9.	<b>Chandra Shekhar Nopany (Trustee of Shekhar Family Trust)</b>				
	November 13, 2019 – Transfer	14000000	3.36	245105928	58.89
10.	<b>The Hindustan Times Limited</b>				
	November 15, 2019 – Market Purchase	60000	0.01	245165928	58.90
	November 18, 2019 – Market Purchase	10000	0.00	245175928	58.90
	November 19, 2019 – Market Purchase	10000	0.00	245185928	58.91
	November 20, 2019 – Market Purchase	5200	0.00	245191128	58.91
	November 21, 2019 – Market Purchase	14800	0.00	245205928	58.91

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11.	<b>Earthstone Holding (Two) Private Limited</b>				
	November 21, 2019 – Market Purchase	50000	0.01	245255928	58.92
	November 22, 2019 – Market Purchase	40000	0.01	245295928	58.93
	November 25, 2019 – Market Purchase	30000	0.01	245325928	58.94
	November 26, 2019 – Market Purchase	37000	0.01	245362928	58.95
	November 27, 2019 – Market Purchase	13000	0.00	245375928	58.95
	November 28, 2019 – Market Purchase	10000	0.00	245385928	58.96
	November 29, 2019 – Market Purchase	50000	0.01	245435928	58.97
	December 03, 2019 – Market Purchase	50000	0.01	245485928	58.98
	December 04, 2019 – Market Purchase	15000	0.00	245500928	58.98
	December 05, 2019 – Market Purchase	20000	0.00	245520928	58.99
	December 06, 2019 – Market Purchase	6000	0.00	245526928	58.99
	December 09, 2019 – Market Purchase	20000	0.00	245546928	58.99
	December 10, 2019 – Market Purchase	40000	0.01	245586928	59.00
	December 11, 2019 – Market Purchase	31579	0.01	245618507	59.01
	December 12, 2019 – Market Purchase	5421	0.00	245623928	59.01
12.	<b>The Hindustan Times Limited</b>				
	March 09, 2020 – Market Purchase	797800	0.19	246421728	59.20
	March 11, 2020 – Market Purchase	450000	0.11	246871728	59.31
13.	<b>Earthstone Holding (Two) Private Limited</b>				
	March 11, 2020 – Market Purchase	115000	0.03	246986728	59.34
14.	<b>Jyotsna Poddar</b>				
	March 11, 2020 – Market Purchase	123115	0.03	247109843	59.37
	March 12, 2020 – Market Purchase	76885	0.02	247186728	59.39
15.	<b>The Hindustan Times Limited</b>				
	March 12, 2020 – Market Purchase	56893	0.01	247243621	59.40
	March 13, 2020 – Market Purchase	38630	0.01	247282251	59.41
	March 16, 2020 – Market Purchase	50000	0.02	247332251	59.43
	March 17, 2020 – Market Purchase	247538	0.05	247579789	59.48
	March 18, 2020 – Market Purchase	214634	0.05	247794423	59.53
	March 19, 2020 – Market Purchase	225000	0.05	248019423	59.59
	March 20, 2020 – Market Purchase	9087	0.00	248028510	59.59
	March 23, 2020 – Market Purchase	304600	0.07	248333110	59.66
	March 24, 2020 – Market Purchase	19904	0.00	248353014	59.67
16.	<b>Earthstone Holding (Two) Private Limited</b>				
	March 25, 2020 – Market Purchase	50000	0.01	248403014	59.68
17.	<b>Akshay Poddar</b>				
	March 25, 2020 – Market Purchase	34426	0.01	248437440	59.69
18.	<b>Earthstone Holding (Two) Private Limited</b>				
	March 26, 2020 – Market Purchase	98403	0.02	248535843	59.71
19.	<b>The Hindustan Times Limited</b>				
	March 26, 2020 – Market Purchase	26478	0.01	248562321	59.72
20.	<b>Earthstone Holding (Two) Private Limited</b>				
	March 27, 2020 – Market Purchase	319198	0.08	248881519	59.80
	<b>At the end of the year – March 31, 2020</b>			<b>248881519</b>	<b>59.80</b>
	Note: Mr. Akshay Poddar purchased 15574 equity shares on March 30, 2020 which were not transferred in his name as on March 31, 2020.				

(iv) Shareholding Pattern of top ten Shareholders [Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs] as on March 31, 2020:

S. No.	Particulars Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>HDFC Trustee Company Limited A/c HDFC Balanced Advantage Fund and its Associate Funds</b>				
	<b>At the beginning of the year</b>	<b>37300415</b>	<b>8.96</b>	<b>37300415</b>	<b>8.96</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 05, 2019 – Purchase	38155	0.01	37338570	8.97
	April 12, 2019 – Purchase	575645	0.14	37914215	9.11
	April 19, 2019 – Purchase	520000	0.12	38434215	9.23
	April 26, 2019 – Purchase	65000	0.02	38499215	9.25
	<b>At the end of the year</b>			<b>38499215</b>	<b>9.25</b>
2.	<b>UTI - Mid Cap Fund and its Associate Funds</b>				
	<b>At the beginning of the year</b>	<b>7227096</b>	<b>1.74</b>	<b>7227096</b>	<b>1.74</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	September 13, 2019 – Sale	(300000)	(0.07)	6927096	1.66
	September 28, 2019 – Sale	(450000)	(0.11)	6477096	1.56
	February 07, 2020 – Sale	(41372)	(0.01)	6435724	1.55
	February 14, 2020 – Sale	(90000)	(0.02)	6345724	1.53
	<b>At the end of the year</b>			<b>6237724</b>	<b>1.50</b>
3.	<b>DSP Small Cap Fund</b>				
	<b>At the beginning of the year</b>	<b>4160330</b>	<b>1.00</b>	<b>4160330</b>	<b>1.00</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	May 24, 2019 – Purchase	510007	0.12	4670337	1.12
	December 20, 2019 –Purchase	567620	0.14	5237957	1.26
	December 27, 2019 –Purchase	257290	0.06	5495247	1.32
<b>At the end of the year</b>			<b>5495247</b>	<b>1.32</b>	
4.	<b>Massachusetts Institute of Technology</b>				
	<b>At the beginning of the year</b>	<b>2650000</b>	<b>0.64</b>	<b>2650000</b>	<b>0.64</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	October 18, 2019 – Purchase	300000	0.07	2950000	0.71
	October 25, 2019 –Purchase	141000	0.03	3091000	0.74
	November 01, 2019 –Purchase	121000	0.03	3212000	0.77
	November 08, 2019 –Purchase	862500	0.21	4074500	0.98
	November 15, 2019 –Purchase	138000	0.03	4212500	1.01
	November 22, 2019–Purchase	227500	0.05	4440000	1.07
	November 29, 2019–Purchase	60000	0.01	4500000	1.08
	December 13, 2019 –Purchase	310000	0.07	4810000	1.16
	December 20, 2019– Purchase	179000	0.04	4989000	1.20
December 27, 2019–Purchase	35000	0.01	5024000	1.21	
<b>At the end of the year</b>			<b>5024000</b>	<b>1.21</b>	
5.	<b>SBI Life Insurance Co. Ltd.</b>				
	<b>At the beginning of the year</b>	<b>913792</b>	<b>0.22</b>	<b>913792</b>	<b>0.22</b>
Date wise Increase / (Decrease) in Shareholding during the year					
May 24, 2019 – Purchase	63734	0.01	977526	0.23	

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	May 31, 2019 – Sale	(14800)	(0.00)	962726	0.23
	June 07, 2019 – Sale	(21069)	(0.00)	941657	0.23
	September 28, 2019 – Purchase	394000	0.09	1335657	0.32
	January 17, 2020 – Purchase	859827	0.21	2195484	0.53
	January 24, 2020 – Purchase	233776	0.05	2429260	0.58
	January 31, 2020 – Purchase	206910	0.05	2636170	0.63
	February 07, 2020 – Purchase	2037146	0.49	4673316	1.12
	February 21, 2020 - Purchase	110543	0.03	4783859	1.15
	February 28, 2020 - Purchase	15046	0.00	4798905	1.15
	March 06, 2020 - Purchase	202210	0.05	5001115	1.20
	March 20, 2020 – Sale	(60161)	(0.01)	4940954	1.19
	<b>At the end of the year</b>			<b>4940954</b>	<b>1.19</b>
6.	<b>FIL Investments (Mauritius) Ltd.</b>				
	<b>At the beginning of the year</b>	<b>3916940</b>	<b>0.94</b>	<b>3916940</b>	<b>0.94</b>
	Date wise Increase / (Decrease) in Shareholding during the year	NIL	NIL	3916940	0.94
	<b>At the end of the year</b>			<b>3916940</b>	<b>0.94</b>
7.	<b>Vantage Equity Fund</b>				
	<b>At the beginning of the year</b>	<b>3250000</b>	<b>0.78</b>	<b>3250000</b>	<b>0.78</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 26, 2019 - Purchase	500000	0.12	3750000	0.90
	March 13, 2020 - Sale	(26070)	(0.01)	3723930	0.89
	March 20, 2020 - Sale	(73430)	(0.02)	3650500	0.88
	March 31, 2020 - Sale	(12600)	(0.00)	3637900	0.87
	<b>At the end of the year</b>			<b>3637900</b>	<b>0.87</b>
8.	<b>Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund and its Associate Funds</b>				
	<b>At the beginning of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	January 03, 2020 - Purchase	1356400	0.33	1356400	0.33
	January 10, 2020 - Purchase	1590037	0.38	2946437	0.71
	March 06, 2020 - Sale	(200453)	(0.05)	2745984	0.66
	March 27, 2020 - Purchase	25000	0.01	2770984	0.67
	<b>At the end of the year</b>			<b>2770984</b>	<b>0.67</b>
9.	<b>Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund and its Associate Funds</b>				
	<b>At the beginning of the year</b>	<b>914000</b>	<b>0.22</b>	<b>914000</b>	<b>0.22</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 05, 2019 - Sale	(140500)	(0.03)	773500	0.19
	April 12, 2019 - Sale	(350500)	(0.08)	423000	0.10
	April 19, 2019 - Sale	(80000)	(0.02)	343000	0.08
	August 02, 2019 - Purchase	28700	0.01	371700	0.09
	August 09, 2019 - Purchase	138800	0.03	510500	0.12
	August 16, 2019 - Purchase	51100	0.01	561600	0.13
	August 23, 2019 - Purchase	191000	0.05	752600	0.18
	September 09, 2019 - Purchase	105000	0.03	857600	0.21
	September 13, 2019 - Purchase	450000	0.11	1307600	0.31
	September 21, 2019 - Purchase	113700	0.03	1421300	0.34
	September 28, 2019 - Purchase	639728	0.15	2061028	0.49
	September 30, 2019 - Purchase	41000	0.01	2102028	0.50
	October 04, 2019 - Purchase	527000	0.13	2629028	0.63
	November 01, 2019 - Purchase	51000	0.01	2680028	0.64

S. No.	Particulars Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	November 29, 2019 - Purchase	106144	0.03	2786172	0.67
	December 20, 2019 - Purchase	44718	0.01	2830890	0.68
	January 17, 2020 - Purchase	58000	0.01	2888890	0.69
	January 24, 2020 - Purchase	26300	0.01	2915190	0.70
	March 27, 2020 - Sale	(94133)	(0.02)	2821057	0.68
	March 31, 2020 - Sale	(294406)	(0.07)	2526651	0.61
	<b>At the end of the year</b>			<b>2526651</b>	<b>0.61</b>
10.	<b>Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)</b>				
	<b>At the beginning of the year</b>	<b>1986034</b>	<b>0.48</b>	<b>1986034</b>	<b>0.48</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	February 07, 2020 – Sale	(24149)	(0.01)	1961885	0.47
	February 28, 2020 – Sale	(9524)	(0.00)	1952361	0.47
	March 06, 2020 - Sale	(30183)	(0.01)	1922178	0.46
	March 13, 2020 - Sale	(5943)	(0.00)	1916235	0.46
	March 20, 2020 - Sale	(42046)	(0.01)	1874189	0.45
	<b>At the end of the year</b>			<b>1874189</b>	<b>0.45</b>
11.	<b>Life Insurance Corporation of India and its Associate Funds (Refer Note 3)</b>				
	<b>At the beginning of the year</b>	<b>4526243</b>	<b>1.09</b>	<b>4526243</b>	<b>1.09</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	December 06, 2019 - Sale	(151000)	(0.04)	4375243	1.05
	December 13, 2019 - Sale	(741205)	(0.18)	3634038	0.87
	December 20, 2019 - Sale	(728361)	(0.17)	2905677	0.70
	December 27, 2019 - Sale	(186912)	(0.04)	2718765	0.65
	December 31, 2019 - Sale	(351934)	(0.08)	2366831	0.57
	January 03, 2020 - Sale	(700000)	(0.17)	1666831	0.40
	January 10, 2020 - Sale	(1062442)	(0.26)	604389	0.14
	January 17, 2020 - Sale	(180489)	(0.04)	423900	0.10
	January 31, 2020 - Sale	(98000)	(0.02)	325900	0.08
	<b>At the end of the year</b>			<b>325900</b>	<b>0.08</b>
12.	<b>Principal Trustee Company Pvt Ltd A/C- Principal Mutual Fund Principal Hybrid Equity Fund and its Associate Funds (Refer Note 3)</b>				
	<b>At the beginning of the year</b>	<b>4233171</b>	<b>1.02</b>	<b>4233171</b>	<b>1.02</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 05, 2019 – Purchase	54000	0.01	4287171	1.03
	May 10, 2019 – Purchase	125000	0.03	4412171	1.06
	May 24, 2019 – Purchase	95000	0.02	4507171	1.08
	May 31, 2019 – Sale	(18000)	(0.00)	4489171	1.08
	June 07, 2019 – Sale	(9727)	(0.00)	4479444	1.08
	June 14, 2019 – Sale	(36255)	(0.01)	4443189	1.07
	June 21, 2019 – Sale	(24000)	(0.01)	4419189	1.06
	June 29, 2019 – Purchase	24000	0.01	4443189	1.07
	July 12, 2019 – Sale	(13670)	(0.00)	4429519	1.06
	July 19, 2019 – Sale	(10000)	(0.00)	4419519	1.06
	August 02, 2019 – Sale	(1260)	(0.00)	4418259	1.06
	August 09, 2019 – Sale	(123431)	(0.03)	4294828	1.03
	August 16, 2019 – Sale	(42126)	(0.01)	4252702	1.02
	August 30, 2019 – Sale	(658201)	(0.16)	3594501	0.86
	September 06, 2019 – Sale	(227068)	(0.05)	3367433	0.81
	September 09, 2019 – Sale	(20000)	(0.00)	3347433	0.80
	September 13, 2019 – Sale	(9416)	(0.00)	3338017	0.80
	September 28, 2019 – Sale	(583585)	(0.14)	2754432	0.66



S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	October 04, 2019 – Sale	(10571)	(0.00)	2743861	0.66
	November 01, 2019 - Sale	(130050)	(0.03)	2613811	0.63
	November 08, 2019 - Sale	(1132654)	(0.27)	1481157	0.36
	November 15, 2019 - Sale	(531788)	(0.13)	949369	0.23
	November 22, 2019 - Sale	(10000)	(0.00)	939369	0.23
	November 29, 2019 - Sale	(27270)	(0.01)	912099	0.22
	December 06, 2019 - Sale	(13220)	(0.00)	898879	0.22
	December 13, 2019 - Sale	(22535)	(0.01)	876344	0.21
	December 20, 2019 - Sale	(189609)	(0.05)	686735	0.16
	December 27, 2019 - Sale	(10000)	(0.00)	676735	0.16
	December 31, 2019 - Sale	(55574)	(0.01)	621161	0.15
	January 03, 2020 - Sale	(159179)	(0.04)	461982	0.11
	January 24, 2020 - Sale	(82900)	(0.02)	379082	0.09
	February 07, 2020 - Sale	(102348)	(0.02)	276734	0.07
	February 14, 2020 - Sale	(130384)	(0.03)	146350	0.04
	<b>At the end of the year</b>			<b>146350</b>	<b>0.04</b>
13.	<b>Reliance Strategic Investments Ltd. ( Refer Note 3)</b>				
	<b>At the beginning of the year</b>	<b>3100000</b>	<b>0.74</b>	<b>3100000</b>	<b>0.74</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 12, 2019 - Sale	(500000)	(0.12)	2600000	0.62
	April 19, 2019 - Sale	(575000)	(0.13)	2025000	0.49
	April 26, 2019 - Sale	(398332)	(0.10)	1626668	0.39
	May 10, 2019 - Sale	(125000)	(0.03)	1501668	0.36
	May 17, 2019 - Sale	(1501668)	(0.36)	NIL	NIL
	<b>At the end of the year</b>			<b>NIL</b>	<b>NIL</b>

Notes:

- The details including sale and purchase transaction dates are given above based on beneficiary data received from the depositories as such details are not provided by the shareholders to the Company.
- Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.
- These entities ceased to be in the list of Top 10 shareholders as on March 31, 2020 but reflected above as they were in the list of top 10 shareholders as on March 31, 2019.
- 43,65,395 equity shares (1.05 % of total shares of the Company) were held in the name of 'Investor Education and Protection Fund Authority Ministry of Corporate Affairs' as on March 31, 2020 (including 4,40,622 equity shares transferred to it during the year). The same has not been included in the list of top ten shareholders given above.

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

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Mr. Saroj Kumar Poddar, Chairman</b>				
	At the beginning of the year and at the end of the year-No change during the year ended March 31, 2020	706128	0.17	706128	0.17
2.	<b>Mr. Anil Kapoor, Managing Director</b>				
	<b>At the beginning of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	August 16, 2019 – Acquisition through exercise of employee stock options	11500	0.00	11500	0.00
	September 03, 2019 – Acquisition through exercise of employee stock options	5000	0.00	16500	0.00

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	September 27, 2019 – Acquisition through exercise of employee stock options	3500	0.00	20000	0.00
	November 21, 2019 – Acquisition through exercise of employee stock options	5000	0.00	25000	0.01
	December 02, 2019 – Acquisition through exercise of employee stock options	2000	0.00	27000	0.01
	December 19, 2019 – Acquisition through exercise of employee stock options	2000	0.00	29000	0.01
	February 04, 2020 – Market Sale	(16000)	(0.00)	13000	0.00
	February 05, 2020 – Market Sale	(4000)	(0.00)	9000	0.00
	February 05, 2020 – Acquisition through exercise of employee stock options	25000	0.01	34000	0.01
	March 12, 2020 – Acquisition through exercise of employee stock options	15000	0.00	49000	0.01
	March 12, 2020 – Market Sale	(8000)	(0.00)	41000	0.01
	March 13, 2020 – Market Sale	(2000)	(0.00)	39000	0.01
	March 19, 2020 – Market Sale	(1000)	(0.00)	38000	0.01
	March 27, 2020 – Market Sale	(1000)	(0.00)	37000	0.01
	<b>At the end of the year</b>			<b>37000</b>	<b>0.01</b>
3.	<b>Mr. Chandra Shekhar Nopany*</b>				
	At the beginning of the year and at the end of the year- No change during the year ended March 31, 2020	323775	0.08	323775	0.08
4.	<b>Mr. Marco Philipppus Ardeshir Wadia</b>				
	At the beginning of the year and at the end of the year- No change during the year ended March 31, 2020	6000	0.00	6000	0.00
5.	<b>Mr. Rajveer Singh, Vice President – Legal &amp; Secretary</b>				
	<b>At the beginning of the year</b>	<b>8000</b>	<b>0.00</b>	<b>8000</b>	<b>0.00</b>
	Date wise Increase / (Decrease) in Shareholding during the year				
	August 16, 2019 - Acquisition through exercise of employee stock options	5000	0.00	13000	0.00
	March 12, 2020 – Acquisition through exercise of employee stock options	4000	0.00	17000	0.00
	<b>At the end of the Year</b>			<b>17000</b>	<b>0.00</b>
6.	<b>Mr. Abhay Bajjal, Chief Financial Officer</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / (Decrease) in Shareholding during the year				
	August 16, 2019 – Acquisition through exercise of employee stock options	5000	0.00	5000	0.00
	February 04, 2020 – Market Sale	(5000)	(0.00)	NIL	NIL
	March 12, 2020 – Acquisition through exercise of employee stock options	18000	0.00	18000	0.00
	<b>At the end of the Year</b>			<b>18000</b>	<b>0.00</b>

\*Apart from 3,23,775 equity shares mentioned above, Chandra Shekhar Nopany as Karta of C S Nopany was holding 2,40,100 equity shares and Chandra Shekhar Nopany as Trustee of Shruti Family Trust was holding 1,000 equity shares as on April 1, 2019 and March 31, 2020. Further, Chandra Shekhar Nopany as Trustee of Shekhar Family Trust was holding 1000 equity shares as on April 1, 2019 and 1,40,01,000 equity shares (including 1,40,00,000 acquired through transfer on November 13, 2019) as on March 31, 2020.

The remaining Directors did not hold any shares during the Financial Year 2019-20.

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

(Rs. in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6895.98	1649.17	NIL	8545.15
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	5.94	5.93	NIL	11.87
<b>Total ( i+ii+iii)</b>	<b>6901.92</b>	<b>1655.10</b>	<b>NIL</b>	<b>8557.02</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	6388.48	18270.80	NIL	24659.28
Reduction	6195.89	17400.65	NIL	23596.54
<b>Net Change</b>	<b>192.59</b>	<b>870.15</b>	<b>NIL</b>	<b>1062.74</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7092.22	2521.55	NIL	9613.77
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	2.29	3.70	NIL	5.99
<b>Total ( i+ii+iii)</b>	<b>7094.51</b>	<b>2525.25</b>	<b>NIL</b>	<b>9619.76</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director		Total Amount
		Mr. Anil Kapoor, Managing Director	Mr. Gaurav Mathur, Joint Managing Director	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,36,61,342	93,21,569	6,29,82,911
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	48,67,445	3,26,000	51,93,445
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options (Refer Note Below)	55,88,855	-	55,88,855
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others - Retirement benefits and other Perquisites	26,98,049	4,20,191	31,18,240
	<b>Total (A)</b>	<b>6,68,15,691</b>	<b>1,00,67,760</b>	<b>7,68,83,451</b>
	<b>Ceiling as per the Act</b>			<b>Rs.124.35 Crore</b>

Notes:

- Total 1,50,000 stock options were granted to Mr. Anil Kapoor, Managing Director during the Financial Year 2010- 11 out of which 70,000 stock options were outstanding as on March 31, 2020. These options were granted at the prevailing market price of Rs. 73.50 per share at the time of grant of options. Each stock option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company. The amount of Rs. 55,88,855 pertains to perquisite value of stock options exercised during the financial year by Mr. Anil Kapoor to purchase 69,000 equity shares of the Company.
- Mr. Gaurav Mathur was appointed as Whole Time Director designated as Joint Managing Director with effect from January 6, 2020.

**B. Remuneration to other Directors:**

(Amount in Rs.)

<b>1. Independent Directors</b>						
Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Marco Philippus Ardeshir Wadia	Ms. Radha Singh	Mr. Vivek Mehra	Mr.Pradeep Jyoti Banerjee®	Mr. Nimesh Nagindas Kampani	
Fee for attending Board/ Committee Meetings	6,30,000	7,25,000	5,05,000	1,50,000	3,50,000	23,60,000
Commission	5,00,000	5,00,000	5,00,000	1,66,667	5,00,000	21,66,667
Others	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total (1)</b>	<b>11,30,000</b>	<b>12,25,000</b>	<b>10,05,000</b>	<b>3,16,667</b>	<b>8,50,000</b>	<b>45,26,667</b>

2. Other Non-Executive Directors				
Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Saroj Kumar Poddar	Mr. Shyam Sunder Bhartia <sup>§</sup>	Mr. Chandra Shekhar Nopany	
Fee for attending Board/ Committee Meetings	3,00,000	NIL	4,25,000	7,25,000
Commission	5,00,000	NIL	5,00,000	10,00,000
Others	NIL	NIL	NIL	NIL
<b>Total (2)</b>	<b>8,00,000</b>	<b>NIL</b>	<b>9,25,000</b>	<b>17,25,000</b>
<b>Total (B) = (1+2)</b>				<b>62,51,667</b>
<b>Total Managerial Remuneration</b>				<b>8,00,50,118*</b>
<b>Overall ceiling as per the Act</b>				<b>Rs. 136.78 Crore</b>

<sup>@</sup>Appointed as Director with effect from December 1, 2019

<sup>§</sup>Opted out from receiving any sitting fee and commission

\* Excluding sitting fee

**C. Remuneration to Key Managerial Personnel Other than MD /WTD / Manager**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rajveer Singh, Company Secretary	Mr. Abhay Bajjal, Chief Financial Officer	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	62,82,473	1,17,53,237	1,80,35,710
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	6,95,032	11,40,700	18,35,732
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Options*	6,01,500	16,86,750	22,88,250
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others - Retirement benefits and other Perquisites	4,22,459	7,33,210	11,55,669
	<b>Total</b>	<b>80,01,464</b>	<b>1,53,13,897</b>	<b>2,33,15,361</b>

\*The amount of Rs.6,01,500 pertains to perquisite value of stock options exercised during the financial year by Mr. Rajveer Singh to purchase 9,000 equity shares of the Company and the amount of Rs.16,86,750 pertains to the perquisite value of stock options exercised during the financial year by Mr. Abhay Bajjal to purchase 23,000 equity shares of the Company. 42,000 stock options granted to Mr. Rajveer Singh and 67,000 stock options granted to Mr. Abhay Bajjal were outstanding as on March 31, 2020. The aforesaid stock options were granted in the Financial Year 2010-11 at the market price of Rs. 73.50 per share prevailing at the time of grant of stock options. Each stock option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company.

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

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

During the financial year 2019-20, there were no penalties / punishment / compounding of offences under the Companies Act, 2013 against the Company, its Directors or other officers in default.

For and on behalf of Board of Directors

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020

Annexure "I" to Board's Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chambal Fertilisers and Chemicals Limited** (hereinafter referred as 'the Company'), having its Registered Office at Gadepan, District Kota, Rajasthan, PIN - 325208. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**Not Applicable as the Company has not issued further share capital during the financial year under review**];
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not Applicable as the Company has not issued and listed any debt securities during the financial year under review**];
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review**]; and
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 [**Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review**].
- VI. Other Laws applicable specifically to the Company are as follows:
  - (a) The Essential Commodities Act, 1955;
  - (b) The Fertilisers (Control) Order, 1985;
  - (c) The Fertiliser (Movement Control) Order, 1973;
  - (d) Insecticides (Price, Stock Display and Submission of Reports) Order, 1986; and
  - (e) The Insecticides Act, 1968 and The Insecticides Rules, 1971.

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

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

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During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines including labour laws and other General Laws.

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

1. the re-appointment of Mr. Anil Kapoor (DIN: 00032299) as Managing Director of the Company for a period from February 16, 2020 to April 15, 2021, as approved by the shareholders of the Company at the Annual General Meeting held on September 28, 2019;
2. the appointment of Mr. Gaurav Mathur (DIN: 07610237) as a Whole Time Director designated as Joint Managing Director of the Company for a period of 5 (five) years with effect from January 06, 2020, subject to approval of the shareholders of the Company;
3. the appointment of Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as an Additional Director in the category of Independent Director of the Company with effect from December 01, 2019; and
4. declaration of interim dividend of Rs. 4 (i.e. 40%) per equity share of Rs. 10 each of the Company for the Financial Year ended March 31, 2020 by the Board of Directors of the Company at its meeting held on March 04, 2020.

For RMG & Associates  
Company Secretaries  
Firm Registration No. P2001DE16100  
Peer Review No. : 734 / 2020

Place : New Delhi  
Date : 23-05-2020  
UDIN : F005123B000268210

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

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

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

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2020 is to be read along with this letter:

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

For RMG & Associates  
Company Secretaries  
Firm Registration No. P2001DE16100  
Peer Review No. : 734 / 2020

Place : New Delhi  
Date : 23-05-2020  
UDIN : F005123B000268210

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

**Annexure "J" to Board's Report**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**(A) Conservation of Energy:**

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

- Replacement of 2<sup>nd</sup> & 3<sup>rd</sup> stage intercoolers of air compressor in Ammonia-I plant.
- Installation of vortex mixer in the Urea reactor of Urea-I plant.
- Installation of additional hydrolyzer preheater in Urea-I plant.
- Replacement of methanator effluent cooler in Ammonia-III plant.

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

None

**(iii) The capital investment on energy conservation equipment**

The total capital investment on the above mentioned energy saving schemes was Rs. 9.76 Crore during the Financial Year 2019-20.

**(B) Technology Absorption:**

**(i) The efforts made towards technology absorption**

Installation of vortex mixer in the Urea reactor of Urea-I plant.

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

Cost reduction on account of energy efficiency.

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

The details of technology imported	The year of import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Replacement of Ammonia converter basket from two-bed basket to three- bed basket in Ammonia-I plant.	2016-17	Yes	Not Applicable
The Company had commenced commercial production from New Urea Plant at Gadepan, District Kota, Rajasthan ("Gadepan-III Plant") with effect from January 1, 2019. Gadepan-III Plant is more energy efficient and consumes less natural resources. Gadepan-III Plant is based on imported technology which mainly includes Purifier Ammonia Process of KBR, Inc., USA, CO <sub>2</sub> Removal Process of BASF SE, Germany and Urea Synthesis Process of Toyo Engineering Corporation, Japan.	The construction of Gadepan-III Plant commenced during the Financial Year 2016-17 and it was commissioned during the Financial Year 2018-19.	Yes	Not Applicable

**(iv) The expenditure incurred on Research and Development**

The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, the Company continuously makes efforts to improve the quality of the products and reliability and efficiency of its plants.

**(C) Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange earned	:	Rs. 82.04 Crore
Foreign Exchange outgo	:	Rs. 2662.40 Crore

**For and on behalf of Board of Directors**

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020



**Annexure "K" to Board's Report**
**A) Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Managing Director, Joint Managing Director, Chief Financial Officer and Company Secretary in the financial year 2019-20:

Name	Designation	Ratio of remuneration of each director to the median remuneration of the employees of the Company	Increase/ (Decrease) in Remuneration (%)
Mr. Saroj Kumar Poddar	Non-Executive Chairman	0.81	23.08
Mr. Pradeep Jyoti Banerjee	Independent Director	0.32	Not Applicable
Mr. Shyam Sunder Bhartia	Non-Executive Director	-	-
Mr. Nimesh Nagindas Kampani	Independent Director	0.86	21.43
Mr. Anil Kapoor	Managing Director	67.27	25.42
Mr. Gaurav Mathur	Joint Managing Director	10.14	Not Applicable
Mr. Vivek Mehra	Independent Director	1.01	129.91
Mr. Chandra Shekhar Nopany	Non-Executive Director	0.93	17.09
Ms. Radha Singh	Independent Director	1.23	28.95
Mr. Marco Philippus Ardeshir Wadia	Independent Director	1.14	24.86
Mr. Abhay Baijal	Chief Financial Officer	Not Applicable	23.97
Mr. Rajveer Singh	Company Secretary	Not Applicable	17.48

**Notes:**

- (1) Mr. Pradeep Jyoti Banerjee appointed as an Independent Director with effect from December 01, 2019.
  - (2) Mr. Shyam Sunder Bhartia opted out from receiving any commission and sitting fee.
  - (3) Remuneration of Mr. Anil Kapoor for the financial year 2019-20 includes Rs. 55,88,855 towards perquisite value of employee stock options exercised. The increase in remuneration without considering such perquisite value of employee stock options works out to 14.93%.
  - (4) Mr. Gaurav Mathur appointed as Joint Managing Director with effect from January 06, 2020.
  - (5) Mr. Vivek Mehra appointed as an Independent Director with effect from September 18, 2018.
  - (6) Remuneration of Mr. Abhay Baijal for the financial year 2019-20 includes Rs. 16,86,750 towards perquisite value of employee stock options exercised. The increase in remuneration without considering such perquisite value of employee stock options works out to 10.32 %.
  - (7) Remuneration of Mr. Rajveer Singh for the financial year 2018-19 and financial year 2019-20 includes Rs. 2,93,700 and Rs. 6,01,500 respectively towards perquisite value of employee stock options exercised. The increase in remuneration without considering such perquisite value of employee stock options works out to 13.55%.
- ii) The percentage increase in the median remuneration of employees in the financial year 2019-20: **6.44%**
- iii) The number of permanent employees on the rolls of the Company: **1034**
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2019-20 was 12.01%. The details of percentage increase in the remuneration of managerial personnel is given above.  
Increase in the salaries of employees other than managerial personnel and that of the managerial personnel is in line with the industry trends/ practice and within the normal range.
- v) It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

B) Statement pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. Details of the top ten employees in terms of remuneration drawn for the Financial Year 2019-20:									
Sr. No.	Name	Designation	Qualifications	Age (years)	Experience (years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Last Employment	
								Employer's Name	Post Held
1.	Anil Kapoor*	Managing Director	B.Tech., M.S.	66	40	11.12.2000	6,68,15,691	Cabot India Limited	Vice President-Technical
2.	Abhay Bajjal*	Chief Financial Officer	B.E., P.G.D.M.	59	35	01.11.2003	1,53,13,897	Birla Home Finance Limited	Vice President-Operations
3.	Surinder Kumar Thakur**	Assistant Vice President-Sales	M.A. (Eco), P.G.D. (Marketing & Sales)	63	43	02.05.1991	1,06,76,727	The Punjab State Cooperative Milk Producers Federation Limited	Area Sales Manager
4.	Virendra Kumar Gupta*	Vice President-Marketing	B.Tech (Agricultural Engineering), P.G.D.M.	63	38	24.09.1991	1,06,09,686	J K B M Limited	Zonal Manager
5.	Gaurav Mathur**	Joint Managing Director	B.Tech.	51	30	06.01.2020	1,00,67,760	TEVA API India Private Limited	Managing Director
6.	Abhai Kumar Bhargava	Senior Vice President-Works	B.E. (Chemical Engineering)	64	41	21.09.2009	97,33,177	Indian Farmers Fertiliser Cooperative Limited	General Manager
7.	Rajveer Singh	Vice President-Legal & Secretary	M.A., L.L.B., FCS	51	27	10.02.2003	80,01,464	MCS Limited	Whole-time Director
8.	Jagdeep Singh Sodhi	Assistant Vice President-Materials	M.B.A.	60	36	12.06.1991	78,75,614	Escorts Limited	Assistant Manager (Materials)
9.	Alpana Juneja	General Manager-Internal Audit	M.Com., FCA	57	30	28.02.2011	74,13,215	Emaar MGF Land Limited	DGM- Management Assurance Services
10.	Ajay Tayal	Assistant Vice President-Maintenance	B.E. (Hons.) (Mechanical)	53	32	26.04.1993	72,93,357	Bindal Agro Chem Limited	Sr. Engineer (Mechanical)

\*These employees were employed throughout the financial year 2019-20 and were in receipt of remuneration in the aggregate of not less than Rs. 1,02,00,000 for that financial year.

\*\*These employees were employed for a part of the financial year 2019-20 and were in receipt of remuneration in the aggregate of not less than Rs. 8,50,000 per month.

II. Employees who were employed for a part of the financial year 2019-20 and were in receipt of remuneration in the aggregate of not less than Rs. 8,50,000 per month:

Sr. No.	Name	Designation	Qualifications	Age (years)	Experience (years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Last Employment	
								Employer's Name	Post Held
1.	Uday Singh	Senior Master Craftsman	ITI- Instrumentation	58	32	23.08.1993	11,05,876	Oriental Carbon and Chemicals Limited	Technician
2.	Manish Pathak	Dy. Manager-Supply & Distribution	M.Sc. (Agriculture)	51	24	04.09.1997	20,16,040	Flower & Tissue India Limited	Technical Officer
3.	Rajesh Kumar Jain	Manager-Secretarial	M.Com., MBA (Finance)	60	35	20.08.1993	36,47,048	Raymond Synthetics Limited	Officer

NOTES:

- None of the above employees is a relative of any Director of the Company.
- None of the above employees himself/herself or alongwith his/her spouse and dependent children holds 2% or more equity shares of the Company.
- All appointments are/were on contractual basis.

Place : New Delhi

Date : May 23, 2020

For and on behalf of Board of Directors

Anil Kapoor

Managing Director

Gaurav Mathur

Joint Managing Director

## BUSINESS RESPONSIBILITY REPORT

### Introduction

Chambal Fertilisers and Chemicals Limited ("Company") is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company strives to incorporate economic, social and environment aspects into the core of its processes and follow sustainable practices and processes that are safe, efficient and environment friendly to the society. The Company conducts its business with responsibility, integrity, fairness, transparency and honesty.

In pursuit of the above, the Company seeks to:

- a) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities;
- b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards;
- c) Reduce its environmental footprint by investing in eco-friendly and reliable technologies and practices;
- d) Increase efficiency by optimum utilization of resources and technology;
- e) Promote sustainable farming practices to boost crop productivity in rural India;
- f) Promote sustainable consumption of resources including balanced use of agri-inputs to achieve optimal farm productivity;
- g) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates;
- h) Build lasting social capital through interventions in social initiatives for the benefit of the community residing in the vicinity of its plants and other places in India;
- i) Provide and maintain equal opportunity at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation;
- j) Ensure non-deployment of child labour, forced labour or any form of involuntary labour, paid or unpaid in any of its plants and offices;
- k) Provide a workplace environment that is safe, hygienic, humane and which upholds the dignity of the employees; and
- l) Ensure that its products and services comply with all laws and regulations as may be applicable.

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

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24124RJ1985PLC003293						
2.	Name of the Company	Chambal Fertilisers and Chemicals Limited						
3.	Registered address	Gadepan, District Kota, Rajasthan, PIN - 325208, India						
4.	Website	<a href="http://www.chambalfertilisers.com">www.chambalfertilisers.com</a>						
5.	E-mail id	<a href="mailto:corporate@chambal.in">corporate@chambal.in</a>						
6.	Financial Year reported	April 01, 2019 to March 31, 2020						
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Name of the Sector</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>Manufacture of Urea</td> <td>20121</td> </tr> <tr> <td>Marketing of fertilizers and agrochemical products</td> <td>46692</td> </tr> </tbody> </table>	Name of the Sector	Code	Manufacture of Urea	20121	Marketing of fertilizers and agrochemical products	46692
Name of the Sector	Code							
Manufacture of Urea	20121							
Marketing of fertilizers and agrochemical products	46692							
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacture of Urea and Marketing of Fertilisers & other Agri-inputs.						
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	(a) On a standalone basis, the Company does not have any manufacturing facility outside India. (b) 16 (Sixteen)						
10.	Markets served by the Company – Local/State/National/International	The Company serves 10 states in the national market.						

### Section B: Financial Details of the Company as on March 31, 2020

1.	Paid up capital (INR in Crore)	416.21
2.	Total Turnover (INR in Crore)	12205.95
3.	Total profit after taxes (INR in Crore)	1224.31
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the Company for last three financial years.
5.	List of activities in which expenditure in 4 above has been incurred:	The Company has been engaged in CSR activities in the areas of Education (including technical and vocational education), Rural Development, Health care and Sanitation, Employability and Empowerment and Environment Sustainability, Animal Welfare and Soil Health.  Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as <b>Annexure "G"</b> to the Board's Report.

### Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company had 7 subsidiaries as on March 31, 2020. Out of 7 subsidiaries, 1 subsidiary ceased to be a subsidiary of the Company on April 6, 2020 and two subsidiaries were under voluntary liquidation. The details of subsidiaries are given in Form AOC – 1 forming part of the Annual Report.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The Company does not mandate suppliers / service providers to participate in the BR initiatives of the Company. However, they are encouraged to adopt the Company's policies in this regard to the extent practicable.

### Section D: BR Information

<b>1.</b>	<b>Details of Director/Directors responsible for BR</b>									
(a)	Details of the Director responsible for implementation of the BR policies									
(i)	DIN Number	00032299								
(ii)	Name	Mr. Anil Kapoor								
(iii)	Designation	Managing Director								
(b)	Details of the BR head									
(i)	DIN Number (if applicable)	Not Applicable								
(ii)	Name	Mr. Vishal Mathur								
(iii)	Designation	General Manager - Human Resources & Administration								
(iv)	Telephone number	0744-2782900								
(v)	E-mail ID	<a href="mailto:vishal.mathur@chambal.in">vishal.mathur@chambal.in</a>								
<b>2.</b>	<b>Principle-wise (as per NVGs) BR Policy/policies</b>									
	<b>Principle Index</b>									
	P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.									
	P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.									
	P3: Businesses should promote the wellbeing of all employees.									
	P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.									
	P5: Businesses should respect and promote human rights.									
	P6: Business should respect, protect, and make efforts to restore the environment.									
	P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.									
	P8: Businesses should support inclusive growth and equitable development.									
	P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.									
(a)	Details of compliance (Reply in Y/N)									
<b>No.</b>	<b>Questions</b>	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y (Note 1)	Y (Note 2)	Y (Note 3)	Y (Note 4)	Y (Note 3)	Y (Note 2)	Not Applicable	Y (Note 4)	Y (Note 2)

4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The policies are available on the website of the Company i.e. <a href="http://www.chambalfertilisers.com">www.chambalfertilisers.com</a> . Refer Note 5 below for the links of the policies.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

### 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Within 3-6 months.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Business Responsibility Report is published annually. The Business Responsibility Report for the financial year 2018-19 was part of the Annual Report which is available at the website of the Company at the weblink - <a href="http://www.chambalfertilisers.com/pdf/Annual-Report-for-the-Financial-Year-2018-2019.pdf">http://www.chambalfertilisers.com/pdf/Annual-Report-for-the-Financial-Year-2018-2019.pdf</a>

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

Note 2: The concerned policies are in conformity to ISO-14001:2015, ISO-9001:2015 and ISO-45001:2018 standards.

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

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

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

[http://www.chambalfertilisers.com/indexb6ab.html?option=com\\_content&view=article&id=125&Itemid=150](http://www.chambalfertilisers.com/indexb6ab.html?option=com_content&view=article&id=125&Itemid=150)

[http://www.chambalfertilisers.com/index4f05.html?option=com\\_content&view=article&id=183&Itemid=299](http://www.chambalfertilisers.com/index4f05.html?option=com_content&view=article&id=183&Itemid=299)

### Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	No. The Code of Conduct and Ethics of the Company is applicable to all the Directors and employees of the Company. The Whistle Blower Policy, <i>inter-alia</i> , provides a mechanism to the Directors and employees to report their genuine concerns and grievances including those related to unethical behaviour, actual or suspected fraud, violation of the Code of Conduct and Ethics of the Company or leak of Unpublished Price Sensitive Information. The Whistle Blower Policy also enables the other stakeholders to freely communicate their concerns about illegal or unethical practices. The Company also has in place a Supplier's Code of Conduct which includes issues relating to ethics and bribery and the same is normally shared with the concerned suppliers / service providers.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No formal complaint was received during the year under the Whistle Blower Policy of the Company. However, a letter was received in the name of a third party who denied sending any such letter and no substance was found in the allegations levelled in such letter.



5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>Yes.</p> <p>(i) The Company has adopted best practices to manage waste disposal through a comprehensive waste management system under the Health, Safety, Security, Environment &amp; Quality Policy.</p> <p>(ii) Hazardous waste generated out of the operations is disposed through authorized recyclers and non-hazardous waste is disposed-off either by way of composting or through re-cyclers or processors.</p> <p>(iii) Almost 100% of condensate generated in the Urea manufacturing process is recycled back to the system. Further, the effluents generated from Demineralization Plant regenerations, cooling tower blow downs and oil separator are diverted to the Effluent Treatment Plant where they are mixed together and stored in large holding ponds for irrigation of green belt. The Company has also set up a sewage treatment plant which treats sanitary waste-water from the township and plants. The Company discharge the treated water in the river only during monsoon period to avoid over watering that may lead to mortality of trees and other vegetation.</p> <p>(iv) Stripping unit with hydrolyser has been installed in Gadepan - III plant to treat the Urea contaminated effluent.</p> <p>(v) The Bio-Methanation plant in township at Gadepan recycles the kitchen waste of plant canteens and residential colony.</p>										
<b>Principle 3: Businesses should promote the wellbeing of all employees</b>												
1.	Please indicate the total number of employees.	As on March 31, 2020, there were 1034 permanent employees of the Company.										
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	As on March 31, 2020, there were 1156 employees hired on temporary / contractual / casual basis.										
3.	Please indicate the Number of permanent women employees.	22										
4.	Please indicate the Number of permanent employees with disabilities	NIL										
5.	Do you have an employee association that is recognized by management	There was no employee association in the Company as on March 31, 2020.										
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable										
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in the last financial year and pending, as on the end of the financial year.	NIL										
8.	<p>What percentage of your under mentioned employees were given safety &amp; skill up-gradation training in the last year?</p> <p>(a) Permanent Employees</p> <p>(b) Permanent Women Employees</p> <p>(c) Casual/Temporary/Contractual Employees</p> <p>(d) Employees with Disabilities</p>	<table border="1" data-bbox="635 1467 1458 1729"> <thead> <tr> <th data-bbox="635 1467 1174 1544">Category</th> <th data-bbox="1174 1467 1458 1544">Percentage received training</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1544 1174 1590">Permanent Employees</td> <td data-bbox="1174 1544 1458 1590">67.18</td> </tr> <tr> <td data-bbox="635 1590 1174 1636">Permanent Women Employees</td> <td data-bbox="1174 1590 1458 1636">40.90</td> </tr> <tr> <td data-bbox="635 1636 1174 1683">Casual/Temporary/Contractual Employees</td> <td data-bbox="1174 1636 1458 1683">81.48</td> </tr> <tr> <td data-bbox="635 1683 1174 1729">Employees with Disabilities</td> <td data-bbox="1174 1683 1458 1729">Not Applicable</td> </tr> </tbody> </table>	Category	Percentage received training	Permanent Employees	67.18	Permanent Women Employees	40.90	Casual/Temporary/Contractual Employees	81.48	Employees with Disabilities	Not Applicable
Category	Percentage received training											
Permanent Employees	67.18											
Permanent Women Employees	40.90											
Casual/Temporary/Contractual Employees	81.48											
Employees with Disabilities	Not Applicable											

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes. The key stakeholders of the Company are Employees, Farmers, Dealers / Distributors, Investors/Shareholders, Banks / Financial Institution, Local Community, Contractors / Vendors, Industry Associations and Government.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The Company has identified the local community including women and children dwelling near the plant area as the disadvantaged, marginalized and vulnerable stakeholders. The Company proactively engages with its stakeholders through different modes and fora to understand their issues and concerns.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company's CSR projects / programs have been designed after need assessment surveys conducted mainly in the area near its plants at Gadepan, Dist. Kota, Rajasthan. The Company's CSR Projects / programs are focussed in the areas of Pre-primary and School Education, Technical and Vocational Education, Rural Development, Health care and Sanitation, Employability and Empowerment and Environment Sustainability, Animal Welfare and Soil Health. The key beneficiaries of these social projects are local community / villagers especially those belonging to marginalized and underprivileged section of the society. The Company had adopted 44 Government schools, 41 aanganwadis, 5 industrial training institutes and a Government Polytechnic College at Baran, Rajasthan. The holistic approach adopted in these institutes has substantially improved the education level and overall development of the students therein. The healthcare and awareness camps in 26 villages, livelihood activities in 8 villages, facilitation of self-help groups, infrastructure development in nearby villages and farmer advisory services are some of the initiatives which has also benefitted the disadvantaged, vulnerable and marginalized section of the society.

**Principle 5: Businesses should respect and promote human rights**

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The policy covers only the Company. The Company has formulated "Suppliers' Code of Conduct" for its vendors and service providers. Through this code, the Company encourages its suppliers and service providers to share its commitment towards high standards of integrity and sustainability and expects them to ensure non-deployment of child labour, forced labour or any form of involuntary labour and promote and maintain a workplace free from discrimination and treat their employees with fairness, dignity and respect. The major portion of supplies is sourced from large companies who also have their own policies in this regard.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any complaint involving issues related to human rights violation during the Financial Year 2019-20.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	"Health, Safety, Security, Environment & Quality Policy" covers the Company including the contractor workforce working in its plants. In addition to this, the "Suppliers' Code of Conduct" includes the environment and sustainability aspects which the Company expects its suppliers and service providers to adhere.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company has adopted "Sustainability Policy" and "Health, Safety, Security, Environment & Quality Policy" which covers the aspects related to environment and sustainable resource use. The Company understands the impact of its operations on environment and therefore strives to minimize it through optimum consumption of resources, reducing the energy footprint, conserving water, curbing green house and other air emissions, responsibly managing effluents, spills and waste disposal and preserving the biodiversity profile of the area around its plants. These policies are available under the Sustainability section at the website of the Company – <a href="http://www.chambalfertilisers.com">www.chambalfertilisers.com</a> .



3.	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has a process for identification and assessment of potential environmental risks at each level. The identified risks are assessed, relevant action plans are prepared for the mitigation of risks and periodical reviews are carried out to ensure mitigation of risk. The Company has adopted ISO 14001:2015 and aspect-impact analysis pertaining to environmental risks is reviewed periodically.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company did not have any project related to Clean Development Mechanism during the Financial Year 2019-20.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. The following steps have been taken by the Company during the financial year 2019-20 for conservation of energy: (a) Replacement of 2nd & 3rd stage intercoolers of air compressor in Ammonia-I plant; (b) Installation of vortex mixer in the Urea reactor of Urea-I plant; (c) Installation of additional hydrolyzer preheater in Urea-I plant; and (d) Replacement of methanator effluent cooler in Ammonia-III plant. The Gadepan – III plant is among the most efficient plants in the country using the latest and sophisticated technology thereby resulting in less consumption of energy and other natural resources.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. Ambient air quality, stack emissions and water analysis have been carried out periodically by a laboratory approved by the Ministry of Environment and Forests, Government of India and reports have been submitted to the State Pollution Control Board.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The Company is member of Fertilizer Association of India (“FAI”), Federation of Indian Chambers of Commerce and Industry and International Fertilizer Association.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. The Company engages in policy advocacy in a responsible manner through its membership in various industry associations. The Company also submits comments/suggestions on matters related to laws and regulations including changes / amendments proposed therein. The Company participates in debates and discussions related to public policies of fertilizer industry at the FAI forum.

**Principle 8: Businesses should support inclusive growth and equitable development**

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company considers social development as an important aspect of its activities. Corporate Social Responsibility Policy of the Company details out the projects and programs to be undertaken by the Company. The thrust areas of CSR initiatives of the Company are Pre-primary & School Education (Project Akshar), Technical and Vocational Education (Project Saksham), Rural Development (Project Saakar), Health care and Sanitation (Project Arogya), Employability and Empowerment (Project Pragati), and Environmental Sustainability, Animal Welfare and Soil Health (Project Bhoomi).The Corporate Social Responsibility Policy of the Company is available on the website of the Company at- <a href="http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy.pdf">http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy.pdf</a> . Further details in this regard are given in the Board’s Report which forms part of the Annual Report.
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2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The Company's CSR projects are implemented directly as well as through KK Birla Memorial Society (established by the Company). Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as <b>Annexure "G"</b> to the Board's Report.
3.	Have you done any impact assessment of your initiative?	No impact assessment was conducted during the financial year 2019-20.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	CSR expenditure of the Company for the financial year 2019-20 was Rs. 15.33 Crore . The details in this regard are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as <b>Annexure "G"</b> to the Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes.  The relevant CSR projects / programs are structured and designed in consultation with community and respective stakeholders to ensure their participation in successful implementation thereof.  The CSR projects / programs are designed in such a way that the accountability of sustainability of such projects / programs is shared both by the Company and the community and the Company's involvement is reduced over a period of time.
<b>Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>		
1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	17%  Some of the complaints / cases are pending before consumer disputes redressal forums and disposal thereof takes longer time.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	No
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	2 cases / complaints filed by dealers and 2 cases filed by the suppliers in the courts during last five years, mainly related to commercial disputes, were pending as on March 31, 2020. Further, 3 complaints filed during the previous financial year by the customers before District Consumer Disputes Redressal Forums, regarding quality of the products supplied by the Company, were pending as on March 31, 2020. The Company has been contesting these cases / complaints at appropriate forums.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes.  Consumer / customer satisfaction survey was carried out during the financial year 2019-20. The Company also engages with its customers for their feedback through retailer / dealer meetings, Uttam helpline and farmers meets.

For and on behalf of Board of Directors

**Anil Kapoor**  
Managing Director

**Gaurav Mathur**  
Joint Managing Director

Place : New Delhi  
Date : May 23, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the audit of the Standalone financial statements

### Opinion

1. We have audited the accompanying standalone financial statements of Chambal Fertilisers and Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

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

### Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>4.1 Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability</b></p> <p>[Refer to the accompanying notes 2(b)(xvi)(a), 8(B), 17, 32, 49 and 54(d) of the Standalone Ind AS Financial Statements.]</p> <p>During the year, the Company has recognised subsidy revenue amounting to Rs. 7,729.30 Crore and the aggregate amount of subsidy receivable as at March 31, 2020 was Rs. 5,349.33 Crore. The amount of subsidy income and the balance receivable are significant to the Standalone Ind AS Financial Statements.</p> <p>We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/ policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivables.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy.</li> <li>• We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies.</li> <li>• We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy already recognised in earlier years pursuant to changes in subsidy rates.</li> <li>• We also understood the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable.</li> <li>• We assessed the reasonableness of the recoverability of subsidy receivable by reviewing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical collection trends.</li> <li>• We evaluated adequacy of disclosures in the Standalone Ind AS Financial Statements.</li> </ul> <p>Based on the above procedures performed, the management's assessment of the implications of government notifications/policies on recognition of subsidy revenue and its recoverability was considered to be reasonable.</p>

<p><b>4.2 Assessment of carrying amount of tax balances and impact of change in estimates.</b></p> <p>[Refer to the accompanying notes 2.(b)(xviii), 37, 39 and 54(b) of the Standalone Ind AS Financial Statements.]</p> <p>Pursuant to the issuance of The Taxation Laws (Amendment) Act, 2019 ('the Act') on December 11, 2019, the management has carried out an assessment of their future taxable profits and consequential impact of the same on carrying amount of deferred tax balances including minimum alternate tax (MAT). The assessment has been carried out considering the amendments to the tax laws including the conditions prescribed therein specifically in relation to availment of certain exemptions/benefits. As a result of the assessment carried out, the Company has reversed its deferred tax liability (DTL) (net) amounting to Rs. 343.97 Crore which is significant to the Standalone Ind AS Financial Statements.</p> <p>We considered this a key audit matter because the reversal of deferred tax liability (net) is material to financial statements and it involves significant judgement. The areas of judgement includes estimation of future taxable profits as there are inherent uncertainties involved in forecasting such profits (including management's assessment on COVID-19) period over which MAT will be available for recovery and the expected year of adoption of the concessional tax rates.</p>	<p>Our procedures in relation to the management's assessment included the following:</p> <ul style="list-style-type: none"> <li>• We understood and evaluated the design and tested the operating effectiveness of controls as established by the management in relation to 'Taxes'.</li> <li>• We evaluated the management's assessment of availing benefits and exemptions under the tax laws.</li> <li>• We assessed the tax rate applied to forecasted future taxable profits in light of the tax laws.</li> <li>• We have assessed, with the assistance of our experts, profit projections including assumptions used in such forecasts (including consideration of impact of COVID-19, refer note 37 to Standalone Ind AS Financial Statements) and have also considered historical performance vis-vis the budgets.</li> <li>• We evaluated management's assessment on the sufficiency of the future taxable profits to support reversal of deferred tax /MAT balances as at year end.</li> <li>• We evaluated the adequacy of disclosures [Note 39 and 54(b)] in the Standalone Ind AS financial statements.</li> </ul> <p>Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.</p>
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#### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the Standalone Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

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

#### **Report on other legal and regulatory requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 26 to the Standalone Ind AS Financial Statements;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Place : New Delhi**  
**Date : May 23, 2020**  
**UDIN : 20099903AAAAET7103**

**Prमित Agrawal**  
**Partner**  
**Membership Number - 099903**

### Annexure A to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Standalone Ind AS Financial Statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year based on a phased programme of verifying all the assets over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification carried out during the year.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the Standalone Ind AS Financial Statements, are held in the name of the Company, except for freehold land (Gross block - Rs. 0.01 crore and Net block – Rs. 0.01 crore) and Leasehold land (Gross block - Rs. 0.44 crore and Net block – Rs. 0.31 crore), which are yet to be registered in the Company's name.
- ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on such physical verification of inventory as compared to book records.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans and investments made, and guarantess and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.  
We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including income tax, provident fund, employees' state insurance, duty of customs, professional tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 50 to the Standalone Ind AS Financial Statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of customs, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and duty of excise, as at March 31, 2020, which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of the dues	Amount (Rs. Crore)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax demand (including penalty) raised in respect of service tax not paid on payments made in foreign currency to foreign parties	174.15	FY 2007-08 to FY 2011-12	CESTAT, Kolkata
Finance Act, 1994	Department appeal against the refund of service tax on downward revision of Transmission charges	2.75	November 2008 to June 2010	High Court, Jabalpur (Madhya Pradesh)
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	1.98	August 2014 to March 2016	CESTAT, New Delhi
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	0.93	FY 2016-17	CESTAT, New Delhi

Name of Statute	Nature of the dues	Amount (Rs. Crore)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	0.70	April 17 to June 17	CESTAT, New Delhi
Income Tax Act, 1961	Income tax on non-allowance of special survey and dry lock expenditure	20.55	FY 1997-98	High Court, Kolkata
Income Tax Act, 1961	Disallowances for various expenses	232.91	FY 1998-99, 1999-00; and FY 2001-02 to 2008-09	Supreme Court of India
Income Tax Act, 1961	Disallowances for various expenses	2.47	FY 2009-10 to 2010-11	High Court, Rajasthan (Jaipur)
Income Tax Act, 1961	Disallowances for various expenses	59.02	FY 2011-12 to 2013-14	Income Tax Appellate Tribunal, Jaipur
Income Tax Act, 1961	Disallowances for various expenses	23.19	FY 2009-10 to 2011-12, FY 2013-14, and FY 2015-16 to 2016-17	Commissioner (Appeals), Kota

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

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. Further, the Company did not have any outstanding debentures and loan from government during the year and as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Place : New Delhi**  
**Date : May 23, 2020**  
**UDIN : 20099903AAAAET7103**

**Pramit Agrawal**  
**Partner**  
**Membership Number - 099903**



## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of Chambal Fertilisers and Chemicals Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

#### **Meaning of Internal Financial Controls with reference to financial statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

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**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi  
Date : May 23, 2020  
UDIN : 20099903AAAAET7103

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

**Pramit Agrawal**  
**Partner**  
**Membership Number - 099903**

**BALANCE SHEET AS AT MARCH 31, 2020**

(Rs. in Crore)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	6,678.57	6,842.92
Capital Work-in-Progress	28	84.99	108.64
Right-of-Use Assets	3	20.45	-
Other Intangible Assets	4	2.01	3.12
Intangible Assets under Development		-	0.03
<b>Financial Assets</b>			
i. Investments	5A	289.49	302.96
ii. Loans	5B	0.47	0.67
iii. Other Financial Assets	5C	3.31	3.39
Non-Current Tax Assets (Net)		120.85	76.56
Deferred Tax Assets (Net)	39	37.54	-
Other Non-Current Assets	6	31.70	26.93
<b>Total Non-Current Assets</b>		<b>7,269.38</b>	<b>7,365.22</b>
<b>Current Assets</b>			
Inventories	7	1,135.60	1,323.15
<b>Financial Assets</b>			
i. Investments	8A	-	24.50
ii. Trade Receivables	8B	5,563.11	4,822.64
iii. Cash and Cash Equivalents	8C	133.32	49.51
iv. Bank Balances other than (iii) above	8D	17.50	12.55
v. Loans	8E	0.12	0.17
vi. Other Financial Assets	8F	320.59	145.14
Current Tax Assets (Net)		-	0.32
Other Current Assets	9	127.70	96.99
Assets Classified as Held for Sale	45	0.15	5.55
<b>Total Current Assets</b>		<b>7,298.09</b>	<b>6,480.52</b>
<b>Total Assets</b>		<b>14,567.47</b>	<b>13,845.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	416.21	416.21
Other Equity	10A	3,499.67	2,824.33
<b>Total Equity</b>		<b>3,915.88</b>	<b>3,240.54</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	11A	3,974.61	4,032.24
ii. Lease Liabilities		16.45	-
Provisions	12	11.56	7.00
Deferred Tax Liabilities (Net)	39	-	190.53
Other Non-Current Liabilities	13	3.33	3.23
<b>Total Non-Current Liabilities</b>		<b>4,005.95</b>	<b>4,233.00</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	14A	4,933.63	4,161.96
ii. Lease Liabilities		4.77	-
iii. Trade Payables	14B		
a) total outstanding dues of micro enterprises and small enterprises; and		8.20	2.55
b) total outstanding dues of creditors other than micro enterprises and small enterprises		531.36	978.56
iv. Other Financial Liabilities	14C	1,103.62	1,173.11
Other Current Liabilities	15	26.75	23.08
Provisions	16	37.31	32.94
<b>Total Current Liabilities</b>		<b>6,645.64</b>	<b>6,372.20</b>
<b>Total Liabilities</b>		<b>10,651.59</b>	<b>10,605.20</b>
<b>Total Equity and Liabilities</b>		<b>14,567.47</b>	<b>13,845.74</b>

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Bajjal**  
Chief Financial Officer

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

Place : New Delhi  
Date : May 23, 2020

Place : New Delhi  
Date : May 23, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Crore)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	17	12,205.95	10,094.52
Other Income	18	179.34	141.60
<b>Total Income</b>		<b>12,385.29</b>	<b>10,236.12</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	3,773.21	2,785.63
Purchases of Stock-in-Trade		2,907.44	3,806.82
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	208.66	(510.64)
Employee Benefits Expense	21	155.94	126.73
Finance Costs	22	502.63	245.67
Depreciation and Amortization Expenses	3 & 4	286.86	118.76
Other Expenses	23	3,258.27	2,673.19
<b>Total Expenses</b>		<b>11,093.01</b>	<b>9,246.16</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>1,292.28</b>	<b>989.96</b>
Exceptional Items	24	(33.42)	197.27
<b>Profit Before Tax</b>		<b>1,325.70</b>	<b>792.69</b>
<b>Tax Expense:</b>			
(1) Current Tax	38 & 39	194.17	220.83
(2) Tax Related to Earlier Years	39	(6.94)	(11.50)
(3) Deferred Tax	39	(85.84)	38.09
<b>Total Tax Expenses</b>		<b>101.39</b>	<b>247.42</b>
<b>Profit for the Year</b>		<b>1,224.31</b>	<b>545.27</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>A. Items that will not be re-classified to Profit or Loss:</b>			
(i) Re-measurement (Loss) on Defined Benefit Plans	31	(2.02)	(1.28)
(ii) Income Tax Credit relating to items that will not be re-classified to Profit or Loss		0.71	0.45
<b>B. Items that will be re-classified to Profit or Loss:</b>			
(i) Effective Portion of Exchange Difference (Loss) on Hedging Instruments	42	(419.74)	(169.89)
(ii) Effective Portion of Exchange Difference Loss on Hedging Instruments re-classified to Profit or Loss	42	35.00	-
(iii) Income Tax Credit relating to items that will be re-classified to Profit or Loss		134.43	59.37
<b>OCI for the Year (Net of Tax)</b>		<b>(251.62)</b>	<b>(111.35)</b>
<b>Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>972.69</b>	<b>433.92</b>
Earnings per Equity Share:			
Basic and Diluted (in Rs.)	25	29.42	13.10

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

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

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

Pramit Agrawal  
Partner  
Membership No - 099903

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

Gaurav Mathur  
Joint Managing Director  
DIN: 07610237

Abhay Bajjal  
Chief Financial Officer

Anil Kapoor  
Managing Director  
DIN: 00032299

Rajveer Singh  
Company Secretary

Place : New Delhi  
Date : May 23, 2020

Place: New Delhi  
Date : May 23, 2020

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Crore)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash Flow from Operating Activities :</b>			
<b>Profit Before Tax</b>		<b>1,325.70</b>	<b>792.69</b>
Adjustments for :			
Depreciation and Amortisation Expenses		286.86	118.76
Impairment/ Loss on Investment in Subsidiary under Dissolution/Liquidated		0.15	0.03
Exceptional Items	24	(33.42)	197.27
(Gain) on Sale of Current Investments	18	(18.01)	(24.41)
Mark to Market (Gain)/ Loss on Derivative Transactions	18	(30.38)	23.15
Un-realised Foreign Exchange Variation (Gain) / Loss		58.54	(32.92)
Realised Foreign Exchange Variation Loss		20.34	13.83
Effective Portion of Exchange Difference Loss on Hedging Instruments re-classified to Profit or Loss	42	35.00	-
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	23	21.50	10.50
Impairment Loss on Property, Plant and Equipment	23	17.79	-
Loss/ (Gain) on Disposal of Property, Plant and Equipment (Net)		22.73	(0.20)
Allowance for Doubtful Debts and Advances (Net)		14.72	15.39
Liabilities no longer required Written Back		(0.31)	(14.13)
Catalyst Charges Written Off	23	7.45	6.64
Irrecoverable Balances Written Off		1.01	0.06
Interest Expense		483.79	236.76
Interest (Income)		(19.04)	(25.80)
Dividend (Income)	18	(71.84)	(57.70)
<b>Operating Profit before Working Capital Changes</b>		<b>2,122.58</b>	<b>1,259.92</b>
Working Capital Adjustments:			
Decrease/(Increase) in Inventories		173.06	(530.55)
(Increase) in Trade Receivables		(637.96)	(2,506.73)
(Increase)/ Decrease in Other Financial Assets		(144.65)	84.91
(Increase) in Other Assets		(42.22)	(5.03)
(Decrease)/ Increase in Trade Payables, Other Liabilities and Provisions		(388.73)	754.20
<b>Cash Generated from Operations</b>		<b>1,082.08</b>	<b>(943.28)</b>
Income Tax Paid (Net of Refunds)		(239.48)	(211.55)
<b>Net Cash Flow from/ (used in) Operating Activities</b>		<b>842.60</b>	<b>(1,154.83)</b>
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment & Intangible Assets		(641.17)	(1,182.50)
Purchase of Investment		(15.60)	(46.74)
Proceeds from Sale of Property, Plant and Equipment & Intangible Assets		6.67	1.38
Proceeds from Dissolution of Investment of Subsidiaries		0.39	-
Proceeds from Sale of Current Investments		18.01	24.41
Interest Received		18.95	33.05
Dividend Received		71.84	57.70
Fixed Deposits placed (having original maturity of more than three months)		(0.05)	1.99
<b>Net Cash Flow (used in) Investing Activities</b>		<b>(540.96)</b>	<b>(1,110.71)</b>

(Rs. in Crore)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Long Term Borrowings	48	482.97	1,237.62
Repayment of Long Term Borrowings	48	(609.37)	(175.32)
Availment of Buyer's Credit/ Supplier's Credit	48	2,797.94	2,706.45
Repayment of Buyer's Credit/ Supplier's Credit	48	(3,060.55)	(2,365.66)
Net Proceeds from Short Term Borrowings	48	955.39	1,388.08
Payment of Transaction Costs related to Borrowings		(3.47)	-
Repayment of Lease Liabilities	48	(6.34)	-
Receipt of amount from CFCL Employees Welfare Trust		3.12	3.27
Interest Paid		(477.06)	(439.13)
Dividend Paid		(249.14)	(78.82)
Tax on Dividend Paid		(51.32)	(16.26)
<b>Net Cash Flow from/ (used in) Financing Activities</b>		<b>(217.83)</b>	<b>2,260.23</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>83.81</b>	<b>(5.31)</b>
Cash and Cash Equivalents at the beginning of the Year		49.51	54.82
<b>Cash and Cash Equivalents at the end of the Year</b>		<b>133.32</b>	<b>49.51</b>
<b>Components of Cash and Cash Equivalents :</b>			
Balances with banks :			
- on Current accounts		0.54	4.48
- on Cash Credit Accounts		10.93	0.01
- Deposits with original maturity of less than three months		121.78	45.00
Cash on hand		0.07	0.02
<b>Total Cash and Cash Equivalents</b>	<b>8C</b>	<b>133.32</b>	<b>49.51</b>

Note: Cash Flow from/(used in) operating activities for the year ended on March 31, 2020 is after considering corporate social responsibility expenditure of Rs. 15.33 Crore (Previous Year : Rs.12.66 Crore).

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

Place : New Delhi  
Date : May 23, 2020

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Bajjal**  
Chief Financial Officer

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

**A : Equity Share Capital**  
Equity shares of Rs.10 each issued, subscribed and fully paid (refer note 10)  
(Rs. in Crore)

As At March 31, 2019 416.21  
As At March 31, 2020 416.21

**B : Other Equity**

For the Year Ended March 31, 2020

(Rs. in Crore)

Particulars	Reserves and Surplus										Item of Other Comprehensive Income	Total
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share Option Outstanding Account (refer note 10A)	Retained Earnings	Cash Flow Hedging Reserve	
As at April 01, 2019	(11.27)	(0.91)	0.21	6.42	0.25	534.26	0.50	42.25	2.64	2,381.60	(131.62)	2,824.33
Profit for the Year	-	-	-	-	-	-	-	-	-	1,224.31	-	1,224.31
Other Comprehensive Income (Net of Tax):												
- Re-measurement (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(1.31)	-	(1.31)
- Effective Portion of Exchange Differences on Hedging Instruments	-	-	-	-	-	-	-	-	-	-	(250.31)	(250.31)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	-	-	1,223.00	(250.31)	972.69
Cash Dividends (including Dividend Distribution Tax) (refer note 44)	-	-	-	-	-	-	-	-	-	(301.05)	-	(301.05)
Exercise of Share Options	3.52	(0.39)	-	-	-	-	-	-	-	-	-	3.13
Transfer to General Reserve	-	-	-	-	-	50.00	-	-	-	(50.00)	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	0.57	-	0.57
<b>As at March 31, 2020</b>	<b>(7.75)</b>	<b>(1.30)</b>	<b>0.21</b>	<b>6.42</b>	<b>0.25</b>	<b>584.26</b>	<b>0.50</b>	<b>42.25</b>	<b>2.64</b>	<b>3,254.12</b>	<b>(381.93)</b>	<b>3,499.67</b>

For the Year Ended March 31, 2019

(Rs. in Crore)

Particulars	Reserves and Surplus										Items of Other Comprehensive Income	Total
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share Option Outstanding Account (refer note 10A)	Retained Earnings	Cash Flow Hedging Reserve	
As at April 01, 2018	(14.23)	(0.56)	0.21	6.42	0.25	484.26	4.25	38.50	2.64	1,981.57	(21.10)	2,482.21
Profit for the Year	-	-	-	-	-	-	-	-	-	545.27	-	545.27
Other Comprehensive Income (Net of Tax):												
- Re-measurement (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(0.83)	-	(0.83)
- Effective Portion of Exchange Differences on Hedging Instruments	-	-	-	-	-	-	-	-	-	-	(110.52)	(110.52)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	-	-	544.44	(110.52)	433.92
Cash Dividends (including Dividend Distribution Tax) (refer note 44)	-	-	-	-	-	-	-	-	-	(95.34)	-	(95.34)
Transfer from Tonnage Tax Reserve to Tonnage Tax Reserve (utilised) Account	-	-	-	-	-	-	(3.75)	3.75	-	-	-	-
Exercise of Share Options and Purchase of New Shares (Net)	2.96	(0.35)	-	-	-	-	-	-	-	-	-	2.61
Transfer to General Reserve	-	-	-	-	-	50.00	-	-	-	(50.00)	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	0.93	-	0.93
<b>As at March 31, 2019</b>	<b>(11.27)</b>	<b>(0.91)</b>	<b>0.21</b>	<b>6.42</b>	<b>0.25</b>	<b>534.26</b>	<b>0.50</b>	<b>42.25</b>	<b>2.64</b>	<b>2,381.60</b>	<b>(131.62)</b>	<b>2,824.33</b>

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

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

Place : New Delhi  
Date : May 23, 2020

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Bajjal**  
Chief Financial Officer

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. Corporate Information

Chambal Fertilisers and Chemicals Limited (the 'Company') is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Gadepan, District Kota, Rajasthan, PIN- 325208.

The Company is engaged in production of urea and has three urea plants. Apart from manufacture of Urea, the Company also deals in other fertilisers and Agri-inputs.

These financial statements were authorised for issuance by the Board of Directors of the Company at its meeting held on May 23, 2020.

### 2. Significant Accounting Policies

#### 2. (a) Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other relevant rules and provisions of the Act, as applicable.

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

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

The financial statements of the Company are presented in Indian Rupees (Rs.) and all values are presented in Crore, except when otherwise indicated.

The transactions and balances with values below rounding off norm adopted by the Company have been reflected as 0.00 in the financial statements.

#### **New and amended accounting standards adopted by the Company:**

Ind AS 116 "Leases" has been adopted effective April 01, 2019 and applied to all lease contracts existing on April 01, 2019 using modified retrospective approach. Details of the same are explained in note 33.

#### 2. (b) Summary of Significant Accounting Policies

##### i) Basis of Classification of Current and Non-Current

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

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

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

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

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

##### ii) Foreign Currency Translation

###### (a) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rs.), which is Company's functional and presentation currency.

###### (b) Initial Recognition

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

###### (c) Conversion

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



**(d) Exchange Differences**

Exchange differences arising on settlement or translation of monetary items are generally recognised in the Statement of Profit and Loss. Also refer note 2. (b)(xv) below.

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

**(e) Translation of Foreign Operations**

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

- (i) assets and liabilities for each balance sheet including comparatives are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each Statement of Profit and Loss including comparatives are translated at average exchange rates; and
- (iii) all resulting exchange differences have been recognised in other comprehensive income.

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

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

**iii) Derivative Financial Instruments**

**Initial Recognition and Subsequent Measurement**

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

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

**Cash Flow Hedges**

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

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

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

**iv) Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**v) Non-current Assets held for Sale and Discontinued Operations**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

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

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

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

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

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

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

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

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

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met

and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

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

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

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**vii) Leases**

Till March 31, 2019

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

Finance leases, where as a lessee, the Company has substantially all risks and rewards of ownership, are capitalised at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss over the period of lease. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 01, 2019

As a lessee:

From April 01, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the Company under residual value guarantees, if any.

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentive received.
- Any initial direct cost and restoration cost

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise Information technology/Computer equipment and small items of office furniture.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new accounting standard.

**viii) Depreciation on PPE and Right- of- Use Assets**

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives estimated by the management based on technical evaluation, which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in table below from SNo. (i) to (vi), where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

A major portion of the plant and equipment of the Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease - Right to use Assets	Amortised over 99 Years Ranging from 3 to 15 Years Ranging from 3 to 9 Years Over the life of lease period These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Plant and Equipment	Over their useful lives ranging from 1 to 35 years
(iii)	Insurance / Capital / Critical Stores and Spares	Over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spare part, whichever is lower.
(iv)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(v)	Railway Siding	30 years based on technical evaluation that the railway siding is currently in use.
(vi)	Building (other than factory building) Reinforced Cement Concrete Frame structure	Over their useful lives ranging from 10 to 60 years.

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

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

**ix) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. Software is the acquired intangible asset.

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

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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

**x) Impairment of Non-financial Assets**

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

**xi) Financial Instruments**

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

**(a) Financial assets**

**Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial

assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent Measurement**

##### **Debt Instruments-**

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

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

##### **Debt Instruments at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

##### **Debt Instruments at FVTOCI**

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

##### **Debt Instruments at FVTPL**

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

#### **Equity Instruments**

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

- Equity instruments at fair value through profit or loss (FVTPL); and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

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

#### **Investment in Subsidiaries and Joint Venture**

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

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### **Derecognition**

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

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

### **Impairment of Financial Assets**

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

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

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

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

## **(b) Financial Liabilities**

### **Initial recognition and measurement**

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

### **Subsequent Measurement**

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

#### **Financial Liabilities at Fair Value through Profit or Loss**

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

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

#### **Loans and Borrowings**

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

#### **Financial Guarantee Contracts**

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

### **Derecognition**

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

#### Offsetting of Financial Instruments

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

#### xii) Cash and Cash Equivalents

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

#### xiii) Dividend to Equity Holders of the Company

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

#### xiv) Inventories

Inventories are valued as follows:

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

\* included under the inventory of stores and spares.

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

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

#### xv) Borrowing Costs

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

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

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

#### xvi) Revenue Recognition and Other Income

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

##### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

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

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### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **(a) Sale of Goods**

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

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

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

- (i) New Pricing Scheme (NPS) – Stage III and Modified NPS III
- (ii) New Urea Policy 2015,
- (iii) New Investment Policy 2012 (amended), and
- (iv) Uniform Freight Policy.

The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

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

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

#### **(b) Interest Income and Guarantee Commission**

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

Guarantee Commission is as per the terms of arrangement in the normal course of business and to be settled through receipt/payment.

#### **(c) Dividend**

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

#### **(d) Insurance Claims**

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

### **xvii) Retirement and Other Employee Benefits**

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

The Company's contribution paid/ payable during the year to Pension Fund, Provident Fund, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss.

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

- (b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of the Company is accounted for as per the Company's Scheme and contributed to Life Insurance Corporation of India / ICICI Prudential Life Insurance Company Limited every year. The Company does not have any other obligation,



other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability.

- (c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Gratuity plan of the Company is funded with insurance companies to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with insurance companies is provided for as liability in the books.
- (d) Retirement benefit in the form of post-retirement medical benefits is a defined benefit obligation of the Company and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.
- (e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- (f) Long service awards are other long-term benefits accruing to the eligible employees, as per Company's scheme. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.
- (g) Settlement allowance are other long-term benefits accruing to the eligible employees, as per Company's scheme. The cost of providing benefit under settlement allowance is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

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

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

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

#### xviii) Income Taxes

Tax expense or credit comprises of current income tax and deferred tax. Current income-tax expense or credit is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount of current income tax are those that are enacted or substantively enacted, at the reporting date. Deferred Income tax is determined using tax rates (and laws) that have been enacted or substantively enacted, at the reporting date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

**xix) Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker considers the business activities in terms of nature of products i.e. manufacturing/ marketing of fertilisers & other agri-inputs and services provided. The analysis of geographical segments is based on the locations of customers. (refer note 29)

**Segment Accounting Policies**

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

**xx) Earnings Per Share**

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

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

**xxi) Contingent Assets and Liabilities**

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

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

**xxii) Share-Based Payments**

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

**xxiii) Treasury Shares**

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

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

**xxiv) Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

(Rs. in Crore)

Particulars	Own Assets												Right-of-Use Assets (refer note 33)
	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and Equipment	Factory Equipment	Office Equipment	Furniture and Fittings	Vehicles	Total	
<b>NOTE 3 : PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS</b>													
<b>Deemed Cost</b>													
As at April 01, 2018	4.33	4.30	101.24	0.47	1.08	3.93	1,202.31	13.34	13.51	2.85	15.50	1,362.86	-
Additions	0.05	-	629.27	-	-	4.18	5,152.06	5.25	7.26	1.51	1.72	5,801.30	-
Deletions	(4.18)	-	(0.20)	-	-	(0.02)	(2.38)	(0.16)	(0.10)	(0.03)	(0.84)	(7.91)	-
Adjustments	-	-	0.01	-	-	-	0.12	(0.19)	0.05	0.01	-	-	-
<b>As at March 31, 2019</b>	<b>0.20</b>	<b>4.30</b>	<b>730.32</b>	<b>0.47</b>	<b>1.08</b>	<b>8.09</b>	<b>6,352.11</b>	<b>18.24</b>	<b>20.72</b>	<b>4.34</b>	<b>16.38</b>	<b>7,156.25</b>	-
Additions	1.00	-	33.20	-	-	0.06	116.60	1.27	2.56	0.75	2.29	157.73	25.80
Deletions	-	-	-	-	-	-	(34.42)	(0.14)	(0.11)	(0.03)	(1.43)	(36.13)	-
<b>As at March 31, 2020</b>	<b>1.20</b>	<b>4.30</b>	<b>763.52</b>	<b>0.47</b>	<b>1.08</b>	<b>8.15</b>	<b>6,434.29</b>	<b>19.37</b>	<b>23.17</b>	<b>5.06</b>	<b>17.24</b>	<b>7,277.85</b>	<b>25.80</b>
<b>Depreciation and Impairment</b>													
As at April 01, 2018	-	0.16	10.02	0.16	0.93	0.65	166.06	2.57	8.02	1.01	7.90	197.48	-
Charge for the Year	-	0.04	8.56	0.05	-	0.20	101.32	1.19	2.74	0.41	2.93	117.44	-
Deletions	-	-	(0.05)	-	-	-	(0.72)	(0.07)	(0.06)	(0.01)	(0.68)	(1.59)	-
Adjustments	-	-	-	-	-	-	(0.06)	0.01	0.04	0.01	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>0.20</b>	<b>18.53</b>	<b>0.21</b>	<b>0.93</b>	<b>0.85</b>	<b>266.60</b>	<b>3.70</b>	<b>10.74</b>	<b>1.42</b>	<b>10.15</b>	<b>313.33</b>	-
Charge for the Year	-	0.06	24.96	0.05	-	0.32	247.19	1.43	2.83	0.48	2.97	280.29	5.35
Deletions	-	-	-	-	-	-	(10.80)	(0.05)	(0.06)	(0.03)	(1.19)	(12.13)	-
Impairment (refer footnote (4) below)	-	-	2.41	-	-	-	15.28	0.09	0.01	-	-	17.79	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>0.26</b>	<b>45.90</b>	<b>0.26</b>	<b>0.93</b>	<b>1.17</b>	<b>518.27</b>	<b>5.17</b>	<b>13.52</b>	<b>1.87</b>	<b>11.93</b>	<b>599.28</b>	<b>5.35</b>
<b>Net Book Value</b>													
As at March 31, 2019	0.20	4.10	711.79	0.26	0.15	7.24	6,085.51	14.54	9.98	2.92	6.23	6,842.92	-
As at March 31, 2020	1.20	4.04	717.62	0.21	0.15	6.98	5,916.02	14.20	9.65	3.19	5.31	6,678.57	20.45

**Footnotes:**

- Freehold land having carrying value Rs. 0.01 Crore (Previous Year : Rs. 0.01 Crore), Leasehold land having carrying value of Rs. 0.31 Crore (Previous Year : Rs. 0.31 Crore) and Buildings having carrying value of Nil (Previous Year : Rs. 3.78 Crore) are yet to be registered in the Company's name.
- The carrying value of Buildings includes Rs. 0.00 Crore (Previous Year : Rs. 0.00 Crore) representing undivided share in assets jointly owned with others.
- Deletions from Land-Freehold includes Nil (Previous Year : Rs. 4.18 Crore) and Plant and Equipment includes Equipment having gross block of Rs.1.56 Crore (Previous Year: Nil) and Accumulated Depreciation of Rs. 1.51 Crore (Previous Year : Nil) transferred to 'Assets held for sale' (refer note 45).
- It represents impairment of Single Super Phosphate (SSP) plant being cash generating unit (CGU). Management has been monitoring the operation of the CGU for past years and reassessed the carrying value as per Ind AS 36 'Impairment of Assets'. As per management assessment, CGU has been impaired as Company has decided not to produce the related products resulting into no operations during the current year and in immediate future years. Accordingly, assets in CGU have been recorded at recoverable value resulting into impairment of Property plant and equipment amounting to Rs. 17.79 Crore and other assets which includes Inventory written off amounting to Rs. 1.59 Crore. Refer note 7 for other assets and note 23 of other expenses for impact on Statement of Profit and Loss.  
The impairment loss of SSP has been calculated using recoverable value ( fair value less cost to sell) inputs and Cost approach has been used as valuation technique. Basis aforesaid an amount of Rs. 0.94 Crore has been estimated as recoverable value. An increase/ (decrease) in fair value by 10% will result into increase/ (decrease) by Rs. 0.09 Crore.
- Capital Work-in-Progress Rs. 84.99 Crore (Previous Year : Rs. 108.64 Crore) primarily represents capital expenditure in respect of Plant and Machinery & Buildings.
- Leasehold Improvements (on Finance Lease) had been fully depreciated in earlier years.

## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Crore)

Particulars	Software	Total
<b>NOTE 4 : OTHER INTANGIBLE ASSETS</b>		
<b>Deemed Cost</b>		
As at April 01, 2018	8.43	8.43
Additions	0.44	0.44
<b>As at March 31, 2019</b>	<b>8.87</b>	<b>8.87</b>
Additions	0.11	0.11
<b>As at March 31, 2020</b>	<b>8.98</b>	<b>8.98</b>
<b>Amortization and Impairment</b>		
As at April 01, 2018	4.43	4.43
Charge for the Year	1.32	1.32
<b>As at March 31, 2019</b>	<b>5.75</b>	<b>5.75</b>
Charge for the Year	1.22	1.22
<b>As at March 31, 2020</b>	<b>6.97</b>	<b>6.97</b>
<b>Net Book Value</b>		
<b>As at March 31, 2019</b>	<b>3.12</b>	<b>3.12</b>
<b>As at March 31, 2020</b>	<b>2.01</b>	<b>2.01</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 5 : FINANCIAL ASSETS</b>		
<b>Note 5A : Non-Current Investments</b>		
<b>A. Investment carried at Deemed Cost</b>		
<b>Equity Instruments (Unquoted)</b>		
<b>Subsidiary Companies</b>		
- 109,962 (Previous Year: 109,962) equity shares of Singapore \$ 1 each fully paid up in India Steamship Pte. Ltd., Singapore#	-	0.29
- Nil (Previous Year : 250,000) equity shares of Rs.10 each fully paid up in India Steamship Limited (Under Liquidation)	-	0.25
- 9,400,000 (Previous Year: 9,400,000) equity shares of Rs.10 each fully paid up in Chambal Infrastructure Ventures Limited	3.60	3.60
- 2,932,947 (Previous Year: 2,932,947) ordinary shares of US\$ 0.0001 each fully paid up in CFCL Ventures Limited	0.00	0.00
<b>Joint Venture</b>		
- 206,666 (Previous Year: 206,666) shares of Moroccan Dirham 1,000 each fully paid up in Indo Maroc Phosphore S.A.- IMACID	285.87	285.87
<b>B. Investment carried at Fair Value through Profit or Loss</b>		
<b>Equity Instruments (Unquoted)</b>		
- 20,000 (Previous Year: 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	0.02	0.02
- 2,180 (Previous Year: 2,180) equity shares of Rs.10 each fully paid up in Woodlands Multispeciality Hospital Limited	0.00	0.00

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Preference Shares (Unquoted)</b>		
<b>Subsidiary Companies</b>		
- 14,860,459 (Previous Year:13,100,459) preference shares of US\$ 0.0001 each fully paid up in CFCL Ventures Limited (refer footnote 1 & 2 below) (refer note 30)	-	12.93
<b>C. Investment carried at Amortised Cost</b>		
<b>Government Securities (Unquoted)</b>		
- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities)	0.00	0.00
- Indira Vikas Patra	0.00	0.00
	<b>289.49</b>	<b>302.96</b>
Aggregate amount of Unquoted Investments	289.49	302.96
Aggregate amount of impairment in the value of investments	28.68	-
#Part of the amount of investment in said subsidiary has been returned to the Company before March 31, 2020 on account of closure of bank account as part of the dissolution process and remaining investment has been impaired. The Subsidiary has been dissolved on April 06, 2020.		
<b>Footnotes:</b>		
1. CFCL Ventures Limited has issued ordinary shares, preference shares (series A-1, B-1, C-1, D-1, E-1, F-1, G, H, I & J) and warrants for ordinary shares and preference shares (series G, H & I). Conversion ratio of different series of non cumulative convertible preference shares into ordinary shares of CFCL Ventures Limited are as follows-Series A1 & B1 preference shares will be converted in the ratio of 1:1.22, Series C1, D1, E1 preference shares will be converted in the ratio of 1:1.68, Series F-1 preference shares will be converted in the ratio of 1:1.33, Series G, H, I & J preference shares will be converted in the ratio of 1:1. This conversion is subject to adjustments set forth, if any, in the Articles of Association of CFCL Ventures Limited.		
2. During the year, ISGN Corporation ("ISGN, USA") and ISG Novasoft Technologies Limited, ("ISGN, India"), subsidiaries of CFCL Ventures Limited ("CVL") have sold/transferred certain assets/liabilities to the respective buyers. In view of the same, the Company has re-measured the fair value of its investment in preference shares of CVL as at March 31, 2020 and assessed its commitment in respect of ISGN, USA and provided for a loss of Rs. 72.15 Crore including impaired value of investment of Rs. 28.53 Crore carried at fair value through profit or loss, which has been shown as Exceptional items as per Note 24. As part of the aforesaid transactions, the Company executed keepwell agreements with the respective buyers and the concerned subsidiaries. As per the terms of the aforesaid keepwell agreements, the Company has to ensure that the concerned subsidiary has sufficient funds to enable it to make payments against indemnity obligations of the subsidiary under the agreements executed for sale / transfer of assets / liabilities. The aggregate indemnity obligations of the subsidiaries under the aforesaid agreements shall not exceed Rs.122.86 Crore.		
<b>Note 5B : Non Current Loans</b>		
Loans to Employees:		
(a) Loans Receivables Considered Good - Secured	0.32	0.50
(b) Loans Receivables Considered Good - Unsecured	0.15	0.17
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
	<b>0.47</b>	<b>0.67</b>
<b>Note 5C : Other Non Current Financial Assets</b>		
(Unsecured, Considered Good)		
Security Deposits	3.29	3.37
Deposit with Banks having maturity of more than 12 months (refer note 8D)	0.02	0.02
	<b>3.31</b>	<b>3.39</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 6 : OTHER NON-CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
Capital Advances	5.77	4.33
Catalysts in use (valued based on life technically assessed)	19.91	12.87
Prepaid Expenses	6.02	7.18
Deferred Transaction Cost on Borrowings	-	2.55
	<b>31.70</b>	<b>26.93</b>
<b>NOTE 7 : INVENTORIES</b>		
Raw Materials	1.67	1.02
Work-in-Progress	9.09	12.47
Finished Goods {including in transit- Rs.51.28 Crore (Previous Year: Rs.59.29 Crore)}	343.83	115.50
Traded Goods {including in transit- Rs. 9.76 Crore (Previous Year: Rs. 245.41 Crore)}*	676.68	1,110.29
Stores and Spares {including in transit- Rs. 0.14 Crore (Previous Year: Rs.0.21 Crore)}*	89.72	72.55
Loose Tools	0.36	0.36
Catalysts in use (valued based on life technically assessed)	8.35	4.48
Packing Materials {including in transit- Nil (Previous Year: 0.69 Crore)}	5.90	6.48
	<b>1,135.60</b>	<b>1,323.15</b>
* During the current year Inventory valuing Rs. 2.09 Crore (Previous Year: Nil) has been written off.		
<b>NOTE 8 : CURRENT FINANCIAL ASSETS</b>		
<b>Note 8A : Current Investments</b>		
<b>Investment carried at Fair Value through Profit or Loss</b>		
<b>Unquoted</b>		
Investment in Bonds		
320 (Previous Year: 350), 9.45% Corporate Bonds of Rs.10,00,000 each in IL&FS Transportation Networks Limited	-	24.50
	-	<b>24.50</b>
<b>Aggregate amount of Unquoted Investments</b>	<b>21.50</b>	<b>35.00</b>
Less: Fair Value Loss on Investment measured at Fair Value through Profit or Loss	21.50	10.50
<b>Total Current Investments</b>	<b>-</b>	<b>24.50</b>
<b>Note 8B : Trade Receivables</b>		
Trade Receivables Considered Good - Secured	63.74	116.72
Trade Receivables Considered Good - Unsecured (including subsidy receivable from Government of India- Rs.5,349.33 Crore (Previous Year: Rs.4,322.33 Crore))	5,499.37	4,705.92
Trade Receivables Considered Doubtful - Unsecured (including subsidy receivable from Government of India- Nil (Previous Year : Rs.197.94 Crore))	16.03	212.92
	<b>5,579.14</b>	<b>5,035.56</b>
Less: Allowance for Doubtful Debts	16.03	212.92
<b>Total Trade Receivables (Net of Allowances)</b>	<b>5,563.11</b>	<b>4,822.64</b>
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired	-	-
	<b>5,563.11</b>	<b>4,822.64</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 8C : Cash and Cash Equivalents</b>		
<b>Balances with Banks :</b>		
On Current Accounts	0.54	4.48
On Cash Credit Accounts	10.93	0.01
Deposits with original maturity of less than three months	121.78	45.00
Cash on hand	0.07	0.02
	<b>133.32</b>	<b>49.51</b>
There is no repatriation restrictions on cash and cash equivalents.		
<b>Note 8D : Bank Balances Other than 8C above</b>		
On Unpaid Dividend Accounts	17.45	12.55
Deposits with remaining maturity for less than 12 months	0.05	-
Deposits with remaining maturity for more than 12 months *	0.02	0.02
	<b>17.52</b>	<b>12.57</b>
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	0.02	0.02
	<b>17.50</b>	<b>12.55</b>
* Fixed Deposit receipts of Rs.0.02 Crore (Previous Year : Rs.0.02 Crore) are pledged with Sales Tax Authorities.		
<b>Note 8E : Current Loans</b>		
Loans to Employees:		
(a) Loans Receivables Considered Good - Secured	0.10	0.15
(b) Loans Receivables Considered Good - Unsecured	0.02	0.02
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
	<b>0.12</b>	<b>0.17</b>
<b>Note 8F : Other Current Financial Assets</b>		
(Unsecured and Considered Good, except to the extent stated)		
<b>Derivatives</b>		
Derivative Financial Assets	37.70	-
<b>Others</b>		
Receivable from Gas Pool Operator	267.62	110.69
Receivable from Subsidiary Companies / Joint Venture (refer note 30)	0.20	5.30
Security Deposits	4.86	4.51
Insurance and Other Claims Receivable (Considered Doubtful Rs.1.65 Crore (Previous Year: Rs.1.65 Crore))	4.76	7.89
Interest Receivable on Deposits	0.14	0.05
Other General Receivables	6.96	18.35
	<b>322.24</b>	<b>146.79</b>
Less: Allowance for Doubtful Advances	1.65	1.65
	<b>320.59</b>	<b>145.14</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 9 : OTHER CURRENT ASSETS</b>		
(Unsecured and Considered Good, except to the extent stated)		
Advances to Suppliers (Considered Doubtful Rs.0.48 Crore (Previous Year : Rs.0.48 Crore))	9.35	8.73
Balances with Statutory/ Government Authorities (Considered Doubtful Rs.44.61 Crore (Previous Year: Rs.31.94 Crore))	125.29	104.16
Interest Receivable - Others	0.33	0.33
Prepaid Expenses	37.27	15.34
Other General Receivables	0.55	0.85
	<b>172.79</b>	<b>129.41</b>
Less: Allowance for Doubtful Advances	45.09	32.42
	<b>127.70</b>	<b>96.99</b>
<b>NOTE 10 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
440,000,000 (Previous Year: 440,000,000 ) Equity Shares of Rs.10 each	440.00	440.00
210,000,000 (Previous Year: 210,000,000) Redeemable Preference Shares of Rs.10 each	210.00	210.00
	<b>650.00</b>	<b>650.00</b>
<b>Issued, Subscribed and Paid up :</b>		
416,207,852 (Previous Year: 416,207,852 ) Equity Shares of Rs.10 each, fully paid up	416.21	416.21
	<b>416.21</b>	<b>416.21</b>

a) **Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Periods**

There is no movement in the equity shares outstanding at the beginning and at the end of the reporting periods.

b) **Terms / Rights attached to Equity Shares-**

The Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari passu with each other in all respects. The Company declares and pays dividend in Indian rupees. The dividend recommended/ proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities.

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

Name	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	57,168,649	13.74	54,354,384	13.06
HDFC Trustee Company Limited - HDFC Balance Advantage Fund and Its Associate Funds	38,499,215	9.25	37,300,415	8.96
SIL Investments Limited	33,343,455	8.01	33,343,455	8.01

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



(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 10A : Other Equity*</b>		
<b>Reserves and Surplus:</b>		
(a) Securities Premium	6.42	6.42
(b) Retained Earnings	3,254.12	2,381.60
(c) General Reserve	584.26	534.26
(d) Treasury Shares	(7.75)	(11.27)
(e) Loss on Treasury Shares Acquired	(1.30)	(0.91)
(f) Capital Reserve	0.21	0.21
(g) Capital Redemption Reserve	0.25	0.25
(h) Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	0.50	0.50
(i) Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	42.25	42.25
(j) Share Option Outstanding Account	2.64	2.64
<b>Total</b>	<b>3,881.60</b>	<b>2,955.95</b>
<b>Other Comprehensive Income:</b>		
(k) Cash Flow Hedging Reserve	(381.93)	(131.62)
<b>Total</b>	<b>(381.93)</b>	<b>(131.62)</b>
<b>Other Equity</b>	<b>3,499.67</b>	<b>2,824.33</b>

\* For movement during the year refer Statement of Changes in Equity.

#### Description of Nature and Purpose of each Reserve

- (a) **Securities Premium** : Securities Premium represents amount received on issue of shares in excess of the par value. Utilisation of reserve will be as per the provisions of the relevant statute.
- (b) **Retained Earnings**: Retained earnings comprises of prior years as well as current year's undistributed earnings after taxes.
- (c) **General Reserve**: General Reserve represents appropriation of profit by the Company. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.
- (d) **Treasury Shares**: Treasury shares represents equity shares of the Company acquired by CFCL Employees Welfare Trust from the secondary market to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the CFCL Employees Stock Option Scheme, 2010.
- (e) **Loss on Treasury Shares**: Loss on treasury shares acquired represents the amount of loss incurred by CFCL Employees Welfare Trust, on the transfer of equity shares to the eligible employees of the Company as per CFCL Employees Stock Option Scheme, 2010.
- (f) **Capital Reserve**: Capital reserve represents the amount on account of forfeiture of equity shares of the Company. Utilisation of reserve will be as per the provisions of the relevant statute.
- (g) **Capital Redemption Reserve**: Capital redemption reserve represents reserve created on redemption of preference shares. Utilisation of reserve will be as per the provisions of the relevant statute.
- (h) & (i) **Tonnage Tax Reserve and Tonnage Tax Reserve (utilised) under Section 115VT of the Income Tax Act, 1961** : These reserves were created till the time erstwhile 'Shipping Division' was under Tonnage Tax Regime.
- (j) **Share Option Outstanding Account**: The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the CFCL Employees Stock Option Scheme, 2010. Refer to note 36 for further details of the plan.
- (k) **Cash Flow Hedging Reserve**: The Company uses hedging instrument as part of its management of foreign currency risk associated with its highly probable forecast sale. Foreign currency risk associated with highly forecasted sale transaction is being hedged by taking foreign currency loan.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 11 : FINANCIAL LIABILITIES</b>		
<b>Note 11A: Non Current Borrowings</b>		
<b>Secured Loans:</b>		
Term Loans:		
- External Commercial Borrowings	3,455.71	2,916.86
- Foreign Currency Loans from Financial Institution	1,224.43	1,266.51
- Rupee Loan from Bank	-	99.82
<b>Unsecured Loans:</b>		
Term Loan:		
- Rupee Loan from Bank (refer (B) iv below)	-	100.00
	<b>4,680.14</b>	<b>4,383.19</b>
Less : Current maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note 14C)	705.53	350.95
	<b>3,974.61</b>	<b>4,032.24</b>
<b>Non-Current Borrowings (as per Balance Sheet)</b>		
<b>(A) Details of Borrowings and Transaction Costs</b>		
<b>(i) External Commercial Borrowings</b>		
External Commercial Borrowings (refer (B) i below)	3,482.60	2,945.00
Less: Transaction Costs	26.89	28.14
<b>Carrying Value of External Commercial Borrowings</b>	<b>3,455.71</b>	<b>2,916.86</b>
<b>(ii) Foreign Currency Loans from Financial Institution</b>		
Foreign Currency Term Loans from Financial Institution (refer (B) ii below)	1,235.18	1,279.44
Less: Transaction Costs	10.75	12.93
<b>Carrying Value of Foreign Currency Loans from Financial Institution</b>	<b>1,224.43</b>	<b>1,266.51</b>
<b>(iii) Rupee Term Loan from Bank</b>		
Rupee Term Loan from Bank (refer (B) iii below)	-	100.00
Less: Transaction Costs	-	0.18
<b>Carrying Value of Rupee Term Loan from Bank</b>	<b>-</b>	<b>99.82</b>

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

- i. External Commercial Borrowings ("ECB") from banks of USD 46.02 Crore (Rs. 3,482.60 Crore including current maturity of Rs. 540.84 Crore) (Previous Year: Rs. 2,945.00 Crore including current maturity of Rs.188.66 Crore) carry interest in the range of 3 months LIBOR plus 1.94% - 2.30% per annum. ECB amounting to USD 38.52 Crore (Rs. 2,915.07 Crore including current maturity of Rs. 465.17 Crore) are repayable in 11 half yearly instalments starting from September 30, 2020. ECB amounting to USD 7.50 Crore (Rs. 567.53 Crore including current maturity of Rs. 75.67 Crore) are repayable in 15 equal half yearly instalments starting from September 30, 2020. These ECBs are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the company and hypothecation of the movable fixed assets of the Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- ii. Foreign currency term loans from a financial institution of USD 16.32 Crore (Rs.1,235.18 Crore including current maturity of Rs.164.69 Crore) (Previous Year: Rs.1,279.44 Crore including current maturity of Rs.150.52 Crore) carry interest in the range of 3 month LIBOR plus 2.30% per annum. These term loans are repayable in 15 equal half yearly instalments starting from September 30, 2020. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the company and hypothecation of the movable fixed assets of the Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iii. Rupee term loan from bank of Rs 100.00 Crore has been repaid during the year which carried interest at the rate of one year Marginal cost of funds based lending rate ("MCLR") of the lender plus 0.85% per annum. The loan was secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the company and hypothecation of the movable fixed assets of the Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iv. Unsecured Rupee Term Loan from bank of Rs.100.00 Crore has been repaid during the year which carried interest at the rate of one year MCLR of the lender i.e. 8.60% per annum.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 12 : LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
- Gratuity (refer note 31)	6.65	2.96
- Post Retirement Medical Benefits (refer note 31)	4.91	4.04
	<b>11.56</b>	<b>7.00</b>
<b>NOTE 13 : OTHER NON CURRENT LIABILITIES</b>		
Other Employee Benefits Obligations	3.33	3.23
	<b>3.33</b>	<b>3.23</b>
<b>NOTE 14 : FINANCIAL LIABILITIES</b>		
<b>Note 14A : Current Borrowings</b>		
<b>Secured Loans:</b>		
<b>From Banks:</b>		
- Rupee Loans (refer i below)	1,999.16	700.09
- Cash Credit Facilities (refer ii below)	-	1,401.68
- Foreign Currency Loans (refer iii below)	412.92	511.02
<b>Unsecured Loans:</b>		
Commercial Papers (refer iv below)	1,925.00	350.00
<b>From Banks:</b>		
- Foreign Currency Loans (refer v below)	596.55	682.17
- Rupee Loans (refer vi below)	-	517.00
	<b>4,933.63</b>	<b>4,161.96</b>

- i. Rupee Loan from Banks of Rs. 1,999.16 Crore (Previous Year : Rs 700.09 Crore) carry interest in the range of 6.15% - 7.60% per annum. Out of these, loan amounting Rs.1,274.16 Crore (Previous Year: Rs.700.09 Crore) from a bank has been under Special Banking Arrangement against the subsidy on Indigenous Urea and P&K Fertilisers receivable from Government of India. The Bank has charged interest at the rate of 6.15% per annum payable directly by Government of India to the bank. The loan is secured by hypothecation of subsidy receivables upto Rs.1,274.16 Crore (Previous Year: Rs.700.09 Crore) from Government of India. The loan is repayable within 60 days. Further, Working Capital Demand Loans of Rs. 725.00 Crore (Previous Year: Nil) from banks are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets, both present and future. These loans are further secured by second charge on the immovable properties of the Company. The loans are repayable on demand.
- ii. Cash credit facilities of Rs. 1,401.68 Crore from banks has been repaid during the year which carried interest in the range of 8.70% - 9.30% per annum. These facilities were secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets, both present and future. These facilities were further secured by second charge on the immovable properties of the Company. The facilities were repayable on demand.
- iii. Foreign Currency Loans from Banks of Rs.412.92 Crore (Previous Year: Rs.511.02 Crore) carry interest in the range of 1.19%-2.08% per annum. Out of these, loans amounting to Rs.162.80 Crore (Previous Year: Rs.119.27 Crore) are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets, both present and future and further secured by second charge on the immovable properties of the Company. These loans are repayable within 246 days to 251 days from the drawdown/ availment. Further, foreign currency loans amounting to Rs.250.12 Crore (Previous Year: Rs.391.75 Crore) are secured by second charge on the Company's current assets. These loans are repayable within 147 days to 168 days from the drawdown/ availment.
- iv. Unsecured Commercial Papers of Rs.1,925.00 Crore (Previous Year: Rs.350.00 Crore) carry interest in the range of 5.59% - 5.85% per annum. The commercial papers have a tenure of 60 days to 90 days.
- v. Unsecured foreign currency loans of Rs.596.55 Crore (Previous Year: Rs.682.17 Crore) carry interest in the range of 1.19% - 2.12% per annum. These loans are repayable within 144 to 263 days from the drawdown/ availment.
- vi. Unsecured Rupee Loans of Rs. 517.00 Crore has been repaid during the year which carried interest in the range of 6.80%-8.60% per annum.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 14B : Trade Payables</b>		
Trade Payables		
a) total outstanding dues to Micro and Small Enterprises (refer note 34)	8.20	2.55
b) total outstanding dues of creditors other than micro enterprises and small enterprises	531.36	978.56
	<b>539.56</b>	<b>981.11</b>
<b>Note 14C : Other Financial Liabilities</b>		
Current Maturity of Long Term Borrowings (refer note 11A)	705.53	350.95
Interest Accrued but not due on Borrowings	5.99	11.87
Earnest Money / Security Deposits	178.26	150.35
Accrued Employee Liabilities (including payable to Key Management Personnel) (refer note 30)	26.42	22.80
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
- Unpaid Dividend	17.45	12.55
Payable for Capital Goods {includes Rs.1.90 Crore (Previous Year: Rs.0.68 Crore) dues to Micro and Small Enterprises (refer note 34)}	95.82	601.39
Derivative Financial Liabilities	30.53	23.20
Commitment in relation to Investment (refer footnote 2 of note 5A)	43.62	-
	<b>1,103.62</b>	<b>1,173.11</b>
<b>Terms and conditions of the above Financial Liabilities:</b>		
- Trade and Other Financial Liabilities (other than Security Deposit and Current Maturity of Long Term Borrowings) are non-interest bearing. For maturity profile of Trade Payables and Other Financial Liabilities, refer note 42.		
<b>NOTE 15 : OTHER CURRENT LIABILITIES</b>		
Advance from Customers*	16.91	7.10
Other Employee Benefits Obligations	0.25	0.26
Statutory Obligations Payable	9.22	15.22
Other Liabilities :		
- Dues to Related Parties (refer note 30)	0.29	0.27
- Others	0.08	0.23
	<b>26.75</b>	<b>23.08</b>
* These represent contract liabilities arising from contracts with customers. The amount pertaining to balance at the beginning of the current year have been recognised as revenue during the year.		
<b>NOTE 16 : CURRENT PROVISIONS</b>		
Provision for Employees Benefits:		
- Gratuity (refer note 31)	3.68	3.41
- Leave Encashment / Liabilities	33.46	29.38
- Post Retirement Medical Benefits (refer note 31)	0.17	0.15
	<b>37.31</b>	<b>32.94</b>

## NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	(Rs. in Crore)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Sale of Own Manufactured Products {including Rs.6,378.41 Crore (Previous Year: Rs. 4,815.67 Crore) Subsidy on Fertilisers}	8,145.20	6,247.02
Sale of Traded Products {including Rs.1,350.89 Crore (Previous Year: Rs. 1,181.50 Crore) Subsidy on Fertilisers}	4,059.46	3,847.22
<b>Other Operating Revenues</b>		
Others (spillage)	1.29	0.28
Revenue from Operations	<b>12,205.95</b>	<b>10,094.52</b>
<b>NOTE 18 : OTHER INCOME</b>		
Interest on:		
- Fertilisers Bonds	0.00	0.00
- Employees Loans	0.03	0.02
- Income Tax Refunds	2.23	1.11
- Deposits (refer note 28)	10.29	0.78
- Payment from Customers	4.81	17.39
- Current Investments	-	6.19
- Other including deposits with Government Authorities	1.68	0.31
Dividend Income		
- On Investment in Subsidiary Companies / Joint Venture (refer note 30)	71.83	57.69
- On Non Current Investment	0.00	0.01
Rent Received	0.14	0.23
Insurance Claims Received	28.73	10.30
Recoveries from Contractor	1.03	18.70
Liabilities no Longer Required Written Back	0.31	14.13
Sale of Scrap	2.79	1.39
Guarantee Commission (refer note 30)	1.22	5.65
Miscellaneous Income	5.86	6.24
Other Gains/ (Losses) :		
- Mark to Market Gain/ (Loss) on Derivative Transaction	30.38	(23.15)
- Gain on Sale of Current Investments	18.01	24.41
- Gain on Disposal of Property, Plant and Equipment (Net)	-	0.20
	<b>179.34</b>	<b>141.60</b>
<b>NOTE 19 : COST OF MATERIALS CONSUMED</b>		
Opening Inventories	1.02	0.74
Add: Purchases	3,773.86	2,785.91
Less: Closing Inventories	1.67	1.02
	<b>3,773.21</b>	<b>2,785.63</b>

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
Closing Inventories		
- Work-in-Progress	9.09	12.47
- Finished Goods	343.83	115.50
- Traded Goods	676.68	1,110.29
	<b>1,029.60</b>	<b>1,238.26</b>
Opening Inventories		
- Work-in-Progress	12.47	5.67
- Finished Goods	115.50	238.43
- Traded Goods	1,110.29	474.24
	<b>1,238.26</b>	<b>718.34</b>
Inventory capitalised during the previous year	-	9.28
<b>Decrease/(Increase) in Inventories</b>	<b>208.66</b>	<b>(510.64)</b>
<b>NOTE 21 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus *	138.28	111.98
Contribution to Provident and Other Funds *	7.81	6.55
Gratuity Expense (refer note 31)	2.80	2.54
Post Retirement Medical Benefits (refer note 31)	0.51	0.40
Workmen and Staff Welfare Expenses	6.54	5.26
	<b>155.94</b>	<b>126.73</b>
* Refer note 28		
<b>NOTE 22 : FINANCE COSTS</b>		
Interest (including Interest on Income Tax : Rs.1.20 Crore (Previous Year : Rs.0.10 Crore)) *	431.14	200.68
Bank Charges and Guarantee Commission *	18.84	8.91
Exchange Differences regarded as an adjustment to Borrowing Costs	52.65	36.08
	<b>502.63</b>	<b>245.67</b>
* Refer note 28		
<b>NOTE 23 : OTHER EXPENSES</b>		
Consumption of Stores and Spares	30.52	20.06
Consumption of Packing Materials	93.73	80.00
Bagging and Other Services	19.07	13.13
Power and Fuel	2,113.57	1,767.89
Catalyst Charges Written Off	7.45	6.64
Rent (refer note 33) *	22.85	23.74
Rates and Taxes	0.98	0.80
Insurance *	25.78	11.37
Repairs and Maintenance:		
- Plant and Equipment	33.55	16.97
- Buildings	4.30	3.42
- Others	13.44	10.96
Director's Sitting Fees	0.31	0.18
Travelling and Conveyance *	8.07	8.46

		(Rs. in Crore)	
Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
Communication Costs		0.97	0.96
Printing and Stationery		0.34	0.32
Legal and Professional Fees *		4.18	3.51
Auditor's Remuneration			
As auditor:			
- Audit Fee		0.39	0.26
- Tax Audit Fee		0.06	0.06
- Limited Review Fee		0.24	0.18
- Certification and Other Services		0.23	0.27
- Out of Pocket Expenses		0.06	0.07
Freight and Forwarding Charges		682.79	628.53
Other Selling Expenses		3.28	3.41
Corporate Social Responsibility Expenditure (refer note 35)		15.33	12.66
Depletion of Loose Tools		0.33	0.25
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss		21.50	10.50
Green Belt Development/ Horticulture Expenses		2.78	2.56
Allowance for Doubtful Debts and Advances (Net)		14.72	15.39
Impairment/ Loss on Investment in Subsidiary under Dissolution/ Liquidated		0.15	0.03
Loss on Foreign Exchange Variation (Net)		77.87	15.98
Loss on Disposal / Write off of Property, Plant and Equipment (Net)		22.73	-
Impairment Loss on Property, Plant and Equipment		17.79	-
Bank Charges and Guarantee Commission (other than financing)		1.23	1.27
Irrecoverable Balances written off	2.01		1.46
Less: Allowance for Doubtful Debts and Advances adjusted out of above	<u>1.00</u>	1.01	<u>1.40</u> 0.06
Inventories written off		2.09	-
Miscellaneous Expenses *		14.58	13.30
		<b><u>3,258.27</u></b>	<b><u>2,673.19</u></b>
* refer note 28			
<b>NOTE 24 : EXCEPTIONAL ITEMS</b>			
Fair value loss on financial instrument measured at fair value through profit or loss / Commitment in relation to investment (refer footnote 2 of note 5A)		72.15	-
Reversal of subsidy income accrued during the earlier years due to change in Modified NPS III Policy (refer note 49)		91.70	-
Allowance for Doubtful Debts (refer note 49)		(197.27)	197.27
		<b><u>(33.42)</u></b>	<b><u>197.27</u></b>
<b>NOTE 25 : EARNINGS PER SHARE (EPS)</b>			
Net Profit as per Statement of Profit and Loss		1,224.31	545.27
Calculation of Weighted Average Number of Equity Shares			
- Number of Equity Shares at the beginning of the Year		416,207,852	416,207,852
- Total Equity Shares Outstanding at the end of the Year		416,207,852	416,207,852
- Weighted Average Number of Equity Shares Outstanding during the Year		416,207,852	416,207,852
Basic and Diluted Earnings Per Share (in Rs.)*		29.42	13.10
Nominal value of equity shares (in Rs.)		10.00	10.00
* There are no dilutive potential equity shares.			

## 26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

### (i) Contingent Liabilities (not provided for) in respect of:

(Rs. in Crore)

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
(A)	Corporate guarantee given to bank on account of loan given by such bank to stepdown subsidiary.#	128.64	117.57
(B)	(i) Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Company.*	91.91	2.79
	(ii) Penalty levied by FERA Board under appeal before the Calcutta High Court	0.01	0.01
	(iii) Various labour cases	Amount not ascertainable	Amount not ascertainable
	(iv) Other claims against the Company not acknowledged as debts	0.08	0.08

# Amount of loan outstanding against the Corporate guarantee is Rs.60.53 Crore.

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

(Rs. in Crore)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
<b>1</b>	<b>Income Tax:</b>		
	(a) Demand raised by IT authorities on account of various disallowances for assessment year 2011-12	0.03	0.67
	(b) Demand raised by IT authorities on account of various disallowances for assessment year 2012-13	-	1.54
	(c) Demand raised by IT authorities on account of various disallowances for assessment year 2017-18	10.36	-
	(d) Demand raised by IT authorities on account of various disallowances for assessment year 2018-19	66.43	-
	(e) Demand raised by IT authorities on account of various disallowances for assessment year 2019-20	8.53	-
	(f) Demand raised by IT authorities on account of various disallowances for assessment year 2020-21	6.29	-
<b>2</b>	<b>Service Tax:</b>		
	(a) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June, 2012 (including penalty and interest).	-	0.31
	(b) Demand (including penalty) plus interest at the appropriate rate raised in respect of service tax not paid on payments made in foreign currency to foreign parties, treating all such payments as taxable, which is being contested.	0.27	0.27
	<b>Total</b>	<b>91.91</b>	<b>2.79</b>

- (v) The Company had received a demand of Rs. 3.52 Crore plus penalty (Previous Year: Rs.3.52 Crore) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 13th July, 2001 (1996-97 to 1997-98) and on 17th August, 2001 (1998-99 to 2001-02 – Upto May 2001). However, in the event of the Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / Government of India under Subsidy Scheme.
- (vi) The Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited, informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by FICC under Subsidy Scheme.
- (vii) The Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited, informing about the possibility of levy of Central Sales Tax. The Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by FICC under Subsidy Scheme.



(viii) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to August 31, 2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.73.80 Crore (Previous Year: Rs.73.80 Crore) for non compliance of the provisions of the said Act. The Company has obtained a stay order from Delhi High Court against the above show cause notice and on the basis of the stay order the Company is of the view that the said levy is not tenable in law and accordingly no provision has been considered.

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

**(ii) Contingent assets (not recognised) in respect of :** (Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Un-utilised cenvat credit	3.06	3.22

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

**27. Capital Commitments** (Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	113.12	67.23

**28. Capitalisation of Expenditure**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.41	285.10
<b>Add : Expenditure during the year</b>		
Salaries, Wages and Bonus	-	11.43
Contribution to Provident and Other Funds	-	0.56
Travelling and Conveyance	-	0.33
Legal and Professional Fees	-	0.16
Interest *	0.07	209.72
Other Finance Costs	-	5.44
Bank Charges	-	0.10
Construction of Enabling Asset - Anicut dam	-	1.75
Insurance	-	0.00
Start up and Commissioning Expenses	-	210.30
Miscellaneous Expenses	-	0.84
<b>Total Expenditure</b>	<b>0.48</b>	<b>725.73</b>
Less: Interest Income on Deposits	-	(2.54)
Add: Current Tax	-	0.89
Less: Deferred Tax	-	(0.89)
<b>Net Expenditure</b>	<b>0.48</b>	<b>723.19</b>
Less: Allocated to Property, Plant and Equipment **	-	(722.78)
<b>Capitalisation of Expenditure (pending for Allocation)</b>	<b>0.48</b>	<b>0.41</b>

\* Interest comprises of:

- (i) Nil (Previous Year : Rs.147.36 Crore) on specific borrowings taken for Gadepan-III Plant; and
- (ii) Rs. 0.07 Crore (Previous Year : Rs.62.36 Crore) on general borrowings for other qualifying assets (Previous Year: Gadepan-III Plant and Other qualifying assets) using the weighted average interest rate applicable during the year which is 6.04% per annum (Previous Year: 7.19% per annum).

\*\* represents capitalisation of Gadepan-III Plant during the Previous Year.

29. The Managing Director and Chief Financial Officer of the Company has been identified as the chief operating decision maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of manufacturing/ marketing of Fertilisers and other Agri-inputs. Looking at the nature of business and risk involved, the operations of the Company falls into single business segment. Further, all the customers and assets are located in India. Accordingly, no segment information is provided.

### 30. Related Party Transactions

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

#### I Related Party Name and Relationship

##### (A) Subsidiaries

CFCL Ventures Limited  
 Chambal Infrastructure Ventures Limited  
 India Steamship Pte. Ltd.\*  
 India Steamship International FZE (till 28.02.2019)  
 India Steamship Limited (Under Liquidation)  
 ISGN Corporation#  
 ISG Novasoft Technologies Limited#  
 Inuva Info Management Private Limited (Under Liquidation)##  
 \*Dissolved on April 06, 2020  
 #Subsidiaries of CFCL Ventures Limited.  
 ##Subsidiary of ISG Novasoft Technologies Limited.

##### (B) Joint Venture

Indo Maroc Phosphore, S.A. - IMACID

##### (C) Post Employment Benefit Plans

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

##### (D) Key Management Personnel

S.No.	Name	Designation
1	Mr. Saroj Kumar Poddar	Non-Executive Chairman
2	Mr. Pradeep Jyoti Banerjee	Independent - Non-Executive Director (Appointed with effect from December 01, 2019)
3	Mr. Shyam Sunder Bhartia	Non-Executive Director
4	Mr. Nimesh Nagindas Kampani	Independent - Non-Executive Director
5	Mr. Anil Kapoor	Managing Director
6	Mr. Gaurav Mathur	Joint Managing Director (Appointed with effect from January 06, 2020)
7	Mr. Vivek Mehra	Independent - Non-Executive Director
8	Mr. Aditya Narayan	Independent - Non-Executive Director (Ceased to be Director on September 18, 2018)
9	Mr. Chandra Shekhar Nopany	Non-Executive Director
10	Ms. Radha Singh	Independent - Non-Executive Director
11	Mr. Marco Philippus Ardeshir Wadia	Independent - Non-Executive Director
12	Mr. Abhay Bajjal	Chief Financial Officer
13	Mr. Rajveer Singh	Company Secretary

**II Transaction with the Related Parties-**
**(A) Subsidiaries**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Guarantee Commission Income</b>		
ISGN Corporation	1.22	5.65
<b>Total</b>	<b>1.22</b>	<b>5.65</b>
<b>Investment made during the year</b>		
CFCL Ventures Limited	15.60	11.74
<b>Total</b>	<b>15.60</b>	<b>11.74</b>
<b>Dividend Income</b>		
India Steamship Limited (Under Liquidation)	0.03	-
<b>Total</b>	<b>0.03</b>	<b>-</b>
<b>Amount received on account of Liquidation/ Dissolution</b>		
India Steamship Limited (Under Liquidation)	0.28	-
India Steamship Pte. Ltd.	0.14	-
<b>Total</b>	<b>0.42</b>	<b>-</b>
<b>Impairment of Investment during the year</b>		
CFCL Ventures Limited	28.53	-
India Steamship Pte. Ltd.	0.15	-
<b>Total</b>	<b>28.68</b>	<b>-</b>

**(B) Joint Venture**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Dividend Income</b>		
Indo Maroc Phosphore, S.A. - IMACID	71.80	57.69
<b>Total</b>	<b>71.80</b>	<b>57.69</b>
<b>Reimbursement of expenses</b>		
Indo Maroc Phosphore, S.A. - IMACID	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

**(C) Post Employment Benefit Plans**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Contribution Paid/Payable</b>		
- CFCL Employees' Provident Fund	4.40	4.06
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	0.84	0.92
- India Steamship Staff Provident Fund	0.02	0.02
<b>Total</b>	<b>5.26</b>	<b>5.00</b>

**(D) Key Management Personnel**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Compensation**</b>		
<b>-Short Term Employee Benefits:</b>		
Mr. Anil Kapoor	6.12	5.33
Mr. Gaurav Mathur	1.01	-
Mr. Abhay Bajjal	1.36	1.24
Mr. Rajveer Singh	0.74	0.65
<b>-Share Based Payments:</b>		
Mr. Anil Kapoor	0.56	-
Mr. Abhay Bajjal	0.17	-
Mr. Rajveer Singh	0.06	0.03
<b>Total</b>	<b>10.02</b>	<b>7.25</b>

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Interest Income on Loan</b>		
Mr. Anil Kapoor	-	0.00
<b>Total</b>	-	<b>0.00</b>
<b>Repayment of Loan</b>		
Mr. Anil Kapoor	-	0.02
<b>Total</b>	-	<b>0.02</b>
<b>Commission to Non-Executive Directors</b>		
Mr. Saroj Kumar Poddar	0.05	0.05
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.05	0.05
Mr. Vivek Mehra	0.05	0.03
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.05	0.05
Ms. Radha Singh	0.05	0.05
Mr. Marco Philippus Ardeshir Wadia	0.05	0.05
<b>Total</b>	<b>0.32</b>	<b>0.30</b>
<b>Sitting Fees to Non-Executive Directors</b>		
Mr. Saroj Kumar Poddar	0.03	0.02
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.04	0.02
Mr. Vivek Mehra	0.05	0.02
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.04	0.03
Ms. Radha Singh	0.07	0.05
Mr. Marco Philippus Ardeshir Wadia	0.06	0.04

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

### III Outstanding Balances from Related Parties

#### (A) Subsidiaries

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Corporate Guarantee Outstanding</b>		
- ISGN Corporation	128.64	117.57
<b>Total</b>	<b>128.64</b>	<b>117.57</b>
<b>Other Current Financial Assets</b>		
- ISGN Corporation	0.15	5.22
<b>Total</b>	<b>0.15</b>	<b>5.22</b>

#### (B) Joint Venture

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Financial Assets</b>		
Indo Maroc Phosphore, S.A. - IMACID	0.05	0.08
<b>Total</b>	<b>0.05</b>	<b>0.08</b>

**(C) Post Employment Benefit Plans**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Liabilities</b>		
CFCL Employees' Provident Fund	0.38	0.34
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	0.05	0.08
India Steamship Staff Provident Fund	0.00	0.00
<b>Total</b>	<b>0.43</b>	<b>0.42</b>
<b>Other Current Assets</b>		
India Steamship Staff Gratuity Insurance Scheme	-	0.42
<b>Total</b>	<b>-</b>	<b>0.42</b>

**(D) Key Management Personnel**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Financial Liabilities</b>		
Mr. Anil Kapoor	0.00	-
<b>Total</b>	<b>0.00</b>	<b>-</b>
<b>Other Current Liabilities</b>		
Mr. Saroj Kumar Poddar	0.05	0.05
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.05	0.05
Mr. Vivek Mehra	0.05	0.02
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.05	0.05
Ms. Radha Singh	0.05	0.05
Mr. Marco Philippus Ardeshir Wadia	0.05	0.05

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

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

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

Key Management Personnel	Grant date	Expiry Period (Financial Year)	Exercise Price (in Rs.)	As at March 31, 2020 Number Outstanding	As at March 31, 2019 Number Outstanding
Mr. Anil Kapoor	September 16, 2010	2022-2023 to 2023-2024	73.50	70,000	139,000
Mr. Abhay Bajjal	September 16, 2010	2021-2022 to 2023-2024	73.50	67,000	90,000
Mr. Rajveer Singh	September 16, 2010	2021-2022 to 2023-2024	73.50	42,000	51,000
<b>Total</b>				<b>179,000</b>	<b>280,000</b>

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

**31. Gratuity and Other Post-Employment Benefit Plans:**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity Plan - (Liability)	(10.33)	(6.37)
Provident Fund - Asset *	5.44	2.71
Post Retirement Medical Benefits Plan - (Liability)	(5.08)	(4.19)

\*Plan asset of Rs. 5.44 Crore (Previous Year: Rs.2.71 Crore) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

**a) Gratuity**

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

- A) In case of retirement or death of an employee while in service of the Company, the gratuity will be payable as under:
- i) Completed continuous service of 5 years and above upto 20 years – gratuity equivalent to 15 days last drawn salary for each completed year of service.
  - ii) Completed continuous service of above 20 years – gratuity equivalent to 15 days last drawn salary for first 20 years and 20 days last drawn salary for each completed year of service after 20 years.
- B) In case of resignation or termination of an employee, where the employee has completed 5 years of continuous service with the Company, gratuity equivalent to 15 days last drawn salary for each completed year of service shall be payable.

In case of erstwhile Shipping Division, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at the rate of 15 to 30 days last drawn salary for each completed year of service. The Scheme is funded with insurance companies in the form of a qualifying insurance policies except in the case of crew employees of the division. The fund has the form of a trust and it is governed by the Board of Trustees.

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

**b) Post Retirement Medical Benefit Plan**

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

**c) Provident Fund**

The Company has set up provident fund trusts, which are managed by the Trustees. Provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and there is no shortfall as at March 31, 2020.

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

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

**Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2020:** (Rs. in Crore)

Particulars	April 1, 2019	Service Cost	Net Interest Expense	Sub-total included in Profit or Loss	Benefits Paid	Return on Plan Assets(excluding amounts included in Net Interest Expense)	Actuarial Changes arising from changes in Demographic Assumptions	Actuarial Changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	March 31, 2020
<b>(A) Gratuity Plan:</b>													
Defined Benefit Obligation	(34.11)	(2.38)	(2.55)	(4.93)	3.21	-	-	-	(2.51)	(2.51)	-	-	(38.34)
Fair Value of Plan Assets	27.74	-	2.13	2.13	(2.84)	0.98	-	-	-	0.98	-	-	28.01
<b>Benefit (Liability)</b>	<b>(6.37)</b>			<b>(2.80)</b>	<b>0.37</b>					<b>(1.53)</b>			<b>(10.33)</b>
<b>(B) Post Retirement Medical Benefits Plan:</b>													
Defined Benefit Obligation	(4.19)	(0.19)	(0.32)	(0.51)	0.11	-	-	-	(0.49)	(0.49)	-	-	(5.08)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit (Liability)</b>	<b>(4.19)</b>			<b>(0.51)</b>	<b>0.11</b>					<b>(0.49)</b>			<b>(5.08)</b>

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

(Rs. in Crore)

Particulars	April 1, 2018	Service Cost	Net Interest Expense	Sub-total included in Profit or Loss	Benefits Paid	Return on Plan Assets (excluding amounts included in Net Interest Expense)	Actuarial Changes arising from changes in Demographic Assumptions	Actuarial changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	March 31, 2019
	Cost charged to Statement of Profit and Loss					Remeasurement Gains/ (Losses) in OCI							
<b>(A) Gratuity Plan:</b>													
Defined Benefit Obligation	(30.42)	(2.02)	(2.59)	(4.61)	1.63	-	-	-	(0.71)	(0.71)	-	-	(34.11)
Fair Value of Plan Assets	27.15	-	2.07	2.07	(1.61)	0.13	-	-	-	0.13	-	-	27.74
<b>Benefit (Liability)</b>	<b>(3.27)</b>			<b>(2.54)</b>	<b>0.02</b>					<b>(0.58)</b>			<b>(6.37)</b>
<b>(B) Post Retirement Medical Benefits Plan:</b>													
Defined Benefit Obligation	(3.21)	(0.15)	(0.25)	(0.40)	0.12	-	-	-	(0.70)	(0.70)	-	-	(4.19)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit (Liability)</b>	<b>(3.21)</b>			<b>(0.40)</b>	<b>0.12</b>					<b>(0.70)</b>			<b>(4.19)</b>

**Provident Fund:**
**Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020 and March 31, 2019:**

(Rs. in Crore)

Particulars	2019 -2020			2018-2019		
	Defined Benefit Obligation	Fair Value of Plan Assets	Net Benefit Asset	Defined Benefit Obligation	Fair Value of Plan Assets	Net Benefit Asset
<b>Opening Balance</b>	<b>(143.39)</b>	<b>146.10</b>	<b>2.71</b>	<b>(125.92)</b>	<b>129.04</b>	<b>3.12</b>
Service Cost	(4.42)	-	(4.42)	(4.08)	-	(4.08)
Net Interest Expense	(11.10)	0.28	(10.82)	(9.68)	(0.01)	(9.69)
Benefits Paid	17.79	(17.79)	-	7.88	(7.88)	-
Return on Plan Assets (excluding amounts included in Net Interest Expense)	-	14.38	14.38	-	10.88	10.88
Actuarial Changes arising from changes in Financial Assumptions	-	-	-	-	-	-
Experience Adjustments	(0.83)	-	(0.83)	(1.59)	-	(1.59)
Settlement/ Transfer In	(0.21)	0.21	-	(0.43)	0.43	-
Contributions by Plan Participant/ Employees	(10.42)	10.42	-	(9.57)	9.57	-
Contributions by Employer	-	4.42	4.42	-	4.07	4.07
<b>Closing Balance</b>	<b>(152.58)</b>	<b>158.02</b>	<b>5.44</b>	<b>(143.39)</b>	<b>146.10</b>	<b>2.71</b>

The Company expects to contribute Rs. 2.94 Crore (Previous Year : Rs.2.31 Crore) and Rs. 6.03 Crore (Previous Year : Rs.5.23 Crore) to gratuity trust and provident fund respectively in the next financial year.

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

Particulars	As at March 31, 2020	As at March 31, 2019
	%	%
<b>Discount rate:</b>		
Gratuity Plan	6.92	7.80
Provident Fund	6.92	7.80
Post Retirement Medical Benefits	6.92	7.80
<b>Future Salary Increase:</b>		
Gratuity Plan	7.50	7.50
<b>Medical Cost Escalation Rate:</b>		
Post Retirement Medical Benefits cost increase	3.00	3.00
<b>Life expectation for:</b>		
Post Retirement Medical Benefits		
Male	17.31	17.20
Female	21.67	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 is shown below:

**Gratuity Plan:**

Particulars	Year Ended March 31, 2020			
	Discount Rate		Future Salary Increase	
Assumption				
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(1.53)	1.54	1.55	(1.54)

**Provident Fund:**

Particulars	Year Ended March 31, 2020	
	Discount Rate	
Assumption		
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.02)	0.02

**Post Retirement Medical Benefits Plan:**

Particulars	Year Ended March 31, 2020			
	Discount Rate		Medical Cost Escalation Rate	
Assumption				
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.33)	0.35	0.34	(0.33)

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

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

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

**Gratuity Plan:**

Particulars	Year Ended March 31, 2019			
	Discount Rate		Future Salary Increase	
Assumption				
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(1.48)	1.49	1.50	(1.48)

**Provident Fund:**

Particulars	Year Ended March 31, 2019	
	Discount Rate	
Assumption		
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.02)	0.02

**Post Retirement Medical Benefits Plan:**

Particulars	Year Ended March 31, 2019			
	Discount Rate		Medical Cost Escalation Rate	
Assumption				
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.31)	0.32	0.32	(0.32)

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

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

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.17 years (Previous Year : 14.19 years).



**Investment Pattern in Plan Assets:**

Particulars	Gratuity		Provident Fund	
	2019-20	2018-19	2019-20	2018-19
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

**Maturity Profile of Defined Benefit Obligation:**

(Rs. in Crore)

Particulars	Within the next 12 months	Between 2 and 5 Years	Between 5 and 10 Years	Beyond 10 Years
<b>As at March 31, 2020</b>				
Gratuity Fund	5.11	7.80	11.18	14.25
Provident Fund	16.75	38.93	37.36	59.54
Post Retirement Medical Benefits Plan	0.17	0.98	1.19	2.74
<b>As at March 31, 2019</b>				
Gratuity Fund	4.04	5.56	8.07	16.44
Provident Fund	28.53	19.97	32.38	62.51
Post Retirement Medical Benefits Plan	0.15	0.74	0.88	2.42

**Contribution to Defined Contribution Plans :**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Pension Fund	1.51	1.46
Superannuation Fund	0.82	0.90
National Pension System	0.84	0.45
Employers' Contribution to Employees' State Insurance Corporation	0.03	0.04

**32. Subsidies**

- (a) Nitrogenous Fertilizers are under the Concession Scheme as per the New Pricing Scheme (NPS) – Stage III, Modified NPS III, New Urea Policy 2015 for Gadepan-I and Gadepan-II Plants and New Investment Policy 2012 (amended) for Gadepan-III Plant. The freight subsidy is as per the Uniform Freight Policy. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policies parameters.

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

Current year's subsidy income of Urea has been reduced by Rs.47.04 Crore (Previous Year: Rs.1.32 Crore), pertaining to earlier years, but determined during the year.

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

**33. Leases**

This note provides information for the leases where the Company is a lessee. The Company leases various offices and lease periods are generally fixed ranging from two months to nine years, but may have extension options.

**Measurement of Right -of- Use Assets:**

Right -of- Use Assets has been recognised using modified retrospective approach with lease liabilities recognised with equivalent amount for all lease contracts existing as on April 01, 2019. Further, the effect of adoption is not material to these Financial Statements.

**Amounts recognised in the Statement of Profit and Loss relating to Leases**

(Rs. in Crore)

Particulars	For the Year Ended March 31, 2020
Depreciation charge for Right-of-Use Assets	5.35
Interest Expense (included in Finance Costs)	1.76
Expense relating to short term leases (included in Other Expenses)	22.85
Expense relating to leases of low -value assets that are not shown above as short term leases (included in Other Expenses)	-
Expense relating to variable lease payments not included in Lease Liabilities	-

**Amount recognised in the Statement of Cash Flows**

(Rs. in Crore)

Particulars	For the Year Ended March 31, 2020
Total cash outflow for Leases	6.34

**Additions to the Right -of- Use assets during the current financial year are as follows:**

Property, Plant and equipment comprises owned and leased assets that do not meet the definition of investment property

(Rs. in Crore)

Particulars	As at March 31, 2020
Property, Plant and Equipment comprises:	
Right-of-Use Assets	20.45

**Maturity analysis of Lease Liabilities**

(Rs. in Crore)

Particulars	As at March 31, 2020
Payable within one year	4.77
Payable after one year but not more than five years	16.13
Payable after more than five years	0.32
<b>Total undiscounted Lease Liabilities</b>	<b>21.22</b>
<b>Lease Liabilities included in the Balance Sheet</b>	<b>21.22</b>
<b>Non-Current</b>	<b>16.45</b>
<b>Current</b>	<b>4.77</b>

**Reconciliation of Operating Lease Commitments as at March 31, 2019 with the Lease Liabilities recognized in the Balance Sheet as at April 01, 2019:**

Particulars	(Rs. in Crore)
Operating lease commitment as at March 31, 2019	29.71
Discounted using the incremental borrowing rate as at April 01, 2019	25.33
Recognition exemption on account of short term leases	(0.27)
Lease Liabilities recognised as at April 01, 2019	25.06

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019 i.e. 7.56% for measuring the Lease Liabilities.

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

(Rs. in Crore)

Particulars	2019-20	2018-19
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year {including payable for capital goods of Rs. 1.90 Crore (Previous Year : Rs.0.68 Crore)}	10.10	3.23
The interest due on unpaid principal amount remaining as at the end of each accounting year	-	-
Principal amounts paid to supplies registered under the MSMED Act, beyond the appointed day during the year	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 beyond the appointed day during each accounting year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the 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.	-	-

**35. The disclosures in respect of Corporate Social Responsibility Expenditure are as follows:-** (Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	15.30	12.59
b) Amount spent during the year on the following in cash :		
(i) Construction/ acquisition of any asset	-	-
(ii) For purposes other than (i) above	15.33	12.66

**36. Share Based Payments**
**Employees Stock Option Scheme (ESOS)**

The shareholders of the Company had approved Employees Stock Option Scheme, 2010 on August 27, 2010 which was amended by the shareholders on September 13, 2013. Consequent upon promulgation of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"), the shareholders of the Company had approved the revised Employees Stock Option Scheme, 2010 (ESOS) on September 15, 2015 in compliance with the ESOP Regulations. As per ESOS, 4,162,000 Stock Options can be issued to Whole-time Director / Managing Director and other specified categories of employees of the Company. The options are to be granted at market price. As per ESOP Regulations, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10.

Details of the scheme are as under:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Date of Grant	16-Sep-2010	22-Jan-2011	10-May-2011	17-Oct-2011	11-May-2012
Number of Options Granted	2,850,000	300,000	220,000	100,000	270,000
Method of Settlement (Cash / Equity)	Equity	Equity	Equity	Equity	Equity
Exercise Period*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting
Vesting Conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

**Vesting Schedule:**

Vesting Date	All tranches
1 year from the date of grant	15%
2 years from the date of grant	15%
3 years from the date of grant	20%
4 years from the date of grant	25%
5 years from the date of grant	25%

Movement in options have been summarized below :

Particulars	2019-20	2018-19
	No. of options	No. of options
Outstanding at the beginning of the year	1,335,900	1,756,900
Granted during the year	-	-
Forfeited during the year	-	50,000
Exercised during the year	417,400	371,000
Expired during the year	-	-
Outstanding at the end of the year	918,500	1,335,900
Exercisable at the end of the year	918,500	1,335,900
Weighted average remaining contractual life (in years)	0.07	0.49
Weighted average Exercise price (in Rs.)	74.76	74.76

The details of Exercise Price of Stock Options Outstanding as at March 31, 2020 are as under:

Tranche	Weighted Average Fair Value of Options (in Rs.)	Range of Exercise Price (in Rs.)	Number of Options Outstanding	Weighted Average remaining Contractual Life of Options (in years)	Weighted Average Exercise Price (in Rs.)
1	31.38	73.50	789,500	0.00	73.50
2	32.86	76.85	62,000	0.09	76.85
3	38.44	82.90	23,000	0.16	82.90
4	45.06	101.10	23,000	0.29	101.10
5	34.97	69.40	21,000	0.58	69.40

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

Tranche	Weighted Average Fair Value of Options (in Rs.)	Range of Exercise Price (in Rs.)	Number of Options Outstanding	Weighted Average remaining Contractual Life of Options (in years)	Weighted Average Exercise Price (in Rs.)
1	31.38	73.50	1,118,000	0.38	73.50
2	32.86	76.85	102,900	0.54	76.85
3	38.44	82.90	49,000	0.69	82.90
4	45.06	101.10	33,000	0.91	101.10
5	34.97	69.40	33,000	1.29	69.40

#### Stock Options Granted

The weighted average fair value of stock options granted is Rs.32.54 per option (Previous Year: Rs. 32.54 per option). The Black Scholes Valuation Model has been used for computing the weighted average fair value considering the following inputs :

As at March 31, 2020:-

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted Average Share Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected Volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options granted (vesting and exercise period) in years	0.00	0.09	0.16	0.29	0.58
Average Risk-Free Interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

As at March 31, 2019:-

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted Average Share Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected Volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options granted (vesting and exercise period) in years	0.38	0.54	0.69	0.91	1.29
Average Risk-Free Interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

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

In financial year 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing or acquiring equity shares of the Company from the Company or Secondary market, to hold the shares and to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the Employee stock option scheme. The Board of Directors at its meeting held on May 08, 2010 had approved grant of financial assistance upto Rs.30.00 Crore by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing or acquiring shares of the Company. Trust is holding 9,18,500 equity shares (Previous Year : 13,35,900 equity shares) of the Company which were purchased from the open market.

37. The Country wide lockdown had been announced from March 25, 2020 due to COVID-19 pandemic. The Government Authorities gave relaxations to the manufacturing and packaging units of fertilisers, pesticides and chemicals. Despite the challenges faced due to COVID-19 pandemic, the Company has been able to operate its plants at normal levels. The Company's production, despatches,

sales and market collections remained unaffected. The Company and its partner organizations took several pro-active measures, namely by mobilising its critical work force, locating them within factory premises and adopting stringent social distancing procedures. This helped the Company to overcome manpower challenges faced due to lockdown.

The Company has made an assessment of its capital and financial resources including liquidity position and ability to service debt and other financing arrangements for next one year.

The Company has also assessed the recoverability of the carrying values of its assets such as property, plant and equipment, inventory, trade receivables, investments and other current assets as at balance sheet date and has concluded that there is no impact of COVID-19 thereon.

Further, the Company has also evaluated impact of COVID-19 on internal financial controls over financial reporting and concluded that there is no impact of COVID-19 thereon.

In view of the above, there is no impact of COVID-19 on the financial statements of the Company for the financial year ended March 31, 2020.

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

### 39. Income Tax Expense

The major components of Income Tax Expense are:

#### Profit or Loss Section

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Current Income Tax:</b>		
Current Income Tax Charge	194.17	221.72
Less: Capitalisation of Current Tax (refer note 28)	-	(0.89)
Adjustments in respect of Current Income Tax of earlier years	(6.94)	(11.50)
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	348.60	140.98
Add: Capitalisation of Deferred Tax (refer note 28)	-	0.89
Less: Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
Less: Minimum Alternate Tax (MAT) Credit Entitlement	(90.47)	(103.78)
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>101.39</b>	<b>247.42</b>

#### Other Comprehensive Income (OCI) Section

Tax related to items recognised in OCI:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net (Gain) on re-measurement of Defined Benefit Plans	(0.71)	(0.45)
Net Loss on Effective Portion of Exchange Differences re-classified to Profit or Loss on Hedging Instruments - Current Tax	7.08	-
Net Loss on Effective Portion of Exchange Differences re-classified to Profit or Loss on Hedging Instruments - Deferred Tax	5.15	-
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Deferred Tax	(146.66)	(59.37)
<b>Income Tax (Credited) to OCI</b>	<b>(135.14)</b>	<b>(59.82)</b>

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

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Accounting Profit Before Income Tax</b>	<b>1,325.70</b>	<b>792.69</b>
At India's Statutory Income Tax rate of 34.944% (Previous Year : 34.944%)	463.25	277.00
Adjustments in respect of Current Income Tax of earlier years	(6.94)	(11.50)
	<b>456.31</b>	<b>265.50</b>

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Tax effects of amount which are not deductible (taxable) in calculating taxable income-</b>		
Corporate Social Responsibility Expenditure	3.12	2.72
Difference in tax rate on Dividend Income from specified foreign companies	(12.55)	(10.08)
Realisation of Short Term Capital Loss to reduce the Current Tax Expense	(6.29)	(8.55)
Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
Deduction for Education Cess	(1.65)	(2.97)
Other Non-Deductible Expenses	6.42	0.80
<b>At the Effective Income Tax rate of 7.65% (Previous Year : 31.21%)</b>	<b>101.39</b>	<b>247.42</b>
Income Tax Expense reported in the Statement of Profit and Loss	101.39	247.42

#### Deferred Tax

Deferred Tax relates to the following:

(Rs. in Crore)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2020	As at March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Deferred Income Tax Liabilities</b>				
Property, Plant and Equipment (including other intangible assets)	2,162.05	2,224.70	(62.65)	2,009.17
Right -of-Use Assets	1.60	-	1.60	-
Interest Income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	0.43	0.03	0.40	(1.61)
Effects of Expenditure allowed under Income Tax Act, 1961 but to be charged in the Statement of Profit and Loss in subsequent year	8.48	26.54	(18.06)	2.94
<b>Total Deferred Income Tax Liabilities</b>	<b>2,172.56</b>	<b>2,251.27</b>	<b>(78.71)</b>	<b>2,010.50</b>
<b>Deferred Income Tax Assets</b>				
Effects of Expenditure debited to Statement of Profit and Loss in the current year/ earlier years but allowable in subsequent year	0.27	0.53	(0.26)	(5.04)
Allowance for Doubtful Debts and Advances	16.73	86.31	(69.58)	83.50
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	36.39	3.67	32.72	-
Mark to Market Gain on Interest Rate Swaps	10.67	-	10.67	-
Leave Encashment	11.65	10.27	1.38	0.81
Gratuity	2.87	2.02	0.85	0.82
Carry Forward of Losses on account of Deduction u/s 35AD of Income Tax Act, 1961	1,520.87	1,827.49	(306.62)	1,827.49
Deferred Tax on Cash Flow Hedge	71.19	26.14	45.05	21.31
Re-Measurement Gain/ (Loss) on Defined Benefit Plans	1.24	0.53	0.71	0.45
Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	343.97	-	343.97	-
MAT Credit Entitlement	194.25	103.78	90.47	103.78
<b>Deferred Tax Income</b>			<b>228.07</b>	<b>22.62</b>
<b>Total Deferred Income Tax Assets</b>	<b>2,210.10</b>	<b>2,060.74</b>		
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>(37.54)</b>	<b>190.53</b>		

**Reconciliation of Deferred Tax Liabilities / Assets (Net):**

(Rs. in Crore)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	190.53	213.15
Tax Expense during the year recognised in Statement of Profit and Loss	348.60	141.87
Tax (Income) during the year recognised in OCI	(142.23)	(59.82)
Tax (Income) on Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
Tax (Income) during the year recognized in 'Capital-Work-in-Progress' (refer note 28)	-	(0.89)
MAT Credit Entitlement	(90.47)	(103.78)
<b>Closing Balance</b>	<b>(37.54)</b>	<b>190.53</b>

The Company has long term/ short term capital losses, to the tune of Rs. 470.67 Crore (Previous Year: Rs. 487.34 Crore) that are available for offsetting for three to five years against future taxable profits (long term/ short term) of the Company. Deferred tax assets have not been recognised in respect of above losses in the financial year 2019-20 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

Non-Current Tax Assets are shown as net of provisions of Rs. 203.13 Crore (Previous Year: Rs. 223.00 Crore).

**40. Fair Values**

The management assessed that fair value of financial assets and liabilities approximates their carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date. The fair value of Interest rate swap contracts is determined using the Black Scholes Valuation Model. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.
- Long term Security Deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.
- Floating Rate Borrowings / Finance Lease Obligation/Lease Liabilities - The fair values of the Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.
- The carrying amount of bank deposits, trade receivables, cash and cash equivalents, investment at amortised cost, other current financial assets, trade payables, fixed rate borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
- The fair value of investments carried at fair value through profit and loss is determined using Income, Market Approach and Net Assets Value method. Determining whether the investment in subsidiaries are impaired requires an estimate of the value in use of investment. In considering the value in use, the management anticipates the future growth rates, discount rates and other factors of the underlying businesses.

**41. Fair Value Measurements**
**(i) Financial Instruments by Category**

(Rs. in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
<b>Investments:</b>						
-Preference Shares	-	-	-	12.93	-	-
-Equity Shares	0.02	-	-	0.02	-	-
-Government Securities	-	-	0.00	-	-	0.00
-Bonds	-	-	-	24.50	-	-
Employee Loans	-	-	0.59	-	-	0.84
Security Deposits	-	-	8.15	-	-	7.88
Trade Receivables	-	-	5,563.11	-	-	4,822.64
Cash and Cash Equivalents	-	-	133.32	-	-	49.51
Bank Balances other than above	-	-	17.52	-	-	12.57
Derivative Financial Assets	37.70	-	-	-	-	-
Other Current Financial Assets	-	-	278.03	-	-	140.63
<b>Total Financial Assets</b>	<b>37.72</b>	<b>-</b>	<b>6,000.72</b>	<b>37.45</b>	<b>-</b>	<b>5,034.07</b>

(Rs. in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Liabilities</b>						
Borrowings - Floating Rate	-	-	4,680.14	-	-	4,383.19
Borrowings - Fixed Rate	-	-	4,933.63	-	-	4,161.96
Lease Liabilities	-	-	21.22	-	-	-
Trade Payables	-	-	539.56	-	-	981.11
Derivative Financial Liabilities	30.53	-	-	23.20	-	-
Other Current Financial Liabilities	-	-	367.56	-	-	798.96
<b>Total Financial Liabilities</b>	<b>30.53</b>	<b>-</b>	<b>10,542.11</b>	<b>23.20</b>	<b>-</b>	<b>10,325.22</b>

## (ii) Fair Value Hierarchy

The following table provides the Fair Value Measurement hierarchy of the Company's Assets and Liabilities.

**Quantitative Disclosures, Fair Value Measurement Hierarchy for Assets as at March 31, 2020:**

(Rs. in Crore)

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			Quoted Prices in Active Markets	Significant observable Inputs	Significant Unobservable Inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at Fair Value</b>					
Derivative Financial Assets	31.03.2020	37.70	-	37.70	-
Investment in Equity Shares	31.03.2020	0.02	-	-	0.02
<b>Assets for which Fair Values are disclosed (refer note 40)</b>					
Employee Loans	31.03.2020	0.47	-	0.47	-
Security Deposits	31.03.2020	3.29	-	3.29	-

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

**Quantitative Disclosures, Fair Value Measurement Hierarchy for Liabilities as at March 31, 2020:**

(Rs. in Crore)

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Liabilities measured at Fair Value</b>					
Derivative Financial Liabilities	31.03.2020	30.53	-	30.53	-
<b>Liabilities for which Fair Values are disclosed (refer note 40)</b>					
Borrowings - Floating Rate	31.03.2020	4,680.14	-	4,680.14	-
Lease Liabilities	31.03.2020	21.22	-	21.22	-

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

**Quantitative Disclosures, Fair Value measurement Hierarchy for Assets as at March 31, 2019:**

(Rs. in Crore)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at Fair Value</b>					
Investment in Preference Shares	31.03.2019	12.93	-	-	12.93
Investment in Equity Shares	31.03.2019	0.02	-	-	0.02
Investment in Bonds	31.03.2019	24.50	-	-	24.50
<b>Assets for which Fair Values are disclosed (refer note 40)</b>					
Employee Loans	31.03.2019	0.67	-	0.67	-
Security Deposits	31.03.2019	3.37	-	3.37	-

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



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

(Rs. in Crore)

Particulars	Date of Valuation	Total	Fair Value Measurement using		
			Quoted prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at Fair Value					
Derivative Financial Liabilities	31.03.2019	23.20	-	23.20	-
<b>Liabilities for which Fair Values are disclosed (refer note 40)</b>					
Borrowings - Floating Rate	31.03.2019	4,383.19	-	4,383.19	-

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

**Fair value measurements using significant unobservable inputs (Level 3)**

The following table presents the changes in level 3 items:

(Rs.in Crore)

Particulars	Investment in Preference Shares	Investment in Bonds
<b>As at March 31, 2018</b>	<b>1.19</b>	<b>-</b>
- Additions	11.74	35.00
- Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	-	(10.50)
<b>As at March 31, 2019</b>	<b>12.93</b>	<b>24.50</b>
- Additions	15.60	-
- Deletions	-	(3.00)
- Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	(28.53)	(21.50)
<b>As at March 31, 2020</b>	<b>-</b>	<b>-</b>

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

Particulars	Valuation techniques	Significant unobservable inputs	Range (Net assets value) (Rs.in Crore)	Sensitivity of the inputs to fair value
<b>As at March 31, 2020</b>	Based on the assessment, investment has been fully impaired, therefore no sensitivity analysis has been performed.			
<b>As at March 31, 2019</b>				
Investment in Preference Shares	Net Assets value method	Net Assets Value	12.93	Increase (decrease) in net assets value by 5% would result in increase (decrease) in fair value by Rs.1.07 Crore and (Rs.1.07 Crore) respectively.
Investment in Bonds	Net Assets value method	Risk adjustment specific to counter party	24.50	Increase (decrease) in risk of counter party by 5% would result in increase (decrease) in fair value by Rs. 0.98 Crore and (Rs. 0.98 Crore) respectively.
		Earning factor of counter party		Increase (decrease) in earnings factor of counter party by 5% would result in increase (decrease) in fair value by Rs.0.38 Crore and (Rs.0.38 Crore) respectively.

**42. Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management of these risks is carried out by finance department under the approved policies of the Company. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management reviews overall risks periodically.

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments, other receivables, other payables and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As and when deemed appropriate the Company enters into Interest rate swap contracts for converting floating rate into fixed rate.

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Crore)

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax
<b>March 31, 2020</b>		
USD Borrowings	+50	(23.78)
USD Borrowings	-50	23.78
Rs. Borrowings	+50	-
Rs. Borrowings	-50	-
<b>March 31, 2019</b>		
USD Borrowings	+50	(5.14)
USD Borrowings	-50	5.14
Rs. Borrowings	+50	(1.04)
Rs. Borrowings	-50	1.04

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**b) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The foreign exchange risk of the Company arises mainly out of import of fertilisers and foreign currency borrowings.

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

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

### Foreign Currency Sensitivity

The company exposure to foreign currency risk at the end of the reporting period expressed in Rupees are as follows.

For the year ended March 31, 2020

(Rs. in Crore)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Subsidiary Companies / Joint Venture	Other Receivables	Trade and Other Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	0.20	7.52	202.16	5,727.25	931.98	5.99	(6,859.66)
EURO	-	-	0.64	-	-	-	(0.64)
SGD	-	-	0.01	-	-	-	(0.01)

For the year ended March 31, 2019

(Rs. in Crore)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Subsidiary Companies / Joint Venture	Other Receivables	Trade and Other Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	5.30	21.42	549.18	5,417.63	1,449.04	11.74	(7,400.87)
EURO	-	-	9.15	-	-	-	(9.15)
SGD	-	-	0.01	-	-	-	(0.01)

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with Rupees, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

(Rs. in Crore)

Particulars	Effect on Profit Before Tax March 31, 2020	Effect on Profit Before Tax March 31, 2019	Effect on Other Comprehensive Income March 31, 2020	Effect on Other Comprehensive Income March 31, 2019
<b>USD Sensitivity</b>				
Rs./USD increase by 5%	(13.90)	(13.92)	(235.89)	(211.22)
Rs./USD decrease by 5%	13.90	13.92	235.89	211.22
<b>SGD Sensitivity</b>				
Rs./SGD increase by 5%	(0.00)	(0.00)	-	-
Rs./SGD decrease by 5%	0.00	0.00	-	-
<b>EURO Sensitivity</b>				
Rs./EURO increase by 5%	(0.03)	(0.46)	-	-
Rs./EURO decrease by 5%	0.03	0.46	-	-

### Impact of Hedging Items

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

(a) Financial Position

(Rs. in Crore)

As at March 31, 2020									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedge</b>									
<b>Foreign Exchange Risk:</b>									
Borrowings	-	4,680.14	-	4,680.14	30.09.2027	1:1	USD 1 : Rs. 66.27	621.96	(621.96)

(Rs. in Crore)

As at March 31, 2019									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow Hedge									
Foreign Exchange Risk:									
Borrowings	-	4,183.37	-	4,183.37	30.09.2027	1:1	USD 1 : Rs. 65.85	202.22	(202.22)

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

## (b) Financial Performance

(Rs. in Crore)

For the Year Ended March 31, 2020				
Type of Hedge	Change in the value of the Hedging Instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in Profit or Loss	Amount re-classified from Cash Flow Hedging Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the re-classification
Cash Flow Hedge				
Foreign Exchange Risk	(419.74)	-	35.00	Revenue from Operations

(Rs. in Crore)

For the Year Ended March 31, 2019				
Type of Hedge	Change in the value of the Hedging Instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in Profit or Loss	Amount re-classified from Cash Flow Hedging Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the re-classification
Cash Flow Hedge				
Foreign Exchange Risk	(169.89)	-	-	Not Applicable

## Movements in Cash Flow Hedging Reserve

(Rs. in Crore)

Risk Category	Foreign Currency Risk	
	Financial Year 2019-20	Financial Year 2018-19
Derivative Instruments		
Cash Flow Hedging Reserve		
Opening at the beginning of the Year	(131.62)	(21.10)
Add: Changes in Borrowings	(419.74)	(169.89)
Add: Amounts reclassified to Profit or Loss	35.00	-
Less: Current Tax relating to above	7.08	-
Less: Deferred Tax relating to above	(141.51)	(59.37)
Closing at the end of the Year	(381.93)	(131.62)

**c) Commodity Price Risk**

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

- (i) Natural gas is the major raw material for manufacture of Urea. The prices of Natural Gas are linked to international crude oil prices which varies with the fluctuation in the prices of crude oil, demand supply pattern, etc. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the subsidy policies of Government of India for manufacture of Urea. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas.
- (ii) The Company deals in imported fertilisers (i.e. DAP, MOP and NPK), which are imported by the Company and sold in the domestic market. The Prices of imported fertilisers may fluctuate due to demand -supply scenario, outage of plants, fluctuation in prices of raw materials, etc.

The Company takes following steps to mitigate the risk pertaining to fluctuation in prices:

- (a) Dynamic sourcing strategy and review of demand and supply on regular basis;
- (b) No long term commitments;
- (c) Constant review of market condition including costing of competitors.

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

**(ii) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**a) Trade Receivables**

The Company's receivables can be classified into two categories, one is from the customers/ dealers in the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

**b) Financial Instruments and Cash Deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised institutions with good credit ratings assigned by the credit rating agencies. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

(Rs. in Crore)

Particulars	Trade Receivables	Other Current Assets	Other Current Financial Assets
<b>Allowance As at April 01, 2018</b>	<b>13.91</b>	<b>19.50</b>	<b>1.65</b>
Allowance made during the financial year 2018-19	201.76	12.92	-
Allowance Written off/(written back) during the financial year 2018-19	(2.75)	-	-
<b>Allowance as at March 31, 2019</b>	<b>212.92</b>	<b>32.42</b>	<b>1.65</b>
Allowance made during the financial year 2019-20	2.80	12.67	-
Allowance Written off/(written back) during the financial year 2019-20	(199.69)	-	-
<b>Allowance as at March 31, 2020</b>	<b>16.03</b>	<b>45.09</b>	<b>1.65</b>

### (iii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet needs for funds. The current committed lines of credit are sufficient to meet its short to medium / long term funding requirements. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. (Rs. in Crore)

Particulars	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
<b>As at March 31, 2020</b>						
Borrowings	5,639.16	798.57	798.57	1,442.07	973.04	9,651.41
Lease Liabilities	4.77	-	-	16.13	0.32	21.22
Other Financial Liabilities	302.27	-	-	-	-	302.27
Trade and Other Payables	635.38	-	-	-	-	635.38
	<b>6,581.58</b>	<b>798.57</b>	<b>798.57</b>	<b>1,458.20</b>	<b>973.36</b>	<b>10,610.28</b>
<b>As at March 31, 2019</b>						
Borrowings	4,512.91	697.32	679.45	1,358.90	1,337.82	8,586.40
Other Financial Liabilities	220.77	-	-	-	-	220.77
Trade and Other Payables	1,582.51	-	-	-	-	1,582.51
	<b>6,316.19</b>	<b>697.32</b>	<b>679.45</b>	<b>1,358.90</b>	<b>1,337.82</b>	<b>10,389.68</b>

### 43. Capital Management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders. The Company will maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares or sell assets to reduce debt.

The Capital Structure of the Company is as follows:

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	416.21	416.21
Other Equity	3,499.67	2,824.33
Debts (Long term and Short term both ( including current maturities))*	9,613.77	8,545.15
<b>Total</b>	<b>13,529.65</b>	<b>11,785.69</b>

\*The above debt includes Rs.4,680.14 Crore (Previous Year: Rs.4,283.19 Crore) towards the Gadepan-III Plant, which has commenced commercial production from January 01, 2019. Majority of the balance debt is towards working capital.

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

S. No.	Debt Covenants	Required	Achieved
1	Total outstanding Liabilities to Tangible Net worth	Ratio should be $\leq$ 2.75:1	2.39:1
2	Total Debts to EBITDA	Ratio should be $\leq$ 5.00:1	3.95:1
3	Fixed Assets Cover Ratio	Ratio should be $\geq$ 1.25:1	1.45:1
4	Debt Service Coverage Ratio	Ratio should be $\geq$ 1.20:1	1.78:1

### 44. Distribution Made and Proposed

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Cash Dividend on Equity Shares Declared and Paid:</b>		
Final Dividend (for the year ended on March 31, 2019 at the rate of Rs.2.00 per share)	83.24	79.08
Dividend Distribution Tax (DDT) on Final Dividend	17.11	16.26
Interim Dividend (for the year ended on March 31, 2020 at the rate of Rs.4.00 per share)	166.49	-
DDT on Interim Dividend	34.21	-
<b>Total</b>	<b>301.05</b>	<b>95.34</b>

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Proposed Dividend on Equity Shares:</b>		
Dividend (for the year ended on March 31, 2020: Nil and March 31, 2019: at the rate of Rs.2.00 per share)	-	83.24
DDT on Dividend	-	17.11
<b>Total</b>	<b>-</b>	<b>100.35</b>

Proposed dividend on equity shares was subject to approval at the annual general meeting and it was not recognised as a liability (including DDT thereon) as at March 31, 2019.

**45. Assets classified as Held for Sale**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Property, Plant and Equipment classified as Held for Sale :</b>		
- Plant and Equipment	0.15	0.10
- Land-Freehold *	-	5.45
<b>Total</b>	<b>0.15</b>	<b>5.55</b>

\*As at March 31, 2019, the management of the Company was actively seeking a buyer to sell the freehold land. Subsequent to the previous year end, the Company has entered into an agreement for sale of the freehold land and recorded a fair value gain of Rs.1.27 Crore, while classifying the freehold land as assets held for sale.

**46. Disclosure required under Section 186 (4) of the Companies Act, 2013**

(a) The Company has not granted any loan during the financial year ended March 31, 2020 under section 186 of the Companies Act, 2013.

**(b) Particulars of Guarantee given:**

(Rs. in Crore)

S. No.	Name of the Entity	Guarantee given during the financial year*		Outstanding Balance as at		Purpose
		2019-20	2018-19	March 31, 2020	March 31, 2019	
1	ISGN Corporation	128.64	117.57	128.64	117.57	To secure the Line of Credit availed from the bank

\* Tenure of guarantee being extended from time to time.

**(c) Particulars of Investments made:**

(Rs. in Crore)

S. No.	Name of the Investee	Investment made during the financial year		Outstanding Balance as at	
		2019-20	2018-19	March 31, 2020	March 31, 2019
1	Investment made in corporate bonds (refer footnote i)	-	943.45	-	24.50
2	Investment made in Preference Shares of CFCL Ventures Limited (refer footnote ii)	15.60	11.74	-	12.93

Footnote:-

- Investment amount is net of Fair value loss of Rs. 21.50 Crore (Previous Year: Rs.10.50 Crore) on Investment measured at Fair Value through Profit and Loss
- Investment amount is net of Fair value loss of Rs. 28.53 Crore (Previous Year: Nil) on Investment measured at Fair Value through Profit and Loss

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

47. List of Subsidiaries and Joint Venture with Ownership % and Place of Business :

Name of the investees	Principal Place of Business	Percentage of Ownership as at March 31, 2020	Percentage of Ownership as at March 31, 2019	Method used to account for the investment
<b>Subsidiaries</b>				
Chambal Infrastructure Ventures Limited	India	100.00%	100.00%	Deemed cost
India Steamship Pte Ltd.*	Singapore	100.00%	100.00%	Deemed cost
India Steamship International FZE (Liquidated with effect from February 28, 2019)	UAE	Not Applicable	Not Applicable	Deemed cost
India Steamship Limited (Under Liquidation)#	India	100.00%	100.00%	Deemed cost
CFCL Ventures Limited (CVL)**	Cayman Islands	72.27%	72.27%	Deemed cost/ Fair Value
<b>Subsidiaries of CVL</b>				
ISGN Corporation***	U.S.A	100.00%	100.00%	
ISG Novasoft Technologies Limited ***	India	100.00%	100.00%	
Inuva Info Management Private Limited (Under Liquidation)***/##/##	India	71.00%	71.00%	
<b>Joint Venture</b>				
Indo Maroc Phosphore S.A, - IMACID	Morocco	33.33%	33.33%	Deemed cost

\*Dissolved on April 06, 2020.

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

\*\*\*Percentage of ownership of CVL.

#The respective liquidators of these subsidiaries completely liquidated the assets thereof during the financial year 2019-20 and these subsidiaries are in the process of voluntary liquidation.

## Subsidiary of ISG Novasoft Technologies Limited.

48. Changes in Financial Liabilities arising from Financing Activities for Financial Year 2019-20

(Rs. in Crore)

Particulars	As at March 31, 2019	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	As at March 31, 2020
Long Term Borrowings	4,383.19	482.97	(609.37)	419.74	-	3.61	4,680.14
Short Term Borrowings	2,968.77	955.39	-	-	-	-	3,924.16
Buyer's Credit/ Supplier's Credit	1,193.19	2,797.94	(3,060.55)	78.89	-	-	1,009.47
Lease Liabilities *	-	-	(6.34)	-	-	27.56	21.22
<b>Total</b>	<b>8,545.15</b>	<b>4,236.30</b>	<b>(3,676.26)</b>	<b>498.63</b>	<b>-</b>	<b>31.17</b>	<b>9,634.99</b>

\* Represents movement in Lease Liabilities on the adoption of Ind AS 116, Leases.

Changes in Financial Liabilities arising from Financing Activities for Financial Year 2018-19

(Rs. in Crore)

Particulars	As at March 31, 2018	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	As at March 31, 2019
Long Term Borrowings	3,156.48	1,237.62	(175.00)	169.89	-	(5.80)	4,383.19
Short Term Borrowings	1,580.69	1,388.08	-	-	-	-	2,968.77
Buyer's Credit/ Supplier's Credit	871.50	2,706.45	(2,365.66)	(19.10)	-	-	1,193.19
Finance Lease Obligation	0.32	-	(0.32)	-	-	-	-
<b>Total</b>	<b>5,608.99</b>	<b>5,332.15</b>	<b>(2,540.98)</b>	<b>150.79</b>	<b>-</b>	<b>(5.80)</b>	<b>8,545.15</b>

49. During the financial year 2018-19, the Company had provided for Rs. 197.27 Crore due to delay in implementation of Modified NPS-III for payment on account of additional fixed cost to Urea units by the Ministry of Chemicals and Fertilisers, Government of India ("MOCF"). During the financial year ended March 31, 2020, MOCF has amended Modified NPS-III. Accordingly, the Company has reversed the aforesaid provision of Rs. 197.27 Crore and has also written off an amount of Rs. 91.70 Crore towards subsidy receivables accrued during the previous years, in pursuance of such amendment in Modified NPS-III. The impact of the aforesaid reversal of provision and written off an amount has been included under "Exceptional Items" as per note 24.





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

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

(Rs. in Crore)

Name of the Shareholder	Nature of Transaction	% Shareholding as at March 31, 2020	Year Ended March 31, 2020	% Shareholding as at March 31, 2019	Year Ended March 31, 2019
The Hindustan Times Limited	Rent Expenses	13.74	0.29	13.06	0.27

**54. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**b) Income Taxes**

Deferred Tax Assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

The Company has Rs. 470.67 Crore (Previous Year: Rs.487.34 Crore) of carried forward tax losses on account of long term / short term capital losses. These losses mainly relate to the loss on voluntary liquidation of a subsidiary of the Company and merger of a subsidiary of the Company with its subsidiary and will expire in three to five years and may be used to offset taxable long term/ short term capital losses in the future. At present, the Company does not have any tax planning opportunities available that could partly support the recognition of these capital losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these tax losses (long term/ short term capital losses) carried forward. If the Company would have been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.127.75 Crore (Previous Year: Rs.133.73 Crore). Further details on taxes are disclosed in note 39 to the financial statements.

The Government has introduced the Taxation Laws (Amendment) Act, 2019 and has given the option of lower tax rate subject to certain conditions. As the Company has carried forward tax losses and Minimum Alternate Tax ("MAT") credit as on date and it is expected that the Company will remain under MAT for some more years, the management has carried out an assessment based on future earnings including market conditions, according to which the Company shall continue under the existing tax regime and move to lower tax rate after certain years. In view of above, the Company has re-assessed the deferred tax liability as per Ind AS 12 'Income Taxes' and resultant impact has been recognised during the year. Accordingly, the 'Deferred Tax' for the year ended March 31, 2020 includes a credit of Rs. 343.97 Crore.

**c) Defined Benefit Plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit plans are given in note 31 to the financial statements.

**d) Revenue**

The Company's revenue includes subsidy claims, part of which are pending notification / final implementation by 'Fertiliser Industry Coordination Committee' (FICC), Government of India. As per management estimates, there is reasonable certainty based on Government of India policy and past experience that claims will be notified in due course. On issuance of notification by FICC, Government of India, the adjustments, if any, to revenue are not expected to be significant.

**e) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including discounted cash flow method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further disclosures in this regard are given in note 41.

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

Place : New Delhi  
Date : May 23, 2020

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Baijal**  
Chief Financial Officer

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Chambal Fertilisers and Chemicals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 26 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2020, and their consolidated total comprehensive income (comprising of consolidated profit and other consolidated comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>4.1 Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability</b></p> <p>[Refer to the accompanying notes 8(B), 17, 34, 52, 56(d) and 2.3(xvii)(a) of the Consolidated Ind AS Financial Statements.]</p> <p>During the year, the Holding Company has recognised subsidy revenue amounting to Rs. 7,729.30 Crore and the aggregate amount of subsidy receivable as at March 31, 2020 was Rs. 5,349.33 Crore. The amount of subsidy income and the balance receivable are significant to the Consolidated Ind AS Financial Statements.</p> <p>We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/ policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivables.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>• We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy.</li><li>• We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies.</li><li>• We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy already recognised in earlier years pursuant to changes in subsidy rates.</li><li>• We also understood the basis of judgements that management has made in relation to the notifications/ policies including past precedence and subsequent evidence, as applicable.</li><li>• We assessed the reasonableness of the recoverability of subsidy receivable by reviewing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical collection trends.</li><li>• We evaluated adequacy of disclosures in the Consolidated Ind AS Financial Statements.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	Based on the above procedures performed, the management's assessment of the implications of government notifications/policies on recognition of subsidy revenue and its recoverability was considered to be reasonable
<p><b>4.2 Assessment of carrying amount of tax balances and impact of change in estimates.</b></p> <p>[Refer to the accompanying notes 41, 43, 56(b) and 2.3(xix) of the Consolidated Ind AS Financial Statements.] Pursuant to the issuance of The Taxation Laws (Amendment) Act, 2019 ('the Act') on December 11, 2019, the management has carried out an assessment of their future taxable profits and consequential impact of the same on carrying amount of deferred tax balances including minimum alternate tax (MAT). The assessment has been carried out considering the amendments to the tax laws including the conditions prescribed therein specifically in relation to availment of certain exemptions/benefits. As a result of the assessment carried out, the Holding Company has reversed its deferred tax liability (DTL) (net) amounting to Rs. 343.97 Crore which is significant to the Consolidated Ind AS Financial Statements.</p> <p>We considered this a key audit matter because the reversal of deferred tax liability (net) is material to financial statements and it involves significant judgement. The areas of judgement includes estimation of future taxable profits as there are inherent uncertainties involved in forecasting such profits (including management's assessment on COVID-19) period over which MAT will be available for recovery and the expected year of adoption of the concessional tax rates.</p>	<p>Our procedures in relation to the management's assessment included the following:</p> <ul style="list-style-type: none"> <li>• We understood and evaluated the design and tested the operating effectiveness of controls as established by the management in relation to 'Taxes'.</li> <li>• We evaluated the management's assessment of availing benefits and exemptions under the tax laws.</li> <li>• We assessed the tax rate applied to forecasted future taxable profits in light of the tax laws.</li> <li>• We have assessed, with the assistance of our experts, profit projections including assumptions used in such forecasts (including consideration of impact of COVID-19, refer note 41 to Consolidated Ind AS Financial Statements) and have also considered historical performance vis-vis the budgets.</li> <li>• We evaluated management's assessment on the sufficiency of the future taxable profits to support reversal of deferred tax /MAT balances as at year end.</li> <li>• We evaluated the adequacy of disclosures [Note 41 and 56(b)] in the Consolidated Ind AS financial statements.</li> </ul> <p>Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.</p>

#### Other Information

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

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

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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9. In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the entities included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture, respectively, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group including its joint venture or to cease operations, or has no realistic alternative but to do so.
  10. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

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

### Other Matters

16. We did not audit the financial statements and other financial information of three subsidiaries whose financial statements and other financial information reflect total assets of Rs. 33.66 crore and net assets of Rs. (1134.33) crore as at March 31, 2020, total revenue of Rs. 55.47 crore, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of Rs. (3.44) crore and net cash flows amounting to Rs. (3.39) crore for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 13.26 crore for the year ended March 31, 2020 as considered in the Consolidated Ind AS Financial Statements, in respect of one joint venture, whose financial statements and other financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.
17. We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of Rs 4.02 crore and net assets of Rs. 4.02 crore as at March 31, 2020, total revenue of Rs. Nil, total comprehensive income [comprising of profit/(loss) and other comprehensive income] of Rs. 0.12 crore and net cash outflows amounting to Rs. (0.18) crore for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - In our opinion, proper books of account as required by law maintained by the Holding Company, and its subsidiaries included in the Group incorporated in India including relevant records, relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books of the Holding company and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Holding company for the purpose of preparation of the Consolidated Ind AS Financial Statements.
  - In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture– Refer Note 27 and 37 to the Consolidated Ind AS Financial Statements.
    - The Group and its joint venture had long term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.

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- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint venture for the year ended March 31, 2020.
19. The Holding Company and its subsidiaries, incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Place : New Delhi  
Date : May 23, 2020  
UDIN : 20099903AAAES1827

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

**Pramit Agrawal**  
**Partner**  
**Membership Number - 099903**



### **Annexure A to Independent Auditors' Report**

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2020.

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

1. In conjunction with our audit of Consolidated Ind AS Financial Statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiaries, which are companies incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies, which are incorporated in India, internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

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**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to certain subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India and so far as it relates to the unaudited subsidiary companies is based on the representation received from the management. Our opinion is not qualified in respect of this matter.

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

**Place : New Delhi**  
**Date : May 23, 2020**  
**UDIN : 20099903AAAES1827**

**Pramit Agrawal**  
**Partner**  
**Membership Number - 099903**

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Crore)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	6,678.57	6,844.66
Capital Work-in-Progress	29	84.99	108.64
Right-of-Use Assets		20.45	-
Goodwill	4	-	36.15
Other Intangible Assets	4	2.01	24.37
Intangible Assets under Development		-	12.78
Investments Accounted for Using the Equity Method	37(A)	217.14	275.68
<b>Financial Assets:</b>			
i. Investments	5A	0.02	0.02
ii. Loans	5B	0.47	0.67
iii. Other Financial Assets	5C	3.31	8.33
Deferred Tax Assets (Net)	43	37.55	1.15
Non-Current Tax Assets (Net)		129.73	79.89
Other Non-Current Assets	6	33.24	28.72
<b>Total Non-Current Assets</b>		<b>7,207.48</b>	<b>7,421.06</b>
<b>Current Assets</b>			
Inventories	7	1,135.60	1,323.15
<b>Financial Assets:</b>			
i. Investments	8A	-	24.50
ii. Trade Receivables	8B	5,563.11	4,827.40
iii. Cash and Cash Equivalents	8C	146.13	64.54
iv. Bank Balances other than (iii) above	8D	21.40	16.55
v. Loans	8E	0.12	0.19
vi. Other Financial Assets	8F	330.91	143.64
Current Tax Assets (Net)		0.04	0.34
Other Current Assets	9	127.73	99.36
Assets Classified as Held for Sale	47(B)	0.15	5.54
<b>Total Current Assets</b>		<b>7,325.19</b>	<b>6,505.21</b>
<b>Total Assets</b>		<b>14,532.67</b>	<b>13,926.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	416.21	416.21
Other Equity	10A	3,123.09	2,467.03
<b>Equity attributable to Owners of the Parent Company</b>		<b>3,539.30</b>	<b>2,883.24</b>
Non-Controlling Interests		(108.22)	(97.98)
<b>Total Equity</b>		<b>3,431.08</b>	<b>2,785.26</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	11A	4,392.03	4,414.25
ii. Lease Liabilities		16.45	-
iii. Other Financial Liabilities	11B	-	0.20
Provisions	12	11.56	7.35
Deferred Tax Liabilities (Net)	43	-	190.52
Other Non-Current Liabilities	13	3.33	3.23
<b>Total Non-Current Liabilities</b>		<b>4,423.37</b>	<b>4,615.55</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	14A	4,994.16	4,279.53
ii. Lease Liabilities		4.77	-
iii. Trade Payables	14B	541.50	988.17
iv. Other Financial Liabilities	14C	1,067.08	1,183.65
Other Current Liabilities	15	28.53	36.97
Provisions	16	37.32	33.87
Current Tax Liabilities (Net)		4.86	3.27
<b>Total Current Liabilities</b>		<b>6,678.22</b>	<b>6,525.46</b>
<b>Total Liabilities</b>		<b>11,101.59</b>	<b>11,141.01</b>
<b>Total Equity and Liabilities</b>		<b>14,532.67</b>	<b>13,926.27</b>

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

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Abhay Bajjal**  
Chief Financial Officer

**Rajveer Singh**  
Company Secretary

Place : New Delhi  
Date : May 23, 2020

Place : New Delhi  
Date : May 23, 2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Notes	(Rs. in Crore)	
		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Continuing Operations</b>			
Revenue from Operations	17	12,205.95	10,094.52
Other Income	18	106.56	78.54
<b>Total Income</b>		<b>12,312.51</b>	<b>10,173.06</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	19	3,773.21	2,785.63
Purchases of Stock-in-Trade		2,907.44	3,806.82
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	208.66	(510.64)
Employee Benefits Expense	21	156.02	126.82
Finance Costs	22	502.63	245.67
Depreciation and Amortisation Expenses	3 & 4	286.86	118.76
Other Expenses	23	3,258.21	2,673.44
<b>Total Expenses</b>		<b>11,093.03</b>	<b>9,246.50</b>
<b>Profit before Share of Profit of a Joint Venture, Exceptional Items and Tax from Continuing Operations</b>		<b>1,219.48</b>	<b>926.56</b>
Share of Net Profit of a Joint Venture accounted for using the Equity Method	37(A)	3.01	116.68
<b>Profit Before Exceptional Items and Tax from Continuing Operations</b>		<b>1,222.49</b>	<b>1,043.24</b>
Exceptional Items	24	(105.57)	197.27
<b>Profit Before Tax from Continuing Operations</b>		<b>1,328.06</b>	<b>845.97</b>
<b>Tax Expense:</b>			
(1) Current Tax	42 & 43	194.20	220.87
(2) Tax related to Earlier Years		(6.94)	(11.50)
(3) Deferred Tax	43	(85.82)	38.05
<b>Total Tax Expense</b>		<b>101.44</b>	<b>247.42</b>
<b>Profit for the Year from Continuing Operations</b>		<b>1,226.62</b>	<b>598.55</b>
<b>Discontinued Operations</b>			
Profit / (Loss) from Discontinued Operations	47(A)	1.27	(12.54)
Tax Expense of Discontinued Operations	43	2.33	1.16
<b>Loss from Discontinued Operations (after tax)</b>		<b>(1.06)</b>	<b>(13.70)</b>
<b>Profit for the Year</b>		<b>1,225.56</b>	<b>584.85</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>A. Items that will not be re-classified to Profit or Loss:</b>			
(i) Re-measurement (Loss) on Defined Benefit Plans		(2.07)	(1.27)
(ii) Income Tax Credit relating to items that will not be re-classified to Profit or Loss		0.73	0.44
<b>B. Items that will be re-classified to Profit or Loss:</b>			
(i) Exchange Differences (Loss) on Translation of Foreign Operations		(30.75)	(14.64)
(ii) Effective Portion of Exchange Difference (Loss) on Hedging Instruments	44	(419.74)	(169.89)
(iii) Effective Portion of Exchange Difference Loss re-classified to Profit or Loss on Hedging Instruments	44	35.00	-
(iv) Income Tax Credit relating to items that will be re-classified to Profit or Loss		134.43	59.37
<b>OCI for the Year, (Net of Tax)</b>		<b>(282.40)</b>	<b>(125.99)</b>
<b>Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>943.16</b>	<b>458.86</b>
<b>Profit for the Year attributable to :</b>			
Owners of the Parent Company		1,226.19	590.21
Non-Controlling Interests		(0.63)	(5.36)
<b>Other Comprehensive Income for the Year attributable to:</b>			
Owners of the Parent Company		(272.79)	(120.69)
Non-Controlling Interests		(9.61)	(5.30)
<b>Total Comprehensive Income for the Year attributable to:</b>			
Owners of the Parent Company		953.40	469.52
Non-Controlling Interests		(10.24)	(10.66)
<b>Earnings per Share attributable to Owners of the Parent Company</b>			
<b>Earnings per Equity Share (for Continuing Operations):</b>			
Basic and Diluted (in Rs.)	25	29.47	14.38
<b>Earnings per Equity Share (for Discontinued Operations):</b>			
Basic and Diluted (in Rs.)	25	(0.01)	(0.20)
<b>Earnings per Equity Share (for Continuing and Discontinued Operations):</b>			
Basic and Diluted (in Rs.)	25	29.46	14.18

The accompanying notes form an integral part of the Consolidated Financial Statements.

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Abhay Bajjal**  
Chief Financial Officer

**Rajveer Singh**  
Company Secretary

Place : New Delhi  
Date : May 23, 2020

Place : New Delhi  
Date : May 23, 2020

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Crore)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash Flow from Operating Activities :</b>			
Profit Before Tax from Continuing Operations		1,328.06	845.97
Profit Before Tax from Discontinued Operations	47(A)	1.27	(12.54)
<b>Profit Before Tax</b>		<b>1,329.33</b>	<b>833.43</b>
Adjustments for :			
Depreciation and Amortisation Expenses	3 & 4	302.21	144.09
Impairment loss on Property, Plant and Equipment	23	17.79	-
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	23	21.50	10.50
Exceptional Items		(105.57)	-
Loss/ (Gain) on Disposal of Property, Plant and Equipment (Net)		22.73	(0.20)
Mark to Market (Gain)/Loss on Derivative Transactions	18	(30.38)	23.15
(Gain) on Sale of business of Subsidiary		(20.49)	-
(Gain) from Sale of Current Investments	18	(18.01)	(24.41)
Effective Portion of Exchange Difference Loss re-classified to Profit or Loss on Hedging Instruments	44	35.00	-
Un-realised Foreign Exchange Variation Loss/ (Gain)		58.54	(32.91)
Realised Foreign Exchange Variation Loss		20.34	13.83
Allowance for Doubtful Debts and Advances (Net)		16.70	16.18
Liabilities no Longer Required Written Back		(3.99)	(15.69)
Catalyst Charges Written Off	23	7.45	6.64
Employee Share Based Payment Expense		0.01	0.00
Irrecoverable Balances Written Off		1.01	0.06
Share of Profit of a Joint Venture	37(A)	(3.01)	(116.68)
Interest Expense		490.96	243.63
Interest (Income)		(19.66)	(26.14)
<b>Operating Profit before Working Capital Changes</b>		<b>2,122.46</b>	<b>1,075.48</b>
Working Capital Adjustments:			
(Increase) in Trade Receivables		(633.73)	(2,308.96)
Decrease/ (Increase) in Other Financial Assets		(142.62)	91.56
Decrease/ (Increase) in Other Assets		(39.62)	6.49
(Increase)/ Decrease in Inventories		173.05	(530.55)
(Decrease)/ Increase in Trade Payables, Other Liabilities and Provisions		(407.76)	749.82
<b>Cash Generated from Operations</b>		<b>1,071.78</b>	<b>(916.16)</b>
Income Tax Paid (Net of Refunds)		(244.69)	(213.71)
<b>Net Cash Flow from/ (used in) Operating Activities</b>		<b>827.09</b>	<b>(1,129.87)</b>
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment & Intangible Assets		(658.15)	(1,205.29)
Purchase of Investments		-	(35.00)
Proceeds from Sale of Property, Plant and Equipment & Intangible Assets		7.65	1.38
Proceeds from Sale of Current Investments		18.01	24.41
Proceeds from Sale of Business of subsidiary		85.73	-
Fixed Deposits Matured (having original maturity of more than three months)		0.05	(1.68)
Distribution Received from Joint Venture	37(A)	71.80	57.69
Interest Received		19.66	33.31
<b>Net Cash Flow (used in) Investing Activities</b>		<b>(455.25)</b>	<b>(1,125.18)</b>

(Rs. in Crore)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Long Term Borrowings	51	482.97	1,238.61
Repayment of Long Term Borrowings	51	(610.36)	(175.32)
Proceeds from Buyer's Credit/Supplier's Credit	51	2,797.94	2,706.45
Repayment of Buyer's Credit/Supplier's Credit	51	(3,060.55)	(2,365.66)
Net Proceeds from Short Term Borrowings	51	955.39	1,388.08
Payment of Transaction Costs related to Borrowings		(3.47)	-
Repayment of Lease Liabilities	51	(6.34)	-
Net Proceeds from Line of Credit Facility	51	(57.04)	6.77
Receipt of amount from CFCL Employees Welfare Trust		3.12	3.27
Interest Paid		(484.39)	(444.12)
Dividend Paid		(249.14)	(78.82)
Tax on Dividend Paid		(51.32)	(16.26)
<b>Net Cash Flow (used in)/ from Financing Activities</b>		<b>(283.19)</b>	<b>2,263.00</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>88.65</b>	<b>7.95</b>
Foreign Currency Translation Difference		(7.06)	(6.33)
Cash and Cash Equivalents at the beginning of the Year		64.54	62.92
<b>Cash and Cash Equivalents at the end of the Year</b>		<b>146.13</b>	<b>64.54</b>
<b>Components of Cash and Cash Equivalents:</b>			
Balances with banks :			
- on Current Accounts		13.35	19.50
- on Cash Credit Accounts		10.93	0.01
- Deposits with original maturity of less than three months		121.78	45.00
Cash on hand		0.07	0.03
<b>Total Cash and Cash Equivalents</b>	<b>8C</b>	<b>146.13</b>	<b>64.54</b>

Note: Cash Flow from operating activities for the year ended on March 31, 2020 is after considering corporate social responsibility expenditure of Rs.15.33 Crore (Previous Year : Rs.12.66 Crore).

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

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

Place : New Delhi  
Date : May 23, 2020

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Baijal**  
Chief Financial Officer

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### A : Equity Share Capital

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

(Rs. in Crore)

As at March 31, 2020 416.21

As at March 31, 2019 416.21

### B : Other Equity

For the Year Ended March 31, 2020

(Rs. in Crore)

Particulars	Attributable to the Equity Holders of the Parent Company											Total Other Equity	Non- Controlling Interests	Total	
	Reserves and Surplus										Items of Other Comprehensive Income				
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share Option Outstanding Account (refer note 10A)	Retained Earnings	Exchange Differences on Translation of Foreign Operations				Cash Flow Hedging Reserve
As at April 01, 2019	(11.27)	(0.91)	0.21	6.42	0.25	534.26	0.50	42.25	2.64	2,058.56	(34.26)	(131.62)	2,467.03	(97.98)	2,369.05
Profit / (Loss) for the Year	-	-	-	-	-	-	-	-	-	1,226.19	-	-	1,226.19	(0.63)	1,225.56
Other Comprehensive Income (Net of Tax):	-	-	-	-	-	-	-	-	-	(1.33)	-	-	(1.33)	(0.01)	(1.34)
- Re-measurement Gain/ (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(21.15)	-	(21.15)	(9.60)	(30.75)
- Effective portion of Exchange Differences in Hedging Instruments	-	-	-	-	-	-	-	-	-	-	-	(250.31)	(250.31)	-	(250.31)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	1,224.86	(21.15)	(250.31)	953.40	(10.24)	943.16
Cash Dividends (including Dividend Distribution Tax) (refer note 46)	-	-	-	-	-	-	-	-	-	(301.05)	-	-	(301.05)	-	(301.05)
Exercise of Share Options	3.52	(0.39)	-	-	-	-	-	-	-	-	-	-	-	3.13	3.13
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	0.00	(0.00)	-	-	-	-	-
Employee Share Based Payment Expense (refer note 36)	-	-	-	-	-	-	-	-	0.01	-	-	-	-	0.01	0.01
Transfer to General Reserve	-	-	-	-	-	50.00	-	-	-	(50.00)	-	-	-	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	0.57	-	-	-	0.57	0.57
As at March 31, 2020	(7.75)	(1.30)	0.21	6.42	0.25	584.26	0.50	42.25	2.65	2,932.94	(55.41)	(381.93)	3,123.09	(108.22)	3,014.87

### For the Year Ended March 31, 2019

(Rs. in Crore)

Particulars	Attributable to the Equity Holders of the Parent Company											Total Other Equity	Non- Controlling Interests	Total	
	Reserves and Surplus										Items of Other Comprehensive Income				
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share Option Outstanding Account (refer note 10A)	Retained Earnings	Exchange Differences on Translation of Foreign Operations				Cash Flow Hedging Reserve
As at April 01, 2018	(14.23)	(0.56)	0.21	6.42	0.25	485.05	4.25	38.50	25.52	1,589.96	(24.92)	(21.10)	2,089.35	(87.36)	2,001.99
Profit / (Loss) for the Year	-	-	-	-	-	-	-	-	-	590.21	-	-	590.21	(5.36)	584.85
Other Comprehensive Income (Net of Tax):	-	-	-	-	-	-	-	-	-	(0.83)	-	-	(0.83)	0.00	(0.83)
- Re-measurement Gain/ (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(9.34)	-	(9.34)	(5.30)	(14.64)
- Effective portion of Exchange Differences in Hedging Instruments	-	-	-	-	-	-	-	-	-	-	-	(110.52)	(110.52)	-	(110.52)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	589.38	(9.34)	(110.52)	469.52	(10.66)	458.86
Cash Dividends (including Dividend Distribution Tax) (refer note 46)	-	-	-	-	-	-	-	-	-	(95.34)	-	-	(95.34)	-	(95.34)
Exercise of Share Options and Purchase of New Shares (Net)	2.96	(0.35)	-	-	-	-	-	-	-	-	-	-	2.61	-	2.61
Transfer to Retained Earnings	-	-	-	-	-	(0.79)	-	-	(22.88)	23.63	-	-	(0.04)	0.04	-
Transfer from Tonnage Tax Reserve to Tonnage Tax Reserve (utilised) Account	-	-	-	-	-	-	(3.75)	3.75	-	-	-	-	-	-	-
Employee Share Based Payment Expense (refer note 36)	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-	0.00
Transfer to General Reserve	-	-	-	-	-	50.00	-	-	-	(50.00)	-	-	-	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	0.93	-	-	0.93	-	0.93
As at March 31, 2019	(11.27)	(0.91)	0.21	6.42	0.25	534.26	0.50	42.25	2.64	2,058.56	(34.26)	(131.62)	2,467.03	(97.98)	2,369.05

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

The accompanying notes form an integral part of the Consolidated Financial Statements.

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

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Bajjal**  
Chief Financial Officer

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

Place : New Delhi  
Date : May 23, 2020

Place : New Delhi  
Date : May 23, 2020

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. Corporate Information

The consolidated financial statements comprise financial statements of Chambal Fertilisers and Chemicals Limited (the Parent Company), its subsidiaries (collectively, the Group) and joint venture for the year ended March 31, 2020. The Parent Company is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two recognised stock exchanges in India. The registered office of the Parent Company is located at Gadepan, District Kota, Rajasthan, PIN 325208.

The Parent Company is engaged in production of urea and has three urea plants. Apart from manufacture of Urea, the Parent Company also deals in other fertilisers and Agri inputs. The Group is also engaged in Software business and it also has a joint venture for manufacture of Phosphoric Acid in Morocco. During the financial year, Group has sold assets and transferred certain liabilities of Software business so as to cease the operations of Software business.

These consolidated financial statements were authorised for issuance by the Board of Directors of the Parent Company at its meeting held on May 23, 2020.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation

These Consolidated Financial Statements (CFS) of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other relevant rules and provisions of the Act, as applicable.

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

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

The consolidated financial statements of the Group are presented in Indian Rupees (Rs.) and all values are presented in Crore, except when otherwise indicated.

The transactions and balances with values below rounding off norm adopted by the Group have been reflected as 0.00 in the financial statements.

#### **New and amended accounting standards adopted by the Group:**

Ind AS 116 "Leases" has been adopted effective April 01, 2019 and applied to all lease contracts existing on April 01, 2019 using modified retrospective approach. Details of the same are explained in note 35.

#### 2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and joint venture. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated



financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. Further, during the last year Joint venture of the Company has prepared its accounts for the period of 15 months i.e. January 01, 2018 to March 31, 2019, so as to align its reporting period with that of the Parent Company. Accordingly, the current year numbers are not comparable to this extent. Further subsidiaries which are liquidated/under liquidation as on March 31, 2019 are consolidated till the Group was having the control over the subsidiaries.

**Consolidation Procedure:**

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries.
- b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.
- c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes' applies to temporary differences that arise from the elimination of profits or losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The accumulated loss attributable to non-controlling interests in excess of their equity on the date of transition to Ind AS has been restricted to zero in accordance with Ind AS 101.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

## **2.3 Summary of Significant Accounting Policies**

### **i) Investment in Joint Venture**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment. If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Statement of Profit and Loss.

During the previous year, Joint venture of the Company had prepared its accounts for a period of 15 months i.e. January 01, 2018 to March 31, 2019, so as to align its reporting period with that of the Parent Company. Accordingly, the previous year figures are not comparable to this extent.

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After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

**ii) Basis of Classification of Current and Non-Current**

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

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

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

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

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

**iii) Foreign Currency Translation**

**(a) Functional and Presentation Currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Indian Rupees (Rs.), which is Parent Company's functional and presentation currency.

**(b) Initial Recognition**

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

**(c) Conversion**

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

**(d) Exchange Differences**

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated Statement of Profit and Loss (also refer note 2.3(xvi) below).

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

**(e) Translation of Foreign Operations**

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

- (i) assets and liabilities for each balance sheet including comparatives are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each Statement of Profit and Loss i.e. including comparatives are translated at average exchange rates; and
- (iii) all resulting exchange differences have been recognised in other comprehensive income.

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

Goodwill arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the exchange rate in effect at the balance sheet date.

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

#### iv) Derivative Financial Instruments

##### Initial Recognition and Subsequent Measurement

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

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

##### Cash Flow Hedges

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

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

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

#### v) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**vi) Non-current Assets held for Sale and Discontinued Operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

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

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

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

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

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

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

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

**vii) Property, Plant and Equipment ("PPE")**

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

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

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

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**viii) Leases**

Till March 31, 2019

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

Finance leases, where as a lessee, the Group has substantially all risks and rewards of ownership, are capitalised at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the

Statement of Profit and Loss over the period of lease. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 01, 2019

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the Group under residual value guarantees, if any.

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentive received.
- Any initial direct cost and restoration cost

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology/computer equipment and small items of office furniture.

As a lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new accounting standard.

**ix) Depreciation on PPE and Right-of-Use Assets**

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives estimated by the management based on technical evaluation which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in table below from S.No. (i) to (vii) below where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. A major portion of the plant and equipment of the Parent Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease - Right-of-Use assets	Amortised over 99 Years Ranging from 3 to 15 Years Ranging from 3 to 9 Years Over the life of lease period These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Plant and Equipment	Over their useful lives ranging from 1 to 35 years.
(iii)	Insurance / Capital / Critical Stores and Spares	Over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spare part, whichever is lower.
(iv)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(v)	Railway Siding	30 years based on technical evaluation that the railway siding is currently in use.
(vi)	Building (other than factory building) Reinforced Cement Concrete Frame structure	Over their useful lives ranging from 10 to 60 years.
(vii)	PPE of Software Business	- Computers and accessories – 3 years - Furniture and fixtures – 5 years - Vehicles – 5 years

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

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

**x) Intangible Assets**

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

**Software**

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

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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

**In case of Subsidiary Companies**

**a. Goodwill**

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, it is again recognized immediately in net profit in the consolidated Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

**b. Other Intangible Assets**

Other intangible assets comprise of intellectual property rights, software and internally developed software platforms.

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

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated Statement of Profit and Loss as incurred. Development activities involve a plan or design for the production of new or substantially improved software products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the subsidiary company intends to and has sufficient resources to complete development and to use the asset. The capitalized expenditure includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and is classified as internally developed software platforms. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated Statement of Profit and Loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the consolidated Statement of Profit and Loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for both internally developed software platforms and acquired software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**xi) Impairment of Non-Financial Assets**

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

## xii) Financial Instruments

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

### (a) Financial Assets

#### Initial Recognition and Measurement

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

#### Subsequent Measurement

##### Debt Instruments

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

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

##### Debt Instruments at Amortised Cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

##### Debt Instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

##### Debt Instrument at FVTPL

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

##### Equity Instruments

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

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

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

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### **Derecognition**

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

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

### **Impairment of Financial Assets**

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

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

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

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

### **(b) Financial Liabilities**

#### **Initial Recognition and Measurement**

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

#### **Subsequent Measurement**

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

#### **Financial Liabilities at Fair Value through Profit or Loss**

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

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

#### **Loans and Borrowings**

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

#### **Financial Guarantee Contracts**

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

### **Derecognition**

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



### Off-setting of Financial Instruments

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

#### xiii) Cash and Cash Equivalents

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

#### xiv) Dividend to Equity Holders of the Parent Company

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

#### xv) Inventories

Inventories are valued as follows:

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

\*included under the inventory of stores and spares.

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

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

#### xvi) Borrowing Costs

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

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

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

#### xvii) Revenue Recognition and Other Income

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

##### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (referred as 'unbilled revenue') and disclosed under Other Current Financial Assets.

##### Trade Receivables

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

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## Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognised as revenue when the Group performs under the contract. Invoicing in excess of revenues are classified as contract liabilities (referred as 'unearned revenues') and disclosed under Other Current Liabilities.

### (a) Sale of Goods

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

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

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

- (i) New Pricing Scheme (NPS) – Stage III and Modified NPS III;
- (ii) New Urea Policy 2015;
- (iii) New Investment Policy 2012 (amended) and
- (iv) Uniform Freight Policy.

The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

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

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

### (b) Income from Operations of Software Business

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

#### Sale of services

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

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts, under which post-contract maintenance and support services are also rendered by the Group. In the case of multiple element contracts, revenue from sale of user licenses is recognized on transfer of the title in the user license after appropriately reducing the fair value of the maintenance services to be recognised as revenues. Revenue from post-contract maintenance and support services is recognized ratably over the period in which services are rendered.

Revenue derived from professional services under the unit-price contracts is recognized as the related services are performed. Revenue from title and related operations is primarily transactions-based and is recognized when services are performed, the fee is fixed or determinable, and collection is reasonably assured.

The Group's fixed price contracts include application maintenance and support services, on which revenue is recognized ratably over the period in which the services are rendered. Revenue with respect to other fixed price contracts, where there is no uncertainty as to measurement and collectability of consideration, is recognized on a percentage of completion basis. The input (cost expended) method has been used because management considers this to be the best available measure of progress on these contracts as there is a direct relationship between input and productivity.

When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.

(c) **Interest Income**

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

(d) **Dividend**

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

(e) **Insurance Claims**

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

**xviii) Retirement and Other Employee Benefits**

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

The Group's contribution paid/payable during the year to Pension Fund, Provident Fund, Superannuation Fund and Employees' State Insurance Corporation are recognized in the Statement of Profit and Loss.

Provident fund of Indian subsidiary of CFCL Ventures Limited (CVL) and Pension Fund of all components of the Group is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability.

- (b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of the Parent Company is accounted for as per the Group's Scheme and contributed to Life Insurance Corporation of India / ICICI Prudential Life Insurance Company Limited every year. The group does not have any other obligation, other than the contribution payable to the superannuation fund. The group recognizes contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability.
- (c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Gratuity plan of the Parent Company is funded with insurance companies to cover the gratuity liability of the employees. The step down subsidiary of CVL has also taken an insurance policy to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with insurance companies is provided for as liability in the books.
- (d) Retirement benefit in the form of post-retirement medical benefits is a defined benefit obligation of the Parent Company and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.
- (e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- (f) Long service awards are other long-term benefits accruing to all eligible employees of the Parent Company, as per Group's scheme. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.
- (g) Settlement allowance are other long-term benefits accruing to the eligible employees of the Parent Company, as per Group's scheme. The cost of providing benefit under settlement allowance is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

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

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

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Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gains / (losses) are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the Statement of Changes in Equity.

**xix) Income Taxes**

Tax expense or credit comprises current income tax and deferred tax. Current income-tax expense or credit is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount of current income tax are those that are enacted or substantively enacted, at the reporting date. Deferred Income tax is determined using tax rates (and laws) that have been enacted or substantively enacted, at the reporting date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

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

**xx) Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker considers the business activities in terms of nature of products i.e. manufacturing/ marketing of fertilisers & other agri-inputs and services provided. The analysis of geographical segments is based on the locations of customers. (refer note 30)

**Segment Accounting Policies**

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

**xxi) Earnings Per Share**

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

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

**xxii) Contingent Assets and Liabilities**

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

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

**xxiii) Share-Based Payments****Parent Company**

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

**Subsidiary Company**

Employee stock compensation costs for stock options are recognized as employee benefit expenses, in accordance with the 'Share-based Payments', 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 valuation model on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behavior of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

**xxiv) Treasury Shares**

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

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

**xxv) Provisions**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Own Assets										Right-of-Use Assets (refer note 35)		
	Land- Freehold	Land- Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and Equipment	Factory Equipment	Office Equipment	Furniture and Fittings	Vehicles	Total	
<b>NOTE 3 : PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS</b>													
Deemed Cost													
As at April 01, 2018	4.33	4.30	101.24	1.28	1.08	3.93	1,202.31	13.34	14.65	2.93	15.50	1,364.89	-
Additions	0.05	-	629.27	-	-	4.18	5,152.06	5.25	8.66	1.51	1.72	5,802.70	-
Deletions	(4.18)	-	(0.20)	-	-	(0.02)	(2.38)	(0.16)	(0.10)	(0.03)	(0.84)	(7.91)	-
Adjustments	-	-	0.01	-	-	-	0.12	(0.19)	0.05	0.01	-	-	-
Foreign currency translation difference	-	-	-	0.04	-	-	-	-	0.01	0.00	-	0.05	-
<b>As at March 31, 2019</b>	<b>0.20</b>	<b>4.30</b>	<b>730.32</b>	<b>1.32</b>	<b>1.08</b>	<b>8.09</b>	<b>6,352.11</b>	<b>18.24</b>	<b>23.27</b>	<b>4.42</b>	<b>16.38</b>	<b>7,159.73</b>	-
Additions	1.00	-	33.20	-	-	0.06	116.60	1.27	2.56	0.75	2.29	157.73	25.80
Deletions	-	-	-	(0.86)	-	-	(34.42)	(0.14)	(1.64)	(0.12)	(1.43)	(38.61)	-
Adjustments	-	-	-	-	-	-	-	-	(1.01)	-	-	(1.01)	-
Foreign currency translation difference	-	-	-	0.01	-	-	-	-	(0.01)	0.01	-	0.01	-
<b>As at March 31, 2020</b>	<b>1.20</b>	<b>4.30</b>	<b>763.52</b>	<b>0.47</b>	<b>1.08</b>	<b>8.15</b>	<b>6,434.29</b>	<b>19.37</b>	<b>23.17</b>	<b>5.06</b>	<b>17.24</b>	<b>7,277.85</b>	<b>25.80</b>
<b>Depreciation and Impairment</b>													
As at April 01, 2018	-	0.16	10.02	0.35	0.93	0.65	166.07	2.57	8.92	1.03	7.90	198.60	-
Charge for the year (refer footnote (4) below)	-	0.04	8.56	0.23	-	0.20	101.32	1.19	3.14	0.43	2.93	118.04	-
Deletions	-	-	(0.05)	-	-	-	(0.72)	(0.07)	(0.06)	(0.01)	(0.68)	(1.59)	-
Adjustments	-	-	0.00	-	-	-	(0.06)	0.01	0.05	-	(0.00)	-	-
Foreign currency translation difference	-	-	-	0.01	-	-	-	-	0.02	(0.01)	-	0.02	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>0.20</b>	<b>18.53</b>	<b>0.59</b>	<b>0.93</b>	<b>0.85</b>	<b>266.61</b>	<b>3.70</b>	<b>12.07</b>	<b>1.44</b>	<b>10.15</b>	<b>315.07</b>	<b>-</b>
Charge for the year (refer footnote (4) below)	-	0.06	24.96	0.23	-	0.32	247.19	1.43	2.89	0.50	2.97	280.55	5.35
Impairment (refer footnote (5) below)	-	-	2.41	-	-	-	15.28	0.09	0.01	-	-	17.79	-
Deletions	-	-	-	(0.56)	-	-	(10.81)	(0.05)	(1.42)	(0.09)	(1.19)	(14.12)	-
Foreign currency translation difference	-	-	-	(0.00)	-	-	-	-	(0.03)	0.02	-	(0.01)	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>0.26</b>	<b>45.90</b>	<b>0.26</b>	<b>0.93</b>	<b>1.17</b>	<b>518.27</b>	<b>5.17</b>	<b>13.52</b>	<b>1.87</b>	<b>11.93</b>	<b>599.28</b>	<b>5.35</b>
<b>Net Book Value</b>													
As at March 31, 2019	0.20	4.10	711.79	0.73	0.15	7.24	6,085.50	14.54	11.20	2.98	6.23	6,844.66	-
As at March 31, 2020	1.20	4.04	717.62	0.21	0.15	6.98	5,916.02	14.20	9.65	3.19	5.31	6,678.57	20.45

**Footnotes:**

- Freehold land having carrying value Rs.0.01 Crore (Previous Year : Rs.0.01 Crore), Leasehold land having carrying value of Rs.0.31 Crore (Previous Year : Rs.0.31 Crore) and Buildings having carrying value of Nil (Previous Year : Rs.3.78 Crore) are yet to be registered in the Parent Company's name.
- The carrying value of Buildings includes Rs. 0.00 Crore (Previous Year : Rs. 0.00 Crore) representing undivided share in assets jointly owned with others.
- Deletions from Land-Freehold includes Nil (Previous Year : Rs. 4.18 Crore) and Plant and Equipment includes Equipment having gross block of Rs. 1.56 Crore (Previous Year: Nil) and Accumulated Depreciation of Rs. 1.51 Crore (Previous Year : Nil) transferred to 'Assets held for sale' (refer note 47(B)).
- Depreciation charge for the year includes an amount of Rs. 0.26 Crore (Previous Year: Rs. 0.60 Crore) related to Discontinued Operations of the Group, which comprises of sale of business of subsidiary of the Parent Company. The amount is recognised in discontinued operations in the consolidated statement of Profit and Loss (refer note 47 (A)).
- It represents impairment of Single Super Phosphate (SSP) plant being cash generating unit (CGU). Management has been monitoring the operation of the CGU for past years and reassessed the carrying value as per Ind AS 36 'Impairment of Assets'. As per management assessment, CGU has been impaired as Parent Company has decided not to produce the related products resulting into no operations during the current year and in immediate future years. Accordingly, assets in CGU have been recorded at recoverable value resulting into impairment of Property plant and equipment amounting to Rs.17.79 Crore and other assets which includes inventory written off amounting to Rs. 1.59 Crore. Refer note 7 for other assets and note 23 of other expenses for impact on consolidated statement of Profit and Loss.  
The impairment loss of SSP has been calculated using recoverable value (fair value less cost to sell) inputs and Cost approach has been used as valuation technique. Basis aforesaid an amount of Rs. 0.94 Crore has been estimated as recoverable value. An increase/ (decrease) in fair value by 10% will result into increase/ (decrease) by Rs. 0.09 Crore.
- Capital Work-in-Progress Rs. 84.99 Crore (Previous Year : Rs. 108.64 Crore) primarily represents capital expenditure in respect of plant and machinery and buildings.
- Leasehold Improvements (on Finance Lease) had been fully depreciated in earlier years.

(Rs. in Crore)

Particulars	Goodwill (acquired)	Goodwill on consolidation	Total Goodwill	Software	Internally developed software platforms#	Total other intangible assets
<b>NOTE 4 : OTHER INTANGIBLE ASSETS</b>						
<b>Deemed Cost</b>						
As at April 01, 2018	34.07	207.83	241.90	23.14	70.18	93.32
Purchase	-	-	-	0.44	14.56	15.00
Foreign Currency Translation Difference	2.08	-	2.08	0.87	4.13	5.00
<b>As at March 31, 2019</b>	<b>36.15</b>	<b>207.83</b>	<b>243.98</b>	<b>24.45</b>	<b>88.87</b>	<b>113.32</b>
Purchase	-	-	-	0.11	15.92	16.03
Deletions	(37.06)	-	(37.06)	(14.68)	(107.04)	(121.72)
Foreign Currency Translation Difference	0.91	-	0.91	(0.90)	2.25	1.35
<b>As at March 31, 2020</b>	<b>-</b>	<b>207.83</b>	<b>207.83</b>	<b>8.98</b>	<b>-</b>	<b>8.98</b>
<b>Amortization and Impairment</b>						
As at April 01, 2018	-	207.83	207.83	19.13	40.68	59.81
Charge for the year	-	-	-	1.32	24.73	26.05
Foreign Currency Translation Difference	-	-	-	0.87	2.22	3.09
<b>As at March 31, 2019</b>	<b>-</b>	<b>207.83</b>	<b>207.83</b>	<b>21.32</b>	<b>67.63</b>	<b>88.95</b>
Charge for the year	-	-	-	1.22	15.09	16.31
Deletions	-	-	-	(14.67)	(84.41)	(99.08)
Foreign Currency Translation Difference	-	-	-	(0.90)	1.69	0.79
<b>As at March 31, 2020</b>	<b>-</b>	<b>207.83</b>	<b>207.83</b>	<b>6.97</b>	<b>-</b>	<b>6.97</b>
<b>Net Book Value</b>						
<b>As at March 31, 2019</b>	<b>36.15</b>	<b>-</b>	<b>36.15</b>	<b>3.13</b>	<b>21.24</b>	<b>24.37</b>
<b>As at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.01</b>	<b>-</b>	<b>2.01</b>

**Note:**

Depreciation charge for the year includes an amount of Rs. 15.09 Crore (Previous Year: Rs. 24.73 Crore) related to Discontinued Operations of the Group, which comprises of sale of assets and transfer of liabilities of subsidiaries of the Parent Company. The amount is recognised in Discontinued Operations in the Consolidated Statement of Profit and Loss {refer note 47 (A)}

#Internally developed software platforms relates to CFCL Ventures Limited, a subsidiary of the Parent Company, comprises of the following: (refer note 29)

(Rs. in Crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Intangible Assets Net Book Value	Intangible Assets under Development	Intangible Assets Net Book Value	Intangible Assets under Development
Loan Dynamix	-	-	10.39	3.15
Powerhub	-	-	0.06	9.07
Tempo	-	-	6.50	0.02
Loan Momentum	-	-	2.05	0.50
Others	-	-	2.24	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>21.24</b>	<b>12.74</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 5 : FINANCIAL ASSETS</b>		
<b>Note 5A : Non-Current Investments</b>		
<b>A. Investment carried at Fair Value through Profit or Loss</b>		
<b>Equity Instruments (Unquoted)</b>		
- 20,000 (Previous Year: 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	0.02	0.02
- 2,180 (Previous Year:2,180) equity shares of Rs.10 each fully paid up in Woodlands Multispeciality Hospital Limited	0.00	0.00
<b>B. Investment carried at Amortised Cost</b>		
<b>Government Securities (Unquoted)</b>		
- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities)	0.00	0.00
- Indira Vikas Patra	0.00	0.00
	<b>0.02</b>	<b>0.02</b>
Aggregate amount of Unquoted Investments	0.02	0.02
<b>Note 5B : Non Current Loans</b>		
Loans to Employees:		
(a) Loans Receivable Considered Good - Secured;	0.32	0.50
(b) Loans Receivable Considered Good - Unsecured;	0.15	0.17
(c) Loans Receivable which have significant increase in Credit Risk	-	-
(d) Loans Receivable-credit impaired	-	-
	<b>0.47</b>	<b>0.67</b>
<b>Note 5C : Other Non Current Financial Assets</b>		
(Unsecured, Considered Good)		
Security Deposits	3.29	8.31
Deposit with Banks having maturity more than 12 months (refer note 8D)	0.02	0.02
	<b>3.31</b>	<b>8.33</b>



(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 6 : OTHER NON CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
Capital Advances	5.77	4.33
Balances with Statutory/ Government Authorities (Considered Doubtful: Rs.2.99 Crore (Previous Year: Rs.2.99 Crore))	4.53	4.71
Catalysts in use (valued based on life technically assessed)	19.91	12.87
Prepaid Expenses	6.02	7.25
Deferred Transaction Cost on Borrowings	-	2.55
	<b>36.23</b>	<b>31.71</b>
Less: Allowance for Doubtful Advances	2.99	2.99
	<b>33.24</b>	<b>28.72</b>
<b>NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)</b>		
Raw Materials	1.67	1.02
Work-in-Progress	9.09	12.47
Finished Goods {including in transit- Rs.51.28 Crore (Previous Year: Rs.59.29 Crore)}	343.83	115.50
Traded Goods {including in transit- Rs. 9.76 Crore (Previous Year: Rs. 245.41 Crore)} *	676.68	1,110.29
Stores and Spares {including in transit- Rs. 0.14 Crore (Previous Year: Rs.0.21 Crore)} *	89.72	72.55
Loose Tools	0.36	0.36
Catalysts in use (valued based on life technically assessed)	8.35	4.48
Packing Materials {including in transit- Nil (Previous Year: 0.69 Crore)}	5.90	6.48
	<b>1,135.60</b>	<b>1,323.15</b>
* During the current year Inventory valuing Rs. 2.09 Crore (Previous Year: Nil) has been written off.		
<b>NOTE 8 : CURRENT FINANCIAL ASSETS</b>		
<b>Note 8A : Current Investments</b>		
<b>Investment carried at Fair value through Profit or Loss</b>		
<b>Unquoted</b>		
Investment in Bonds 320 (Previous Year: 350), 9.45% Corporate Bonds of Rs.10,00,000 each in IL&FS Transportation Networks Limited	-	24.50
	-	<b>24.50</b>
<b>Aggregate amount of Unquoted Investments</b>	<b>21.50</b>	<b>35.00</b>
Less: Fair Value Loss on Investment carried at Fair Value through Profit or Loss	21.50	10.50
<b>Total Current Investments</b>	<b>-</b>	<b>24.50</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 8B : Trade Receivables</b>		
Trade Receivables Considered Good - Secured	63.74	116.72
Trade Receivables Considered Good - Unsecured (including subsidy receivable from Government of India- Rs.5,349.33 Crore (Previous Year: Rs.4,322.33 Crore))	5,499.37	4,710.68
Trade Receivables Considered Doubtful - Unsecured (including subsidy receivable from Government of India- Nil (Previous Year : Rs.197.94 Crore))	16.60	214.10
	<b>5,579.71</b>	<b>5,041.50</b>
Less: Allowance for Doubtful Debts	16.60	214.10
<b>Total Trade Receivables (Net of Allowances)</b>	<b>5,563.11</b>	<b>4,827.40</b>
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired	-	-
	<b>5,563.11</b>	<b>4,827.40</b>
<b>Note 8C : Cash and Cash Equivalents</b>		
<b>Balances with Banks:</b>		
On Current Accounts	13.35	19.50
On Cash Credit Accounts	10.93	0.01
Deposits with original maturity of less than three months	121.78	45.00
Cash on hand	0.07	0.03
	<b>146.13</b>	<b>64.54</b>
There is no repatriation restrictions on cash and cash equivalents.		
<b>Note 8D : Bank Balances Other than 8C above</b>		
On Unpaid Dividend Accounts	17.45	12.55
Deposits with remaining maturity for less than 12 months	3.95	4.00
Deposits with remaining maturity for more than 12 months*	0.02	0.02
	<b>21.42</b>	<b>16.57</b>
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	0.02	0.02
	<b>21.40</b>	<b>16.55</b>
* Fixed Deposit receipts of Rs.0.02 Crore (Previous Year : Rs.0.02 Crore) are pledged with Sales Tax Authorities.		
<b>Note 8E : Current Loans</b>		
Loans to Employees:		
(a) Loans Receivable Considered Good - Secured;	0.10	0.14
(b) Loans Receivable Considered Good - Unsecured;	0.02	0.05
(c) Loans Receivable which have significant increase in Credit Risk	-	-
(d) Loans Receivable-credit impaired	-	-
	<b>0.12</b>	<b>0.19</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 8F : Other Current Financial Assets</b>		
(Unsecured and Considered Good, except to the extent stated)		
<b>Derivatives</b>		
Foreign Currency Option Contracts	-	0.57
Derivative Financial Assets	37.70	-
<b>Others</b>		
Receivable from Gas Pool Operator	267.62	110.69
Receivable from a Joint Venture (refer note 31)	0.05	0.08
Security Deposits (Considered Doubtful Rs. 0.01 Crore (Previous Year: Rs. 0.01 Crore))	6.20	4.51
Insurance and Other Claims Receivable (Considered Doubtful Rs.1.65 Crore (Previous Year: Rs.1.65 Crore))	4.76	7.89
Interest Receivable on Deposits	0.14	0.14
Unbilled Revenue	-	3.06
Escrow Receivable * (Considered Doubtful Rs.1.54 Crore (Previous Year: Rs. 1.41 Crore))	10.68	1.41
Other General Receivables	6.96	18.36
	<b>334.11</b>	<b>146.71</b>
Less: Allowance for Doubtful Advances	3.20	3.07
	<b>330.91</b>	<b>143.64</b>
* Escrow receivable represents- a) part of the purchase consideration of Rs. 1.54 Crore in respect of the sale of KPO business of certain subsidiary companies, held in an escrow account with a bank, which has been fully provided in the books; b) part of purchase consideration of Rs. 9.14 Crore in respect of the sale of assets and transfer of liabilities during the year of a subsidiary, as per the terms of agreement with the buyer.		
<b>NOTE 9 : OTHER CURRENT ASSETS</b>		
(Unsecured and Considered Good, except to the extent stated)		
Advance to Suppliers (Considered Doubtful Rs.0.48 Crore (Previous Year : Rs.0.48 Crore))	9.35	8.73
Balances with Statutory/ Government Authorities (Considered Doubtful Rs.44.61 Crore (Previous Year: Rs.31.94 Crore))	125.29	104.49
Interest Receivable - Others	0.33	0.33
Prepaid Gratuity (refer note 32)	0.03	-
Prepaid Expenses	37.27	17.38
Other General Receivables	0.55	0.85
	<b>172.82</b>	<b>131.78</b>
Less: Allowance for Doubtful Advances	45.09	32.42
	<b>127.73</b>	<b>99.36</b>
<b>NOTE 10 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
440,000,000 (Previous Year : 440,000,000) Equity Shares of Rs.10 each	440.00	440.00
210,000,000 (Previous Year : 210,000,000) Redeemable Preference Shares of Rs.10 each	210.00	210.00
	<b>650.00</b>	<b>650.00</b>
<b>Issued, subscribed and paid up :</b>		
416,207,852 (Previous Year : 416,207,852 ) Equity Shares of Rs.10 each, fully paid up	416.21	416.21
	<b>416.21</b>	<b>416.21</b>

a) **Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting periods**

There is no movement in the equity shares outstanding at the beginning and at the end of the reporting periods.

b) **Terms / Rights attached to Equity Shares**

The Parent Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari passu with each other in all respects. The Parent Company declares and pays dividend in Indian rupees. The dividend recommended/proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also declare an interim dividend.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after payment of all liabilities.

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

Name	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	57,168,649	13.74	54,354,384	13.06
HDFC Trustee Company Limited - HDFC Balance Advantage Fund and Its Associate Funds	38,499,215	9.25	37,300,415	8.96
SIL Investments Limited	33,343,455	8.01	33,343,455	8.01

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

Particulars	(Rs. in Crore)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 10A : Other Equity *</b>		
(a) Securities Premium	6.42	6.42
(b) Retained Earnings	2,932.94	2,058.56
(c) General Reserve	584.26	534.26
(d) Treasury Shares	(7.75)	(11.27)
(e) Loss on Treasury Shares Acquired	(1.30)	(0.91)
(f) Capital Reserve	0.21	0.21
(g) Capital Redemption Reserve	0.25	0.25
(h) Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	0.50	0.50
(i) Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	42.25	42.25
(j) Share Option Outstanding Account	2.65	2.64
<b>Total</b>	<b>3,560.43</b>	<b>2,632.91</b>
<b>Other Comprehensive Income:</b>		
(k) Exchange Differences on Translation of Foreign Operations	(55.41)	(34.26)
(l) Cash flow Hedging Reserve	(381.93)	(131.62)
<b>Total</b>	<b>(437.34)</b>	<b>(165.88)</b>
<b>Other Equity</b>	<b>3,123.09</b>	<b>2,467.03</b>

\* For movement during the year refer Statement of Changes in Equity.

**Description of Nature and Purpose of each Reserve**

(a) **Securities Premium**

Securities Premium represents amount received on issue of shares in excess of the par value. Utilisation of reserve will be as per the provisions of the relevant statute.

(b) **Retained Earnings**

Retained earnings comprises of prior years as well as current year's undistributed earnings after taxes.

(c) **General Reserve**

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

(d) **Treasury Shares**

Treasury shares represents equity shares of the Parent Company acquired by CFCL Employees Welfare Trust from the Secondary market to allocate or transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the CFCL Employees Stock Option Scheme, 2010.

(e) **Loss on Treasury Shares**

Loss on treasury shares acquired represents the amount of loss incurred by CFCL Employees Welfare Trust, on the transfer of equity shares to the eligible employees of the Parent Company as per CFCL Employees Stock Option Scheme, 2010.

(f) **Capital Reserve**

Capital reserve represents the amount on account of forfeiture of equity shares of the Parent Company. Utilisation of reserve will be as per the provisions of the relevant statute.

(g) **Capital Redemption Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. Utilisation of reserve will be as per the provisions of the relevant statute.

(h) & (i) **Tonnage Tax Reserve and Tonnage Tax Reserve (utilised) under Section 115VT of the Income Tax Act, 1961**

These reserves were created till the time erstwhile 'Shipping Division' of the Parent Company was under tonnage tax regime.

(j) **Share Option Outstanding Account**

Share option outstanding account is used to recognise the grant date fair value of options issued to employees under the CFCL Employees Stock Option Scheme, 2010. In respect of the subsidiary company, the reserve is used to recognise the grant date fair value of options issued to employees under the 2007 Share Option Plan. Refer to note 36 for further details of the plans.

(k) **Exchange Differences on Translation of Foreign Operations**

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

(l) **Cash Flow Hedging Reserve**

The Parent Company uses hedging instrument as part of its management of foreign currency risk associated with its highly probable forecast sale. Foreign currency risk associated with highly forecasted sale transaction is being hedged by taking foreign currency loan.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 11 : FINANCIAL LIABILITIES</b>		
<b>Note 11A: Non Current Borrowings</b>		
<b>Secured Loans:</b>		
Term Loans :		
- External Commercial Borrowings	3,455.71	2,916.86
- Foreign Currency Loans from Financial Institution	1,224.43	1,266.51
- Rupee Loan from Bank	-	99.82
Finance Lease Obligations (refer (B) iv below)	-	0.99
	<b>4,680.14</b>	<b>4,284.18</b>
<b>Unsecured Loans:</b>		
Term Loan:		
- Rupee Loan from Bank (refer (B) v below)	-	100.00
- Redeemable Preference Shares	417.42	381.51
	<b>5,097.56</b>	<b>4,765.69</b>
Less : Current Maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note 14C)	705.53	351.44
<b>Non-Current Borrowings (as per Balance Sheet)</b>	<b>4,392.03</b>	<b>4,414.25</b>
<b>(A) Details of Borrowings and Transaction Costs</b>		
<b>(i) External Commercial Borrowings</b>		
External Commercial Borrowings (refer (B) i below)	3,482.60	2,945.00
Less: Transaction Costs	26.89	28.14
<b>Carrying Value of External Commercial Borrowings</b>	<b>3,455.71</b>	<b>2,916.86</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(ii) Foreign Currency Loans from Financial Institution</b>		
Foreign Currency Loans from Financial Institution (refer (B) ii below)	1,235.18	1,279.44
Less: Transaction Costs	10.75	12.93
<b>Carrying Value of Foreign Currency Loans from Financial Institution</b>	<b>1,224.43</b>	<b>1,266.51</b>
<b>(iii) Rupee Term Loan from Bank</b>		
Rupee Term Loan from Bank (refer (B) iii below)	-	100.00
Less: Transaction Costs	-	0.18
<b>Carrying Value of Rupee Term Loan from Bank</b>	<b>-</b>	<b>99.82</b>

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

- i. External Commercial Borrowings ("ECB") from banks of USD 46.02 Crore (Rs.3,482.60 Crore including current maturity of Rs.540.84 Crore) (Previous Year Rs.2,945.00 Crore including current maturity of Rs.188.66 Crore) carry interest in the range of 3 months LIBOR plus 1.94% - 2.30% per annum. ECB amounting to USD 38.52 Crore (Rs.2,915.07 Crore including current maturity of Rs.465.17 Crore) are repayable in 11 half yearly instalments starting from September 30, 2020. ECB amounting to USD 7.50 Crore (Rs.567.53 Crore including current maturity of Rs.75.67 Crore) are repayable in 15 equal half yearly instalments starting from September 30, 2020. These ECBs are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Parent Company and hypothecation of the movable fixed assets of the Parent Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- ii. Foreign currency term loans from a financial institution of USD 16.32 Crore (Rs.1,235.18 Crore including current maturity of Rs.164.69 Crore) (Previous Year: Rs.1,279.44 Crore including current maturity of Rs.150.52 Crore) carry interest in the range of 3 month LIBOR plus 2.30% per annum. These term loans are repayable in 15 equal half yearly instalments starting from September 30, 2020. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Parent Company and hypothecation of the movable fixed assets of the Parent Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iii. Rupee term loan from bank of Rs 100.00 Crore has been repaid during the year which carried interest at the rate of one year Marginal cost of funds based lending rate ("MCLR") of the lender plus 0.85% per annum. The loan was secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Parent Company and hypothecation of the movable fixed assets of the Parent Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iv. The step down subsidiary of the Parent Company had a finance lease obligation of Rs.0.99 Crore which has been repaid during the year and carried fixed rate of interest and was repayable in 24 and 36 equal instalments. The obligations under finance leases were secured granting the lessor a first priority interest on the leased assets.
- v. Unsecured Rupee Term Loan from bank of Rs.100.00 Crore has been repaid during the year which carried interest at the rate of one year MCLR of the lender i.e. 8.60% per annum.

**(C) Redeemable Preference Shares**

In respect of redeemable preference shares issued by a subsidiary of the Parent Company, as the Group has an obligation to deliver a number of its equity instruments which may vary based on the fair value of the preference shares on the date of redemption, the contractual obligation has been construed as a financial liability. Refer note 33 for the details regarding rights, preference and restrictions attached to the redeemable preference shares.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 11B : Other Non Current Financial Liabilities</b>		
Earnest Money / Security Deposits	-	0.20
	-	0.20
<b>NOTE 12 : LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
- Gratuity (refer note 32)	6.65	3.31
- Post Retirement Medical Benefits (refer note 32)	4.91	4.04
	<b>11.56</b>	<b>7.35</b>

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>NOTE 13 : OTHER NON CURRENT LIABILITIES</b>		
Other Employee Benefit Obligations	3.33	3.23
	<b>3.33</b>	<b>3.23</b>
<b>NOTE 14 : FINANCIAL LIABILITIES</b>		
<b>Note 14A : Current Borrowings</b>		
<b>Secured Loans:</b>		
<b>From Banks:</b>		
- Rupee Loans (refer i below)	1,999.16	700.09
- Cash Credit Facilities (refer ii below)	-	1,401.68
- Foreign Currency Loans (refer iii below)	412.92	511.02
<b>Unsecured Loans:</b>		
Commercial Papers (refer iv below)	1,925.00	350.00
<b>From Banks:</b>		
- Line of Credit Facility (refer v below)	60.53	117.57
- Foreign Currency Loans (refer vi below)	596.55	682.17
- Rupee Loans (refer vii below)	-	517.00
	<b>4,994.16</b>	<b>4,279.53</b>

- i. Rupee Loan from Banks of Rs. 1,999.16 Crore (Previous Year : Rs. 700.09 Crore) carry interest in the range of 6.15% - 7.60% per annum. Out of these, loan amounting Rs.1,274.16 Crore (Previous Year: Rs.700.09 Crore) from a bank has been under Special Banking Arrangement against the subsidy on Indigenous Urea and P&K Fertilisers receivable from Government of India. The Bank has charged interest at the rate of 6.15% per annum payable directly by Government of India to the bank. The loan is secured by hypothecation of subsidy receivables upto Rs.1,274.16 Crore (Previous Year: Rs.700.09 Crore) from Government of India. The loan is repayable within 60 days. Further, Working Capital Demand Loans of Rs. 725.00 Crore (Previous Year: Nil) from banks are secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both present and future. These loans are further secured by second charge on the immovable properties of the Parent Company. The loans are repayable on demand.
- ii. Cash credit facilities of Rs 1,401.68 Crore from banks has been repaid during the year which carried interest in the range of 8.70% - 9.30% per annum. These loans were secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both present and future. These loans were further secured by second charge on all the immovable properties of the Parent Company. The facilities were repayable on demand.
- iii. Foreign Currency Loans from Banks of Rs.412.92 Crore (Previous Year: Rs.511.02 Crore) carry interest in the range of 1.19%-2.08% per annum. Out of these, loans amounting to Rs.162.80 Crore (Previous Year: Rs.119.27 Crore) are secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both present and future and further secured by second charge on all the immovable properties of the Parent Company. These loans are repayable within 246 days to 251 days from the drawdown/ availment. Further, foreign currency loans amounting to Rs.250.12 Crore (Previous Year: Rs.391.75 Crore) are secured by second charge on the Parent Company's current assets. These loans are repayable within 147 days to 168 days from the drawdown/ availment.
- iv. Unsecured Commercial Papers of Rs.1,925.00 Crore (Previous Year Rs.350.00 Crore) carry interest in the range of 5.59% - 5.85% per annum. The commercial papers have a tenure of 60 days to 90 days.
- v. The step-down subsidiary of the Parent Company has an unsecured line of credit of Rs. 60.53 Crore (Previous Year: Rs.117.57 Crore) carrying interest rate of 5.05% per annum (6 months LIBOR plus spread 3.15% per annum).
- vi. Unsecured foreign currency loans of Rs.596.55 Crore (Previous Year: Rs.682.17 Crore) carry interest in the range of 1.19% - 2.12% per annum. These loans are repayable within 144 days to 263 days from the drawdown/ availment.
- vii. Unsecured Rupee Loans of Rs. 517.00 Crore has been repaid during the year which carried interest in the range of 6.80%-8.60% per annum.

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 14B : Trade Payables</b>		
Trade Payables	541.50	988.17
	<b>541.50</b>	<b>988.17</b>
<b>Note 14C : Other Financial Liabilities</b>		
Current Maturity of Long Term Borrowings (refer note 11A)	705.53	351.44
Interest Accrued but not due on Borrowings	7.71	13.74
Earnest Money / Security Deposits	178.26	150.35
Accrued Employee Liabilities (including payable to Key Management Personnel) (refer note 31)	26.42	30.98
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
-Unpaid Dividend	17.45	12.55
Payable for Capital Goods	95.82	601.39
Derivative Financial Liabilities	30.53	23.20
Warrants (refer note 33)	0.00	0.00
Others*	5.36	-
	<b>1,067.08</b>	<b>1,183.65</b>
* Represents net amount collected by CFCL Ventures Limited, a subsidiary of the Parent Company on behalf of the buyer towards post sale of assets and transfer of liabilities. (refer note 47(A))		
<b>Terms and Conditions of the above Financial Liabilities:</b>		
- Trade and Other Financial Liabilities (other than Security deposit and current maturity of Long Term Borrowings) are non-interest bearing. For maturity profile of trade payables and other financial liabilities, refer note 44.		
<b>NOTE 15 : OTHER CURRENT LIABILITIES</b>		
Advance from Customers *	16.91	7.38
Unearned Revenue	-	9.84
Statutory Obligations Payable	10.92	16.74
Other Employee Benefit Obligations	0.25	0.26
Other Liabilities :		
- Dues to Related Parties (refer note 31)	0.29	0.27
- Others	0.16	2.48
	<b>28.53</b>	<b>36.97</b>
* These represent contract liabilities arising from contracts with customers. The amount pertaining to balance at the beginning of the current year have been recognised as revenue during the year.		
<b>NOTE 16 : CURRENT PROVISIONS</b>		
Provision for Employees Benefits:		
- Gratuity (refer note 32)	3.68	3.53
- Leave Encashment / Liabilities	33.47	30.19
- Post Retirement Medical Benefits (refer note 32)	0.17	0.15
	<b>37.32</b>	<b>33.87</b>



## NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>NOTE 17 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Sale of Own Manufactured Products {including Rs.6,378.41 Crore (Previous Year: Rs. 4,815.67 Crore) Subsidy on Fertilisers}	8,145.20	6,247.02
Sale of Traded Products {including Rs.1,350.89 Crore (Previous Year: Rs. 1,181.50 Crore) Subsidy on Fertilisers}	4,059.46	3,847.22
<b>Other Operating Revenues</b>		
Others (spillage)	1.29	0.28
<b>Revenue from Operations</b>	<b>12,205.95</b>	<b>10,094.52</b>
<b>NOTE 18 : OTHER INCOME</b>		
Interest on:		
- Fertilisers Bonds	0.00	0.00
- Employees Loans	0.03	0.02
- Income Tax Refunds	2.23	1.11
- Deposits (Refer note 29)	10.57	1.06
- Payment from Customers	4.81	17.39
- Current Investments	-	6.19
- Other including deposits with Government Authorities	1.67	0.32
Dividend Income on Non Current Investment	0.00	0.01
Rent Received	0.14	0.23
Insurance Claims Received	28.73	10.30
Liabilities no Longer Required Written Back	0.31	14.13
Recoveries from Contractor	1.03	18.70
Sale of Scrap	2.79	1.39
Miscellaneous Income	5.86	6.23
Other Gains/ (Losses) :		
- Mark to Market Gain/ (Loss) on Derivative Transactions	30.38	(23.15)
- Gain on Sale of Current Investments	18.01	24.41
- Gain on Disposal of Property, Plant and Equipment (Net)	-	0.20
	<b>106.56</b>	<b>78.54</b>
<b>NOTE 19 : COST OF MATERIALS CONSUMED</b>		
Opening Inventories	1.02	0.74
Add: Purchases	3,773.86	2,785.91
Less: Closing Inventories	1.67	1.02
	<b>3,773.21</b>	<b>2,785.63</b>
<b>NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
Closing Inventories		
- Work-in-Progress	9.09	12.47
- Finished Goods	343.83	115.50
- Traded Goods	676.68	1,110.29
	<b>1,029.60</b>	<b>1,238.26</b>

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Inventories		
- Work-in-Progress	12.47	5.67
- Finished Goods	115.50	238.43
- Traded Goods	1,110.29	474.24
	<b>1,238.26</b>	<b>718.34</b>
Inventory capitalised during the previous year	-	9.28
<b>Decrease /(Increase) in Inventories</b>	<b>208.66</b>	<b>(510.64)</b>
<b>NOTE 21 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus*	138.36	112.07
Contribution to Provident and Other Funds*	7.81	6.55
Gratuity Expense (refer note 32)	2.80	2.54
Post Retirement Medical Benefits (refer note 32)	0.51	0.40
Workmen and Staff Welfare Expenses	6.54	5.26
	<b>156.02</b>	<b>126.82</b>
*Refer note 29		
<b>NOTE 22 : FINANCE COSTS</b>		
Interest (including Interest on Income Tax : Rs.1.20 Crore (Previous Year : Rs.0.10 Crore))*	431.14	200.68
Bank Charges and Guarantee Commission *	18.84	8.91
Exchange Differences regarded as an adjustment to Borrowing Costs	52.65	36.08
	<b>502.63</b>	<b>245.67</b>
* Refer note 29		
<b>NOTE 23 : OTHER EXPENSES</b>		
Consumption of Stores and Spares	30.52	20.06
Consumption of Packing Materials	93.73	80.00
Bagging and Other Services	19.07	13.13
Power and Fuel	2,113.57	1,767.89
Catalyst Charges Written Off	7.45	6.64
Rent (refer note 35)*	22.85	23.74
Rates and Taxes	0.98	0.80
Insurance*	25.78	11.37
Repairs and Maintenance:		
- Plant and Equipment	33.55	16.97
- Buildings	4.30	3.42
- Others	13.44	10.96
Director's Sitting Fees	0.31	0.18
Travelling and Conveyance*	8.07	8.46
Communication Costs	0.97	0.96
Printing and Stationery	0.34	0.32
Legal and Professional Fees*	4.20	3.75
Auditor's Remuneration		
As auditor:		
- Audit Fee	0.39	0.29
- Tax Audit Fee	0.06	0.06
- Limited Review Fee	0.24	0.18
- Certification and other services	0.23	0.27
- Out of Pocket Expenses	0.06	0.07
Freight and Forwarding Charges	682.79	628.53
Other Selling Expenses	3.28	3.41
Corporate Social Responsibility Expenditure	15.33	12.66

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depletion of Loose Tools	0.33	0.25
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	21.50	10.50
Green Belt Development/ Horticulture Expenses	2.78	2.56
Allowance for Doubtful Debts and Advances (Net)	14.72	15.39
Loss on Foreign Exchange Variation (Net)	77.87	15.98
Impairment Loss on Property, Plant and Equipment	17.79	-
Loss on Disposal / Write off of Property, Plant and Equipment (Net)	22.73	-
Bank Charges and Guarantee Commission (other than Financing)	1.23	1.28
Inventory Written Off	2.09	-
Irrecoverable Balances Written Off	2.01	1.46
Less: Allowance for Doubtful Debts and Advances adjusted out of above	1.00	1.40
Miscellaneous Expenses *	14.65	13.30
	<b>3,258.21</b>	<b>2,673.44</b>
* Refer note 29		
<b>NOTE 24 : EXCEPTIONAL ITEMS</b>		
Reversal of subsidy income accrued during the earlier years due to change in Modified NPS III Policy (refer note 52)	91.70	-
Allowance for Doubtful Debts (refer note 52)	(197.27)	197.27
	<b>(105.57)</b>	<b>197.27</b>
<b>NOTE 25 : EARNINGS PER SHARE (EPS)</b>		
<b>(i) Continuing Operations</b>		
Net Profit as per Consolidated Statement of Profit and Loss	1,226.62	598.55
Add : Loss for the Year attributable to Non-Controlling Interests	-	-
<b>Profit attributable to Equity Holders of the Parent Company:</b>	<b>1,226.62</b>	<b>598.55</b>
Calculation of Weighted Average Number of Equity Shares		
- Number of Equity Shares at the beginning of the Year	416,207,852	416,207,852
- Total Equity Shares Outstanding at the end of the Year	416,207,852	416,207,852
- Weighted average Number of Equity Shares Outstanding during the Year	416,207,852	416,207,852
Basic and Diluted Earnings Per Share (in Rs.)*	29.47	14.38
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
<b>(ii) Discontinued Operations</b>		
Net Profit as per Consolidated Statement of Profit and Loss	(1.06)	(13.70)
Add : Loss for the Year attributable to Non-Controlling Interests	0.63	5.36
<b>Profit attributable to Equity Holders of the Parent Company:</b>	<b>(0.43)</b>	<b>(8.34)</b>
Calculation of Weighted Average Number of Equity Shares		
- Number of Shares at the beginning of the Year	416,207,852	416,207,852
- Total Equity Shares outstanding at the end of the Year	416,207,852	416,207,852
- Weighted average number of Equity Shares Outstanding during the Year	416,207,852	416,207,852
Basic and Diluted Earnings Per Share (in Rs.)*	(0.01)	(0.20)
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
<b>(iii) Continuing and Discontinued Operations</b>		
Net Profit as per Consolidated Statement of Profit and Loss	1,225.56	584.85
Add : Loss for the Year attributable to Non-Controlling Interests	0.63	5.36
<b>Profit attributable to Equity Holders of the Parent Company:</b>	<b>1,226.19</b>	<b>590.21</b>
Calculation of weighted average number of Equity Shares		
- Number of Equity Shares at the beginning of the Year	416,207,852	416,207,852
- Total Equity Shares outstanding at the end of the Year	416,207,852	416,207,852
- Weighted average number of Equity Shares Outstanding during the year	416,207,852	416,207,852
Basic and Diluted Earnings Per Share (in Rs.)*	29.46	14.18
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

\* There are no dilutive potential equity shares.

26. The Group comprises of the following entities:

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at March 31, 2020	Percentage of Ownership as at March 31, 2019
<b>A. Subsidiaries</b>			
CFCL Ventures Limited (CVL)	Cayman Islands	72.27%	72.27%
Chambal Infrastructure Ventures Limited	India	100.00%	100.00%
India Steamship Pte Ltd. *	Singapore	100.00%	100.00%
India Steamship International FZE (Liquidated with effect from February 28, 2019)	UAE	Not Applicable	Not Applicable
India Steamship Limited (Under Liquidation) ***	India	100.00%	100.00%
<b>Subsidiaries of CVL</b>			
ISGN Corporation **	U.S.A	100.00%	100.00%
ISG Novasoft Technologies Limited **	India	100.00%	100.00%
Inuva Info Management Private Limited (Under Liquidation) **/***/#	India	71.00%	71.00%
<b>B. Joint Venture</b>			
Indo Maroc Phosphore S.A. - IMACID	Morocco	33.33%	33.33%

\* Dissolved on April 06, 2020

\*\* Percentage of ownership of CVL

\*\*\* The respective liquidators of these subsidiaries completely liquidated the assets thereof during the financial year 2019-20 and these subsidiaries are in the process of voluntary liquidation. Parent Company has no control over these subsidiaries.

# Subsidiary of ISG Novasoft Technologies Limited

27. Contingent Liabilities and Contingent Assets:

(i) Contingent Liabilities (not provided for)

(a) In respect of Parent Company :

(Rs. in Crore)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Parent Company *	91.91	2.79
(ii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	0.01	0.01
(iii)	Various labour cases	Amount not ascertainable	Amount not ascertainable
(iv)	Other claims against the Parent Company not acknowledged as debts	0.08	0.08

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

(Rs. in Crore)

<b>1.</b>	<b>Income Tax :</b>		
	(a) Demand raised by IT authorities on account of various disallowances for assessment year 2011-12	0.03	0.67
	(b) Demand raised by IT authorities on account of various disallowances for assessment year 2012-13	-	1.54
	(c) Demand raised by IT authorities on account of various disallowances for assessment year 2017-18	10.36	-
	(d) Demand raised by IT authorities on account of various disallowances for assessment year 2018-19	66.43	-
	(e) Demand raised by IT authorities on account of various disallowances for assessment year 2019-20	8.53	-
	(f) Demand raised by IT authorities on account of various disallowances for assessment year 2020-21	6.29	-

(Rs. in Crore)

<b>2. Service Tax :</b>		
(a) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June, 2012 (including penalty and interest).	-	0.31
(b) Demand (including penalty) plus interest at the appropriate rate raised in respect of service tax not paid on payments made in foreign currency to foreign parties, treating all such payments as taxable, which is being contested by the erstwhile Shipping Division of the Parent Company.	0.27	0.27
<b>Total</b>	<b>91.91</b>	<b>2.79</b>

- (v) The Parent Company had received a demand of Rs.3.52 Crore plus penalty (Previous Year: Rs.3.52 Crore) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Parent Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 13th July, 2001 (1996-97 to 1997-98) and on 17th August, 2001 (1998-99 to 2001-02 – Upto May 2001). However, in the event of the Parent Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / Government of India under Subsidy Scheme.
- (vi) The Parent Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited, informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by FICC under Subsidy Scheme.
- (vii) The Parent Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited, informing about the possibility of levy of Central Sales Tax. The Parent Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Parent Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by FICC under Subsidy Scheme.
- (viii) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to August 31, 2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Parent Company was 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.73.80 Crore (Previous Year: Rs.73.80 Crore) for non compliance of the provisions of the said Act. The Parent Company has obtained a stay order from Delhi High Court against the above show cause notice and on the basis of the stay order the Parent Company is of the view that the said levy is not tenable in law and accordingly no provision has been considered. Based on favorable decisions in similar cases, legal opinion taken by the Parent Company, discussions with the solicitors, etc., the Parent Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (i) to (viii) above and hence no provision is considered necessary against the same.

**(b) In respect of Subsidiaries :**

Claims lodged / suits filed against Subsidiary of the Parent Company by customers are as given below.

The details of the cases, the amount of claim (wherever quantifiable) and the subsidiary of the Group involved are as below:

**ISG Novasoft Technologies Limited (ISGN India)**

(Rs. in Crore)

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Income tax demands, under appeal [refer Note (i) below] USD 29,85,331 (Previous Year: USD 35,15,391)	22.59	24.31
2	Others [refer Note (ii) below] Nil (Previous Year: USD 2,42,915)	-	1.68

- (i) In respect of ISGN India, the tax authorities have made various adjustments relating to transfer pricing and other disallowances to taxable income for various assessment years i.e.2009-10 to 2018-19 (Corresponding period of the previous Year : 2007-2008 to 2014-15).
- (ii) These include deposits placed by ISGN India with the High Court of Madras, India towards an employee claim against it pending at the court, which was got realised during the year.

The Group is contesting aforesaid demands and the management, based on external advise, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the aforesaid demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations. The Group does not expect any reimbursements in respect of the above contingent liabilities.

(ii) **Contingent Assets (not recognised for) in respect of Parent Company:** (Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Un-utilised Cenvat Credit	3.06	3.22

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

**28. Capital Commitments:** (Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	113.12	67.23

**29. Capitalisation of Expenditure**

**-Parent Company**

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

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.41	285.10
<b>Add : Expenditure during the year</b>		
Salaries, Wages and Bonus	-	11.43
Contribution to Provident and Other Funds	-	0.56
Travelling and Conveyance	-	0.33
Legal and Professional Fees	-	0.16
Interest *	0.07	209.72
Other Finance Costs	-	5.44
Bank Charges	-	0.10
Construction of Enabling Asset - Anicut	-	1.75
Start up and Commissioning Expenses	-	210.30
Miscellaneous Expenses	-	0.84
<b>Total Expenditure</b>	<b>0.48</b>	<b>725.73</b>
Less: Interest Income on Deposits	-	(2.54)
Add: Current Tax	-	0.89
Less: Deferred Tax	-	(0.89)
<b>Net Expenditure</b>	<b>0.48</b>	<b>723.19</b>
Less: Allocated to Property, Plant and Equipment **	-	(722.78)
<b>Capitalisation of Expenditure (pending for Allocation)</b>	<b>0.48</b>	<b>0.41</b>

\* Interest comprises of:

- (i) Nil (Previous Year : Rs.147.36 Crore) on specific borrowings taken for Gadepan-III Plant; and
- (ii) Rs. 0.07 Crore (Previous Year : Rs. 62.36 Crore) on general borrowings for other qualifying assets (Previous Year: Gadepan-III Plant and Other qualifying assets) using the weighted average interest rate applicable during the year which is 6.04% per annum (Previous Year: 7.19% per annum).

\*\* represents capitalisation of Gadepan-III Plant during the Previous Year.

### -Subsidiary Company

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

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	<b>12.74</b>	<b>5.92</b>
<b>Add : Expenditure during the year</b>		
Employee Benefits Expense	16.66	20.68
Repairs & Maintenance- Others	-	0.41
<b>Total Expenditure during the year</b>	<b>16.66</b>	<b>21.09</b>
Less: Allocated to Intangible Assets	(15.92)	(14.56)
Exchange Differences	0.32	0.29
Deletion During the year	(13.80)	-
<b>Closing Balance</b>	<b>-</b>	<b>12.74</b>

### 30. Segment Information

#### Operating Segment

The Managing Director and Chief Financial Officer of the Parent Company has been identified as the chief operating decision maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.

The Group's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The two identifiable reportable segments are viz. Fertilisers and other Agri-inputs, Software & others. A description of the types of products and services provided by each reportable segment is as follows:

'Fertilisers and other Agri-inputs segment' includes manufacturing / marketing of Fertilisers and other Agri-Inputs.

'Software & others segment' includes software business and other activities of the Group. The software business has been discontinued. Information about this discontinued business is provided in note 47(A).

(Rs. in Crore)

Particulars	Fertilisers and Other Agri-inputs		Software and Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>						
External Revenue (including other operating revenue)	12,205.95	10,094.52	-	-	12,205.95	10,094.52
Inter Segment Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>12,205.95</b>	<b>10,094.52</b>	<b>-</b>	<b>-</b>	<b>12,205.95</b>	<b>10,094.52</b>
<b>Income/ Expense</b>						
Depreciation and Amortisation Expenses	286.86	118.76	-	-	286.86	118.76
<b>Segment Profit/ (Loss)</b>	<b>1,827.12</b>	<b>935.33</b>	<b>0.13</b>	<b>(0.36)</b>	<b>1,827.25</b>	<b>934.97</b>
<b>Total Assets</b>	<b>14,118.93</b>	<b>13,435.77</b>	<b>28.73</b>	<b>108.52</b>	<b>14,147.66</b>	<b>13,544.29</b>
<b>Total Liabilities</b>	<b>988.22</b>	<b>1,857.66</b>	<b>9.08</b>	<b>30.59</b>	<b>997.30</b>	<b>1,888.25</b>
<b>Other Disclosures</b>						
Capital Expenditure	161.39	1,779.88	3.18	22.79	164.57	1,802.67

## Reconciliations to amounts reflected in the financial statements

### Reconciliation of Profit

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Segment Profit</b>	<b>1,827.25</b>	<b>934.97</b>
<b>Reconciliation Items:-</b>		
Interest Income	3.92	26.07
Dividend Income	-	0.01
Gain on Sale of Investments	18.01	24.41
Fair value loss on Financial Instrument measured at Fair Value through Profit or Loss	(21.50)	(10.50)
Finance Costs	(502.63)	(245.67)
Share of Net Profit of a Joint Venture accounted for using the Equity Method	3.01	116.68
<b>Profit Before Tax from Continuing Operations</b>	<b>1,328.06</b>	<b>845.97</b>

### Reconciliation of Assets

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Segment Operating Assets</b>	<b>14,147.66</b>	<b>13,544.29</b>
Investments Accounted for Using the Equity Method	217.14	275.68
Non-Current Investments	0.02	0.02
Current Investments	-	24.50
Non Current Tax Assets (Net)	129.77	79.89
Current Tax Assets (Net)	-	0.34
Deferred Tax Assets (Net)	37.55	1.15
Other Unallocable Assets	0.38	0.40
Assets Classified as Held for Sale {refer note 47(B)}	0.15	-
<b>Total Assets</b>	<b>14,532.67</b>	<b>13,926.27</b>

### Reconciliation of Liabilities

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Segment Operating Liabilities</b>	<b>997.30</b>	<b>1,888.25</b>
Long-Term Borrowings	4,392.03	4,414.25
Deferred Tax Liabilities (Net)	-	190.52
Short-Term Borrowings	4,994.16	4,279.53
Current Maturities of Long Term borrowings	705.53	351.44
Other Unallocable Liabilities	12.57	17.02
<b>Total Liabilities</b>	<b>11,101.59</b>	<b>11,141.01</b>

The following table provides an analysis of the Group's revenue from external customers in respect of continuing operations by geography in which the customer is located, irrespective of the origin of the goods:

(Rs. in Crore)

Particulars	2019-20	2018-19
India	12,205.95	10,094.52
Outside India	-	-
<b>Total Revenue as per Consolidated Statement of Profit and Loss</b>	<b>12,205.95</b>	<b>10,094.52</b>

The Group has common Property, Plant and Equipment (PPE) and Intangible Assets for producing goods/ providing services in India and Outside India. Hence, separate figures for PPE & Intangible Assets / additions to PPE and Intangible Assets have not been furnished.

For impact of adoption of Ind AS 116, Leases refer note 35.



**31. Related Party Transactions**

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

**I Related Party Name and Relationship**
**(A) Subsidiaries**

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

\* Dissolved on April 06, 2020

# Subsidiaries of CFCL Ventures Limited.

## Subsidiary of ISG Novasoft Technologies Limited.

**(B) Joint Venture**

Indo Maroc Phosphore, S.A. - IMACID

**(C) Post Employment Benefit Plans**

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

**(D) Key Management Personnel**

S.No.	Name	Designation
1	Mr. Saroj Kumar Poddar	Non-Executive Chairman
2	Mr. Pradeep Jyoti Banerjee	Independent - Non-Executive Director (Appointed with effect from December 01, 2019)
3	Mr. Shyam Sunder Bhartia	Non-Executive Director
4	Mr. Nimesh Nagindas Kampani	Independent - Non-Executive Director
5	Mr. Anil Kapoor	Managing Director
6	Mr. Gaurav Mathur	Joint Managing Director (Appointed with effect from January 06, 2020)
7	Mr. Vivek Mehra	Independent - Non-Executive Director
8	Mr. Aditya Narayan	Independent - Non-Executive Director (Ceased to be director on September 18, 2018)
9	Mr. Chandra Shekhar Nopany	Non-Executive Director
10	Ms. Radha Singh	Independent - Non-Executive Director
11	Mr. Marco Philippus Ardeshir Wadia	Independent - Non-Executive Director
12	Mr. Abhay Bajjal	Chief Financial Officer
13	Mr. Rajveer Singh	Company Secretary

**II Transaction with the Related Parties-**
**(A) Joint Venture**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Reimbursement of Expenses</b>		
Indo Maroc Phosphore, S.A. - IMACID	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

**(B) Post Employment Benefit Plans**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Contribution Paid/Payable</b>		
- CFCL Employees' Provident Fund	4.40	4.06
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	0.84	0.92
- India Steamship Staff Provident Fund	0.02	0.02
- ISG Novasoft Technologies Limited Employees Group Gratuity Trust	0.47	-
<b>Total</b>	<b>5.73</b>	<b>5.00</b>

**(C) Key Management Personnel**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Compensation **</b>		
<b>-Short Term Employee Benefits:</b>		
Mr. Anil Kapoor	6.12	5.33
Mr. Gaurav Mathur	1.01	-
Mr. Abhay Bajjal	1.36	1.24
Mr. Rajveer Singh	0.74	0.65
<b>-Share Based Payments:</b>		
Mr. Anil Kapoor	0.56	-
Mr. Abhay Bajjal	0.17	-
Mr. Rajveer Singh	0.06	0.03
<b>Total</b>	<b>10.02</b>	<b>7.25</b>
<b>Interest Income on Loan</b>		
Mr. Anil Kapoor	-	0.00
<b>Total</b>	<b>-</b>	<b>0.00</b>
<b>Repayment of Loan</b>		
Mr. Anil Kapoor	-	0.02
<b>Total</b>	<b>-</b>	<b>0.02</b>
<b>Commission to Non-Executive Directors</b>		
Mr. Saroj Kumar Poddar	0.05	0.05
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.05	0.05
Mr. Vivek Mehra	0.05	0.03
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.05	0.05
Ms. Radha Singh	0.05	0.05
Mr. Marco Philipppus Ardeshir Wadia	0.05	0.05
<b>Total</b>	<b>0.32</b>	<b>0.30</b>
<b>Sitting Fees to Non-Executive Directors</b>		
Mr. Saroj Kumar Poddar	0.03	0.02
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.04	0.02
Mr. Vivek Mehra	0.05	0.02
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.04	0.03
Ms. Radha Singh	0.07	0.05
Mr. Marco Philipppus Ardeshir Wadia	0.06	0.04

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

**III Outstanding Balances from Related Parties**
**(A) Joint Venture**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Financial Assets</b>		
Indo Maroc Phosphore, S.A. - IMACID	0.05	0.08
<b>Total</b>	<b>0.05</b>	<b>0.08</b>

**(B) Post Employment Benefit Plans**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Liabilities</b>		
CFCL Employees' Provident Fund	0.38	0.34
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	0.05	0.08
India Steamship Staff Provident Fund	0.00	0.00
<b>Total</b>	<b>0.43</b>	<b>0.42</b>
<b>Other Current Assets</b>		
India Steamship Staff Gratuity Insurance Scheme	-	0.42
<b>Total</b>	<b>-</b>	<b>0.42</b>

**(C) Key Management Personnel**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Financial Liabilities</b>		
Mr. Anil Kapoor	0.00	-
<b>Total</b>	<b>0.00</b>	<b>-</b>
<b>Other Current Liabilities</b>		
Mr. Saroj Kumar Poddar	0.05	0.05
Mr. Pradeep Jyoti Banerjee	0.02	-
Mr. Nimesh Nagindas Kampani	0.05	0.05
Mr. Vivek Mehra	0.05	0.02
Mr. Aditya Narayan	-	0.02
Mr. Chandra Shekhar Nopany	0.05	0.05
Ms. Radha Singh	0.05	0.05
Mr. Marco Philipppus Ardeshir Wadia	0.05	0.05

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

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

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

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

Key Management Personnel	Grant date	Expiry Period (Financial Year)	Exercise Price (in Rs.)	As at March 31, 2020 Number Outstanding	As at March 31, 2019 Number Outstanding
Mr. Anil Kapoor	September 16, 2010	2022-2023 to 2023-2024	73.50	70,000	139,000
Mr. Abhay Baijal	September 16, 2010	2021-2022 to 2023-2024	73.50	67,000	90,000
Mr. Rajveer Singh	September 16, 2010	2021-2022 to 2023-2024	73.50	42,000	51,000
<b>Total</b>				<b>179,000</b>	<b>280,000</b>

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

**32. Gratuity and Other Post-Employment Benefit Plans:**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity Plan - (Liability)	(10.30)	(6.84)
Provident Fund - Asset *	5.44	2.71
Post Retirement Medical Benefits Plan - (Liability)	(5.08)	(4.19)

\* Plan asset of Rs.5.44 Crore (Previous year: Rs.2.71 Crore) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

**a) Gratuity**

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

- (i) (A) In case of retirement or death while in service, the gratuity will be payable as under:
  - i) Completed continuous service of 5 years and above upto 20 years – gratuity equivalent to 15 days last drawn salary for each completed year of service.
  - ii) Completed continuous service of above 20 years – gratuity equivalent to 15 days last drawn salary for first 20 years and 20 days last drawn salary for each completed year of service after 20 years.
- (B) In case of resignation or termination, where the employee has completed 5 years of continuous service with the Parent Company, gratuity equivalent to 15 days last drawn salary for each completed year of service shall be payable. The Scheme is funded with insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees.
- (ii) In case of erstwhile Shipping Division of the Parent Company, the Parent Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at the rate of 15 to 30 days last drawn salary for each completed year of service. The Scheme is funded with insurance companies in the form of qualifying insurance policies except in the case of crew employees of the division. The fund has the form of a trust and it is governed by the Board of Trustees.
- (iii) In case of Software subsidiaries of the Group, a subsidiary has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at the rate of 15 days last drawn salary for each completed year of service. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other defined benefit gratuity plans.

**b) Post Retirement Medical Benefit Plan**

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

**c) Provident Fund**

The Parent Company has set up provident fund trust, which is managed by the Trustees. Provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and there is no shortfall as at March 31, 2020.

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

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

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funding status and amounts recognised in the balance sheet for the respective plans:

**Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2020:** (Rs. in Crore)

Particulars	As at April 1, 2019	Service Cost	Net Interest Expense	Sub-total included in Profit or Loss*	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial Changes arising from changes in Demographic Assumptions	Actuarial changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	Effects of Exchange Rate Changes	As at March 31, 2020
<b>(A) Gratuity Plan: *</b>														
Defined Benefit Obligation	(35.37)	(2.37)	(2.56)	(4.93)	4.48	-	-	-	(2.51)	(2.51)	-	-	(0.03)	(38.36)
Fair Value of Plan Assets	28.53	-	2.17	2.17	(4.11)	0.98	-	-	(0.05)	0.93	-	0.47	0.07	28.06
<b>Benefit (Liability)</b>	<b>(6.84)</b>			<b>(2.76)</b>	<b>0.37</b>					<b>(1.58)</b>		<b>0.47</b>	<b>0.04</b>	<b>(10.30)</b>
<b>(B) Post Retirement Medical Benefits Plan:</b>														
Defined Benefit Obligation	(4.19)	(0.19)	(0.32)	(0.51)	0.11	-	-	-	(0.49)	(0.49)	-	-	-	(5.08)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit (Liability)</b>	<b>(4.19)</b>			<b>(0.51)</b>	<b>0.11</b>					<b>(0.49)</b>				<b>(5.08)</b>

**Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2019:** (Rs. in Crore)

Particulars	As at April 1, 2018	Service Cost	Net Interest Expense	Sub-total included in Profit or Loss*	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial Changes arising from changes in Demographic Assumptions	Actuarial changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	Effects of Exchange Rate Changes	As at March 31, 2019
<b>(A) Gratuity Plan: *</b>														
Defined Benefit Obligation	(31.48)	(2.27)	(2.68)	(4.95)	1.76	-	-	0.01	(0.71)	(0.70)	-	-	(0.00)	(35.37)
Fair Value of Plan Assets	28.01	-	2.14	2.14	(1.75)	0.13	-	-	-	0.13	-	-	-	28.53
<b>Benefit (Liability)</b>	<b>(3.47)</b>			<b>(2.81)</b>	<b>0.01</b>					<b>(0.57)</b>			<b>(0.00)</b>	<b>(6.84)</b>
<b>(B) Post Retirement Medical Benefits Plan:</b>														
Defined Benefit Obligation	(3.21)	(0.15)	(0.25)	(0.40)	0.12	-	-	-	(0.70)	(0.70)	-	-	-	(4.19)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit (Liability)</b>	<b>(3.21)</b>			<b>(0.40)</b>	<b>0.12</b>					<b>(0.70)</b>				<b>(4.19)</b>

\* (Rs.0.04) Crore (Previous Year: Rs.0.27 Crore) included in Discontinued Operations in the Consolidated Profit and Loss in respect of Software Business of CFCL Ventures Limited (refer note 47(A))

**Provident Fund:**

**Changes in the Defined Benefit obligation and Fair Value of Plan Assets as at March 31, 2020 and March 31, 2019:**

(Rs. in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net Benefit Asset	Defined benefit obligation	Fair value of plan assets	Net Benefit Asset
<b>Opening Balance</b>	<b>(143.39)</b>	<b>146.10</b>	<b>2.71</b>	<b>(125.92)</b>	<b>129.04</b>	<b>3.12</b>
Service Cost	(4.42)	-	(4.42)	(4.08)	-	(4.08)
Net Interest Expense	(11.10)	0.28	(10.82)	(9.68)	(0.01)	(9.69)
Benefits Paid	17.79	(17.79)	-	7.88	(7.88)	-
Return on Plan Assets (excluding amounts included in Net Interest Expense)	-	14.38	14.38	-	10.88	10.88
Actuarial Changes arising from changes in Financial Assumptions	-	-	-	-	-	-
Experience Adjustments	(0.83)	-	(0.83)	(1.59)	-	(1.59)
Settlement/ Transfer In	(0.21)	0.21	-	(0.43)	0.43	-
Contributions by Plan Participant / Employees	(10.42)	10.42	-	(9.57)	9.57	-
Contributions by Employer	-	4.42	4.42	-	4.07	4.07
<b>Closing Balance</b>	<b>(152.58)</b>	<b>158.02</b>	<b>5.44</b>	<b>(143.39)</b>	<b>146.10</b>	<b>2.71</b>

The Group expects to contribute Rs. 2.94 Crore (Previous Year : Rs.2.31 Crore) and Rs.6.03 Crore (Previous Year : Rs.5.23 Crore) to gratuity trust and provident fund respectively in the next financial year.

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

Particulars	As at March 31, 2020	As at March 31, 2019
	%	%
<b>Discount Rate:</b>		
Gratuity Plan	5.10 to 6.92	7.30 to 7.80
Provident Fund	6.92	7.80
Post Retirement Medical Benefits	6.92	7.80
<b>Future Salary Increase:</b>		
Gratuity Plan	7.00 to 7.50	7.00 to 7.50
<b>Medical Cost Escalation Rate:</b>		
Post Retirement Medical Benefits Cost Increase	3.00	3.00
<b>Life Expectation for:</b>		
Post Retirement Medical Benefits		
Male	17.31	17.20
Female	21.67	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 is shown below:

**Gratuity Plan of the Group:**

Particulars	Year ended March 31, 2020			
	Discount Rate		Future Salary Increase	
Sensitivity Level	0.50% Increase	0.50% Decrease	0.50% Increase	0.50% Decrease
Impact on Defined benefit Obligation (Rs. in Crore)	(1.53)	1.54	1.55	(1.54)

**Provident Fund of the Parent Company:**

Particulars	Year ended March 31, 2020	
	Discount Rate	
Sensitivity Level	0.50% Increase	0.50% Decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.02)	0.02

**Post retirement medical benefits plan of the Parent Company:**

Particulars	Year ended March 31, 2020			
	Discount Rate		Medical Cost Escalation Rate	
Sensitivity Level	0.50% Increase	0.50% Decrease	0.50% Increase	0.50% Decrease
Impact on Defined benefit Obligation (Rs. in Crore)	(0.33)	0.35	0.34	(0.33)

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

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

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

**Gratuity Plan for the Group:**

Particulars	Year ended March 31, 2019			
	Discount Rate		Future Salary Increase	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(1.53)	1.54	1.55	(1.54)

**Provident Fund of the Parent Company:**

Particulars	Year ended March 31, 2019	
	Discount Rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.02)	0.02

**Post Retirement Medical Benefits Plan for the Parent Company:**

Particulars	Year ended March 31, 2019			
	Discount Rate		Medical Cost Escalation Rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Crore)	(0.31)	0.32	0.32	(0.32)

Sensitivities due to mortality and withdrawals are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pension payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement in case of provident fund.

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

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.17 years (Previous Year : 14.19 years).

**Investment Pattern in Plan Assets:**

Particulars	Gratuity		Provident Fund	
	2019-20	2018-19	2019-20	2018-19
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

**Maturity Profile of Defined Benefit Obligation:**

(Rs. in Crore)

Particulars	Within the next 12 months	Between 2 and 5 years	Between 5 and 10 years	Beyond 10 Years
<b>March 31, 2020</b>				
Gratuity Fund	5.13	7.80	11.18	14.25
Provident Fund	16.75	38.93	37.36	59.54
Post Retirement Medical Benefits Plan	0.17	0.98	1.19	2.74
<b>March 31, 2019</b>				
Gratuity Fund	4.09	6.00	8.83	16.44
Provident Fund	28.53	19.97	32.38	62.51
Post Retirement Medical Benefits Plan	0.15	0.74	0.88	2.42

**Contribution to Defined Contribution Plans :**

(Rs. in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Pension Fund	1.51	1.46
Superannuation Fund	0.82	0.90
National Pension System	0.84	0.45
Employers' Contribution to Employees' State Insurance Corporation	0.03	0.04

**33. Rights, Preference and Restrictions attached to Redeemable Preference Shares and Details about Share Warrants**

Preference shareholders carry voting rights on an as converted basis with ordinary shareholders, except for key governance protections outlined in the Articles of Association of CFCL Ventures Limited (CVL), a subsidiary of the Parent Company, in which case each class votes separately on an as converted basis as per the terms of the preference shareholders agreement. Further, preference shareholders carry preferential dividend rights over ordinary shares if declared by the Board of Directors and priority over ordinary shares in the event of any liquidation, dissolution or winding up of the affairs of CVL.

Within ninety (90) days after the receipt of a written request from members holding not less than a majority of the then outstanding preference shares, voting together on an as converted basis, that all preference shares be redeemed (such date within such ninety (90) days period being the "Redemption Date") and concurrently with the surrender by the holders of outstanding preference shares of the certificates representing such preference shares, CVL shall, to the extent it may lawfully do so, redeem all of the then outstanding preference shares by paying an amount in cash per preference share to be redeemed equal to the greater of (i) the original purchase price per share (subject to adjustment for any Recapitalizations) and (ii) the fair market value of such preference share as of the Redemption Date, as determined by an independent third-party investment bank or similar financial service provider agreed to by CVL and the holders of at least a majority of the preference shares then outstanding, voting together on an as-converted basis.

If, on the Redemption Date, the funds of CVL legally available for redemption of preference shares are insufficient to redeem all outstanding preference shares, those funds that are legally available will be used to make payment to the holders of preference shares on a pro-rata basis in proportion to the number of preference shares then held by such members. Any preference shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of CVL are legally available for the redemption of the preference shares, such funds will immediately be used to redeem the balance of the preference shares not redeemed on the Redemption Date in the manner and in the order set forth in the preceding sentence.

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

In the event of liquidation, preference shareholders have a preferential right over ordinary shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

#### Share Warrants

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Exercise price (USD)	No. of shares	Exercise price (USD)	No. of shares
Ordinary shares	0.01	93,450	0.01	93,450
Series C Preference shares *	-	-	12.71	47,213
Series G Preference shares	0.01	35,210	0.01	35,210
Series H Preference shares	4.62	643,886	4.62	643,886
Series H Preference shares	0.01	1,878,055	0.01	1,878,055
Series I Preference shares	0.01	1,893,333	0.01	1,893,333

\* 47,213 share warrants have been expired during the financial year 2019-20.

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

#### 34. Subsidiaries

(a) Nitrogenous Fertilizers are under the Concession Scheme as per the New Pricing Scheme (NPS) – Stage III, Modified NPS III, New Urea Policy 2015 for Gadepan-I and Gadepan-II Plants and New Investment Policy 2012 (amended) for Gadepan-III Plant. The freight subsidy is as per the Uniform Freight Policy. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policies parameters.

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

Current year's subsidy income of Urea has been reduced by Rs.47.04 Crore (Previous Year: Rs.1.32 Crore) being the subsidy income, pertaining to earlier years, but determined during the year.

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

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

#### 35. Leases

This note provides information for the leases where the Group is a lessee. The Group leases various offices and lease periods are generally fixed ranging from two months to nine years, but may have extension options.

##### Measurement of Right-of-Use Assets:

Right-of-Use Assets has been recognised using modified retrospective approach with lease liabilities recognised with equivalent amount for all lease contracts existing as on April 01, 2019. Further the effect of the adoption is not material to these Financial Statements.

##### Amounts recognised in the Consolidated Statement of Profit and Loss relating to Leases

(Rs. in Crore)

Particulars	For the Year Ended March 31, 2020
Depreciation charge for Right-of-Use Assets	5.35
Interest expense (included in Finance Costs)	1.76
Expense relating to short term leases (included in Other Expenses)	22.85
Expense relating to leases of low - value assets that are not shown above as short term leases (included in Other Expenses)	-
Expense relating to variable lease payments not included in Lease Liabilities	-



**Amount recognised in the Statement of Consolidated Cash Flows**

(Rs. in Crore)

Particulars	For the Year Ended March 31, 2020
Total cash outflow for leases	6.34

**Additions to the Right-of-Use Assets during the current financial year are as follows:**

Property, Plant and equipment comprises owned and leased assets that do not meet the definition of investment property (Rs. in Crore)

Particulars	As at March 31, 2020
Property, Plant and Equipment comprises	
Right-of-Use Assets	20.45

**Maturity analysis of Lease Liabilities**

(Rs. in Crore)

Particulars	As at March 31, 2020
Payable within one year	4.77
Payable after one year but not more than five years	16.13
Payable after more than five years	0.32
<b>Total undiscounted Lease Liabilities</b>	<b>21.22</b>
<b>Lease liabilities included in the Consolidated Balance Sheet</b>	<b>21.22</b>
Non-Current	16.45
Current	4.77

**Reconciliation of Operating Lease Commitments as at March 31, 2019 with the Lease Liabilities recognized in the Consolidated Balance Sheet as at April 01, 2019:**

Particulars	(Rs. in Crore)
Operating Lease Commitment as at March 31, 2019	45.37
Lease Commitment related to Discontinued Operations of subsidiary	(15.66)
Operating Lease Commitment related to Continuing Operations	29.71
Discounted using the incremental borrowing rate as at April 01, 2019	25.33
Recognition exemption on account of short term leases	(0.27)
<b>Lease Liabilities recognised as at April 01, 2019</b>	<b>25.06</b>

The Group has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019 i.e. 7.56% for measuring the Lease Liabilities.

**Assets given on Lease**
**-Subsidiary Company**

The Group has leased out one of its office premises under non cancellable operating lease arrangements for a term of 52 months, which expired during the year. However due to novation of all the lease agreements there are no future lease payments pending as at March 31, 2020. Rental income for such operating leases recognized in the Discontinued Operations in the Consolidated Statement of Profit and Loss in respect of Software Business of the CFCL Ventures Limited for the year ended March 31, 2020 is Rs.0.23 Crore (Previous Year: Rs. 2.57 Crore). (Refer note 47(A))

**36. Share Based Payments**
**Employees Stock Option Scheme (ESOS)**

The shareholders of the Parent Company had approved CFCL Employees Stock Option Scheme, 2010 on August 27, 2010 which was amended by the shareholders on September 13, 2013. Consequent upon promulgation of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"), the shareholders of the Parent Company had approved the revised CFCL Employees Stock Option Scheme, 2010 (ESOS) on September 15, 2015 in compliance with the ESOP Regulations. As per ESOS, 4,162,000 Stock Options can be issued to Whole-time Director/ Managing Director and other specified categories of employees of the Parent Company. The options are to be granted at market price. As per ESOP Regulations, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10.

Details of the scheme are as under:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Date of Grant	16-Sep-2010	22-Jan-2011	10-May-2011	17-Oct-2011	11-May-2012
Number of Options Granted	28,50,000	300,000	220,000	100,000	270,000
Method of Settlement (Cash / Equity)	Equity	Equity	Equity	Equity	Equity
Exercise Period*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting
Vesting Conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

**Vesting Schedule :**

Vesting Date	All tranches
1 year from the date of grant	15%
2 years from the date of grant	15%
3 years from the date of grant	20%
4 years from the date of grant	25%
5 years from the date of grant	25%

Movement in options have been summarized below :

Particulars	2019-20	2018-19
	No. of options	No. of options
Outstanding at the beginning of the year	1,335,900	1,756,900
Granted during the year	-	-
Forfeited during the year	-	50,000
Exercised during the year	417,400	371,000
Expired during the year	-	-
Outstanding at the end of the year	918,500	1,335,900
Exercisable at the end of the year	918,500	1,335,900
Weighted average remaining contractual life (in years)	0.07	0.49
Weighted average Exercise price (in Rs.)	74.76	74.76

The details of Exercise Price of Stock Options Outstanding as at March 31, 2020 are as under:

Tranche	Weighted Average Fair Value of Options (in Rs.)	Range of Exercise Price (in Rs.)	Number of Options Outstanding	Weighted Average remaining Contractual Life of Options (in years)	Weighted Average Exercise Price (in Rs.)
1	31.38	73.50	789,500	0.00	73.50
2	32.86	76.85	62,000	0.09	76.85
3	38.44	82.90	23,000	0.16	82.90
4	45.06	101.10	23,000	0.29	101.10
5	34.97	69.40	21,000	0.58	69.40

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

Tranche	Weighted Average Fair Value of Options (in Rs.)	Range of Exercise Price (in Rs.)	Number of Options Outstanding	Weighted Average remaining Contractual Life of Options (in years)	Weighted Average Exercise Price (in Rs.)
1	31.38	73.50	1,118,000	0.38	73.50
2	32.86	76.85	102,900	0.54	76.85
3	38.44	82.90	49,000	0.69	82.90
4	45.06	101.10	33,000	0.91	101.10
5	34.97	69.40	33,000	1.29	69.40

### Stock Options Granted

The weighted average fair value of stock options granted is Rs.32.54 per option (Previous Year Rs. 32.54 per option). The Black Scholes Valuation Model has been used for computing the weighted average fair value considering the following inputs :

#### As at March 31, 2020:-

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted Average Share Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected Volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options Granted (vesting and exercise period) in years	0.00	0.09	0.16	0.29	0.58
Average Risk-Free Interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

#### As at March 31, 2019:-

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted Average Share Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected Volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options granted (vesting and exercise period) in years	0.38	0.54	0.69	0.91	1.29
Average Risk-Free Interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

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

In financial year 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing or acquiring equity shares of the Parent Company from the Parent Company or Secondary market, to hold the shares and to allocate or transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the Employee stock option scheme. The Board of Directors at its meeting held on May 08, 2010 had approved grant of financial assistance upto Rs.30.00 Crore by the Parent Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Parent Company for the purpose of subscribing or acquiring shares of the Parent Company. Trust is holding 9,18,500 equity shares (Previous Year : 13,35,900 equity shares) of the Parent Company which were purchased from the open market.

#### Subsidiary Company

The Board of Directors of CFCL Technologies Limited (CTL) (merged with CFCL Ventures Limited w.e.f. December 20, 2016) approved the 2007 Share Option Plan ('Plan') administered by compensation committee for granting stock options to certain employees of its subsidiary companies as per Management's discretion. A committee has been constituted to administer the Plan along with the Board and to determine the grant date fair value which would be the exercise price for such options. The fair value of the shares is determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan. The fair valuation has been determined using the Black-Scholes Valuation Model. The stock options vest equally over the period of 48 months and the exercise period is 10 years from the date of grant.

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

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	Number	Weighted Average Exercise Price (USD)	Number	Weighted Average Exercise Price (USD)
Options Outstanding at the Beginning	201,000	1.09	-	-
Options Granted	-	-	201,000	1.09
Option Forfeited	(104,500)	-	-	-
Options Lapsed	-	-	-	-
Options Outstanding at the End	96,500	1.09	201,000	1.09
Options Exercisable	32,167	-	16,750	-

There has been no exercise of stock options during the year. The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 8.67 years (Previous Year: 9.67 Years). The weighted average fair value of options granted during the year was Nil (Previous Year: Rs.1.40 Crore).

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

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

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

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Expense arising from equity-settled Share-Based Payment Transactions	0.01	0.00
<b>Total Expense arising from Share-Based Payment Transactions *</b>	<b>0.01</b>	<b>0.00</b>

\* The amount is recognized in Discontinued Operations in the Consolidated Statement of Profit and Loss, refer note 47(A)

### 37. Interest in Other Entities:

#### (A) Interest in Joint Venture

The Group has 33.33% ownership interest in Indo Maroc Phosphore S.A. - IMACID (IMACID), which is engaged in manufacturing of phosphoric acid. IMACID is registered in Morocco. Upto financial year 2017-18, IMACID was following calendar year for preparing its annual accounts. During the previous financial year, it has prepared its accounts for a period of 15 months i.e. January 01, 2018 to March 31, 2019, so as to align its reporting period with that of the Parent Company. The Group's interest in IMACID is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

#### Summarised Balance Sheet:

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Assets, including Cash and Cash Equivalents- Rs.178.91 Crore (Previous Year : Rs.457.64 Crore)	761.75	879.92
Non-Current Assets	240.75	179.89
Current Liabilities, including Trade Payables- Rs.188.33 Crore (Previous Year : Rs.227.32 Crore)	199.62	232.78
Non-Current Liabilities	151.46	-
<b>Equity</b>	<b>651.42</b>	<b>827.03</b>
<b>Proportion of the Group's Ownership</b>	<b>33.33%</b>	<b>33.33%</b>
<b>Carrying amount of the Investment</b>	<b>217.14</b>	<b>275.68</b>

#### Reconciliation to Carrying amount of the Investment in Joint Venture

Particulars	(Rs. in Crore)
<b>Carrying amount of the Investment as on March 31, 2019</b>	<b>275.68</b>
Less: Dividend Received from Joint Venture during the year	71.80
Add: Share of Profit of Joint Venture for the year	3.01
Add: Exchange Differences on Translation for the year	10.25
<b>Carrying amount of the Investment as on March 31, 2020</b>	<b>217.14</b>

**Summarised Statement of Profit and Loss of the Joint Venture :**

(Rs. in Crore)

Particulars	For the 12 months period ended (April 01, 2019 to March 31, 2020)	For the 15 months period ended (January 01, 2018 to March 31, 2019)
<b>Income</b>		
Revenue	1,425.00	2,475.33
Other Income	31.40	30.05
<b>Total Revenue</b>	<b>1,456.40</b>	<b>2,505.38</b>
<b>Expenses:</b>		
Cost of Materials Consumed	953.08	1,425.78
Changes in Inventories of Work-in-Process and Finished Goods	(43.39)	9.90
Employee Benefits Expense	55.00	68.40
Finance Costs	2.78	0.01
Other Expenses	401.03	517.50
Depreciation and Amortisation Expenses	51.04	55.42
<b>Total Expenses</b>	<b>1,419.54</b>	<b>2,077.01</b>
<b>Profit Before Tax</b>	<b>36.86</b>	<b>428.37</b>
<b>Tax Expense:</b>		
Current Tax	27.82	78.33
<b>Profit for the Year</b>	<b>9.04</b>	<b>350.04</b>
<b>Group's Share of Profit for the Year</b>	<b>3.01</b>	<b>116.68</b>
<b>Dividend received from Joint Venture</b>	<b>71.80</b>	<b>57.69</b>

The Group has no contingent liabilities or capital commitments relating to its interest in IMACID as at March 31, 2020 and March 31, 2019. The joint venture has no other contingent liabilities as at March 31, 2020 and March 31, 2019. The joint venture has capital commitment of Rs.15.37 Crore as at March 31, 2020 (Previous Year : Rs.34.61 Crore).

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

**(B) Non- Controlling Interest (NCI)**

Financial information of a subsidiary company that has material non-controlling interest is provided below:

**Proportion of equity interest held by Non-Controlling Interest:**

Particulars	Country of incorporation and operations	As at March 31, 2020	As at March 31, 2019
CFCL Ventures Limited	Cayman Islands	27.73%	27.73%

**Information regarding Non-Controlling Interest**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Accumulated balances of material Non-Controlling Interest</b>		
CFCL Ventures Limited	(108.22)	(97.98)
<b>(Loss) allocated to material Non-Controlling Interest:</b>		
CFCL Ventures Limited	(0.63)	(5.36)

The summarised financial information of aforesaid subsidiary is provided below. This information is based on amounts before inter-company eliminations.

## Summarised Statement of Profit and Loss:

(Rs. in Crore)

Particulars	For the Financial Year Ended March 31, 2020	For the Financial Year Ended March 31, 2019
<b>Income</b>		
Revenue	55.47	82.85
Other Income	25.16	4.23
<b>Total Revenue</b>	<b>80.63</b>	<b>87.08</b>
<b>Expenses:</b>		
Employee Benefits Expense	27.61	39.64
Finance Costs	8.37	12.52
Other Expenses	29.23	25.33
Depreciation and Amortisation Expenses	15.35	27.78
<b>Total Expenses</b>	<b>80.56</b>	<b>105.27</b>
<b>Profit/(Loss) Before Tax</b>	<b>0.07</b>	<b>(18.19)</b>
<b>Tax Expense:</b>		
Current Tax	1.20	0.99
Deferred Tax Charge	1.13	0.17
<b>Income Tax Expense</b>	<b>2.33</b>	<b>1.16</b>
<b>(Loss) after tax</b>	<b>(2.26)</b>	<b>(19.35)</b>
<b>Other Comprehensive Income (Net of Income Tax)</b>	<b>(1.18)</b>	<b>(0.06)</b>
<b>Total Comprehensive Income</b>	<b>(3.44)</b>	<b>(19.41)</b>
(Loss) allocated to Non-Controlling Interest	(0.63)	(5.36)
(OCI) allocated to Non-Controlling Interest	(9.61)	(5.30)
<b>Total comprehensive income allocated to Non-Controlling Interest</b>	<b>(10.24)</b>	<b>(10.66)</b>

## Summarised Balance Sheet:

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets and Other Current Assets (Current)	23.24	25.52
Goodwill, Other Intangible Assets and Other Non-Current Assets (Non-Current)	10.42	83.06
Borrowings, Trade and Other Payables (Current)	76.35	158.43
Interest-bearing Borrowings and Other Non-Current Liabilities (Non-Current)	1,091.64	983.55
<b>Total Equity</b>	<b>(1,134.33)</b>	<b>(1,033.40)</b>
<b>Attributable to:</b>		
Non-Controlling Interest	(108.22)	(97.98)

## Summarised Cash Flow Information:

(Rs. in Crore)

Particulars	For the Financial Year Ended March 31, 2020	For the Financial Year Ended March 31, 2019
Operating Activities	(34.17)	25.46
Investing Activities	101.07	(22.25)
Financing Activities	(68.68)	7.91
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(1.78)</b>	<b>11.12</b>

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

### 39. Fair Values

The management assessed that fair value of financial assets and liabilities approximates their carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- (i) Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date. The fair value of Interest rate swap contracts is determined using the Black Scholes Valuation Model. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.
- (ii) Long Term Security Deposits / Employee Loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.
- (iii) Floating Rate borrowings / Finance Lease Obligation/Lease Liabilities - The fair values of the Parent Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.
- (iv) The carrying amount of bank deposits, trade receivables, cash and cash equivalents, investment at amortised cost, other current financial assets, trade payables, fixed rate borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
- (v) The fair value of investments carried at fair value through profit and loss is determined using Income, Market Approach and Net Assets Value Method.

### 40. Fair Value Measurements

(i) **Financial instruments by category**

(Rs. in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial Assets</b>						
Investments						
-Equity Shares	0.02	-	-	0.02	-	-
-Government Securities	-	-	0.00	-	-	0.00
-Bonds	-	-	-	24.50	-	-
Employee Loans	-	-	0.59	-	-	0.86
Security Deposits	-	-	9.48	-	-	12.81
Trade Receivables	-	-	5,563.11	-	-	4,827.40
Cash and Cash Equivalents	-	-	146.13	-	-	64.54
Bank Balances other than above	-	-	21.42	-	-	16.57
Derivative Financial Assets	37.70	-	-	-	-	-
Foreign Currency Option Contracts	-	-	-	0.57	-	-
Other Current Financial Assets	-	-	287.02	-	-	138.57
<b>Total Financial Assets</b>	<b>37.72</b>	<b>-</b>	<b>6,027.75</b>	<b>25.09</b>	<b>-</b>	<b>5,060.75</b>
<b>Financial Liabilities</b>						
Borrowings - Floating Rate	-	-	4,740.67	-	-	4,500.76
Finance Lease Obligation	-	-	-	-	-	0.99
Borrowings - Fixed Rate	-	-	4,933.63	-	-	4,161.96
Redeemable Preference Shares	417.42	-	-	381.51	-	-
Trade Payables	-	-	541.50	-	-	988.17
Derivative Financial Liabilities	30.53	-	-	23.20	-	-
Lease Liabilities	-	-	21.22	-	-	-
Other Current Financial Liabilities	-	-	331.02	0.00	-	809.21
<b>Total Financial Liabilities</b>	<b>447.95</b>	<b>-</b>	<b>10,568.04</b>	<b>404.71</b>	<b>-</b>	<b>10,461.09</b>

(ii) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures - fair value measurement hierarchy for assets as at March 31, 2020: (Rs. in Crore)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
Derivative Financial Assets	31.03.2020	37.70	-	37.70	-
Investment in Equity Instruments	31.03.2020	0.02	-	-	0.02
<b>Assets for which fair values are disclosed (refer note 39)</b>					
Employee Loans	31.03.2020	0.47	-	0.47	-
Security Deposits	31.03.2020	3.29	-	3.29	-

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

Quantitative disclosures - fair value measurement hierarchy for liabilities as at March 31, 2020: (Rs. in Crore)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Liabilities measured at fair value</b>					
Derivative Financial Liabilities	31.03.2020	30.53	-	30.53	-
<b>Liabilities for which fair values are disclosed (refer note 39)</b>					
Redeemable Preference Shares	31.03.2020	417.42	-	-	417.42
Borrowings - Floating Rate	31.03.2020	4,740.67	-	4,740.67	-
Lease Liabilities	31.03.2020	21.22	-	21.22	-

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

Quantitative disclosures - fair value measurement hierarchy for assets as at March 31, 2019: (Rs. in Crore)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value:</b>					
Foreign Currency Option Contracts	31.03.2019	0.57	-	0.57	-
<b>Assets for which fair values are disclosed (refer note 39)</b>					
Investment in Equity Instruments	31.03.2019	0.02	-	-	0.02
Investment in Bonds	31.03.2019	24.50	-	-	24.50
Employee Loans	31.03.2019	0.67	-	0.67	-
Security Deposits	31.03.2019	8.31	-	8.31	-

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



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

(Rs. in Crore)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Liabilities measured at fair value</b>					
Derivative Financial Liabilities	31.03.2019	23.20	-	23.20	-
<b>Liabilities for which fair values are disclosed (refer note 39)</b>					
Redeemable Preference Shares	31.03.2019	381.51	-	-	381.51
Warrants	31.03.2019	0.00	-	-	0.00
Floating Rate Borrowings	31.03.2019	4,500.76	-	4,500.76	-
Finance Lease Obligation	31.03.2019	0.99	-	-	0.99

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

**Fair Value measurements using significant unobservable inputs (Level 3)**

The following table presents the changes in level 3 items:

(Rs.in Crore)

Particulars	Investment in Bonds
<b>As at March 31, 2018</b>	-
-Additions	35.00
-Fair Value Loss on Financial Instrument at Fair Value through Profit or Loss	(10.50)
<b>As at March 31, 2019</b>	<b>24.50</b>
- Additions	-
-Deletions	(3.00)
-Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	(21.50)
<b>As at March 31, 2020</b>	-

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

Particulars	Valuation techniques	Significant unobservable inputs	Range (Net assets value) (Rs. in Crore)	Sensitivity of the inputs to fair value
<b>As at March 31, 2020</b>	Based on the assessment, investment has been fully impaired, therefore no sensitivity analysis has been performed.			
<b>As at March 31, 2019</b>				
Investment in Bonds	Net Assets value method	Risk adjustment specific to counter party  Earning factor of counter party	24.50	Increase (decrease) in risk of counter party by 5% would result in increase (decrease) in fair value by Rs. 0.98 Crore and (Rs. 0.98 Crore) respectively.  Increase (decrease) in earnings factor of counter party by 5% would result in increase (decrease) in fair value by Rs.0.38 Crore and (Rs.0.38 Crore) respectively.

41. The Country wide lockdown had been announced from March 25, 2020 due to COVID-19 pandemic. The Government Authorities gave relaxations to the manufacturing and packaging units of fertilisers, pesticides and chemicals. Despite the challenges faced due to COVID-19 pandemic, the Parent Company has been able to operate its plants at normal levels. The Parent Company's production, despatches, sales and market collections remained unaffected. The Parent Company and its partner organizations took several proactive measures, namely by mobilising its critical work force, locating them within factory premises and adopting stringent social distancing procedures. This helped the Parent Company to overcome manpower challenges faced due to lockdown.

The Parent Company has made an assessment of its capital and financial resources including liquidity position and ability to service debt and other financing arrangements for next one year.

The Parent Company has also assessed the recoverability of the carrying values of its assets such as property, plant and equipment, inventory, trade receivables, investments and other current assets as at balance sheet date and has concluded that there is no impact of COVID-19 thereon.

Further, the Parent Company has also evaluated impact of COVID-19 on internal financial controls over financial reporting and concluded that there is no impact of COVID-19 thereon.

In view of the above, there is no impact of COVID-19 on the financial statements of the Parent Company for the financial year ended March 31, 2020.

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

**43. Income Tax Expense**

The major components of Income Tax Expense are:

**Profit or Loss Section**

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>(i) Continuing Operations</b>		
<b>Current Income Tax:</b>		
Current income tax charge	194.20	221.76
Less: Capitalisation of current tax (refer note 29)	-	(0.89)
Adjustments in respect of current income tax of earlier years	(6.94)	(11.50)
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	348.60	140.98
Add: Capitalisation of Deferred Tax (refer note 29)	-	0.89
Add: Deferred tax reclassified from Statement of Changes in Equity	-	-
Less: Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
Less: Minimum Alternate Tax (MAT) Credit Entitlement	(90.45)	(103.82)
<b>Income tax expense reported in the Statement of Profit and Loss for Continuing Operations</b>	<b>101.44</b>	<b>247.42</b>
<b>(ii) Discontinued Operations</b>		
<b>Current Income Tax:</b>		
Current income tax charge	1.20	0.99
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1.13	0.17
<b>Income tax expense reported in the Statement of Profit and Loss for Discontinued Operations</b>	<b>2.33</b>	<b>1.16</b>
<b>Income tax expense reported in the Statement of Profit and Loss (i + ii)</b>	<b>103.77</b>	<b>248.58</b>

**Other Comprehensive Income (OCI) Section**

Tax related to items recognised in OCI:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net (Gain) on re-measurement of Defined Benefit Plans	(0.73)	(0.44)
Net Loss on Effective Portion of Exchange Differences re-classified to Profit or Loss on Hedging Instruments - Current Tax	7.08	-
Net Loss on Effective Portion of Exchange Differences re-classified to Profit or Loss on Hedging Instruments - Deferred Tax	5.15	-
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Deferred Tax	(146.66)	(59.37)
<b>Income Tax (Credited) to OCI</b>	<b>(135.16)</b>	<b>(59.81)</b>

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

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting Profit Before Tax from Continuing Operations	1,328.06	845.97
Profit Before Tax from Discontinued Operations	1.27	(12.54)
<b>Accounting Profit Before Income Tax</b>	<b>1,329.33</b>	<b>833.43</b>
At India's statutory income tax rate of 34.944% (Previous Year : 34.944%)	464.52	291.23
Adjustments in respect of current income tax of earlier years	(6.94)	(11.50)
	<b>457.58</b>	<b>279.73</b>

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Tax effects of amount which are not deductible (taxable) in calculating taxable income-</b>		
Corporate Social Responsibility Expenditure	3.12	2.72
Realisation of Short Term Capital Loss to reduce the Current Tax Expense	(6.29)	(8.55)
Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
Share of Net Profit of a Joint Venture accounted for using the Equity Method	(1.05)	(40.77)
Losses of subsidiary companies for which no deferred tax is recognised	0.02	6.46
Tax on Foreign subsidiary companies levied as different tax rates	1.20	0.99
Tax effects of dividend income from subsidiary companies/ joint venture, eliminated in the consolidated financial statements	(12.55)	10.08
Deduction for Education Cess	(1.65)	(2.97)
Other Non-Deductible Expenses	7.36	0.89
<b>At the effective income tax rate of 7.81% (Previous Year : 29.83%)</b>	<b>103.77</b>	<b>248.58</b>
Income Tax Expense reported in the Consolidated Statement of Profit and Loss	<b>103.77</b>	<b>248.58</b>

**Deferred Tax**

Deferred Tax relates to the following:

(Rs. in Crore)

Particulars	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss	
	As at March 31, 2020	As at March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Deferred Income Tax Liabilities</b>				
Property, Plant and Equipment (including other intangible assets)	2,162.05	2,224.28	(62.23)	2,009.26
Right -of-Use Assets	1.60	-	1.60	-
Interest income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	0.43	0.03	0.40	(1.61)
Effects of expenditure allowed under Income Tax Act, 1961 but to be charged in the statement of profit and loss in subsequent year	8.48	26.54	(18.06)	2.94
<b>Total Deferred Income Tax Liabilities</b>	<b>2,172.56</b>	<b>2,250.85</b>	<b>(78.29)</b>	<b>2,010.59</b>
<b>Deferred Income Tax Assets</b>				
Effects of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable in subsequent year	0.24	1.00	(0.76)	(5.20)
Allowance for doubtful debts and advances	16.73	89.98	(73.25)	83.50
Mark to Market Gain on Interest Rate Swaps	10.67	-	10.67	-
Leave encashment	11.65	10.50	1.15	0.92
Gratuity	2.87	2.02	0.85	0.82
Carry Forward of Losses on account of Deduction u/s 35AD of Income Tax Act, 1961	1,520.87	1,827.49	(306.62)	1,827.49
Deferred Tax on cash flow hedge	71.19	26.14	45.05	21.31
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	36.39	-	36.39	-
Re-measurement Gain/ (Loss) on Defined Benefit Plans	1.26	0.53	0.73	0.41
Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	343.97	-	343.97	-
MAT Credit Entitlement	194.27	103.82	90.45	103.82
<b>Deferred Tax Income</b>			<b>226.92</b>	<b>22.48</b>
<b>Total Deferred Income Tax Assets</b>	<b>2,210.11</b>	<b>2,061.48</b>		
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>(37.55)</b>	<b>189.37</b>		

Reflected in the Balance Sheet as follows:

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets	(37.55)	(1.15)
Deferred Tax Liabilities	-	190.52
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>(37.55)</b>	<b>189.37</b>

Reconciliation of Deferred Tax Liabilities/ Assets (Net):

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	<b>189.37</b>	<b>211.85</b>
Tax Expense during the year recognised in Consolidated Statement of Profit and Loss	349.73	142.04
Tax (Income) during the year recognised in OCI	(142.24)	(59.81)
Tax (Income) during the year recognized in 'Capital-work-in-progress' (refer note 29)	-	(0.89)
Tax (Income) on Re-assessment of Deferred Tax in accordance with Taxation Laws (Amendment) Act, 2019	(343.97)	-
MAT Credit Entitlement	(90.45)	(103.82)
MAT Credit Utilisation	0.01	-
<b>Closing Balance</b>	<b>(37.55)</b>	<b>189.37</b>

The Group has long term/ short term capital losses, to the tune of Rs. 470.67 Crore (Previous Year: Rs.487.34 Crore) that are available for offsetting for three to five years against future taxable profits (long term/ short term) of the Parent Company.

Deferred tax assets have not been recognised in respect of above losses in the financial year 2019-20 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

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

Non-Current/ Current Tax Assets are shown as net of provisions of Rs. 203.18 Crore (Previous Year : Rs. 223.04 Crore)

#### 44. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The management of these risks is carried out by a finance department under the approved policies of the Group. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The management reviews overall risks periodically.

##### (i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments, other receivables, other payables and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations, provisions and other non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

##### a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As and when deemed appropriate the Group enters into Interest rate swap contracts for converting floating rate into fixed rate.

### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Crore)

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax
<b>March 31, 2020</b>		
USD Borrowings	+50	(23.78)
USD Borrowings	-50	23.78
Rs. Borrowings	+50	-
Rs. Borrowings	-50	-
<b>March 31, 2019</b>		
USD Borrowings	+50	(5.14)
USD Borrowings	-50	5.14
Rs. Borrowings	+50	(1.04)
Rs. Borrowings	-50	1.04

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

### b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The foreign exchange risk of the Parent Company arises mainly out of import of fertilisers and foreign currency borrowings.

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

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

### Foreign Currency Sensitivity

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rupees are as follows.

#### For the Year Ended March 31, 2020

(Rs. in Crore)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Joint Venture	Other Receivables	Trade and Other Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	0.05	7.52	202.16	5,727.25	931.98	5.99	(6,859.81)
EURO	-	-	0.64	-	-	-	(0.64)
SGD	-	-	0.01	-	-	-	(0.01)

#### For the Year Ended March 31, 2019

(Rs. in Crore)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Joint Venture	Other Receivables	Trade and Other Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	0.08	21.42	549.18	5,417.63	1,449.04	11.74	(7,406.09)
EURO	-	-	9.15	-	-	-	(9.15)
SGD	-	-	0.01	-	-	-	(0.01)

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with Rupees, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the Year Ended :

(Rs. in Crore)

Particulars	Effect on Profit Before Tax for the Year Ended March 31, 2020	Effect on Profit Before Tax for the Year Ended March 31, 2019	Effect on Other Comprehensive Income for the Year Ended March 31, 2020	Effect on Other Comprehensive Income for the Year Ended March 31, 2019
<b>USD Sensitivity</b>				
Rs./USD increase by 5%	(13.89)	(14.18)	(235.89)	(211.22)
Rs./USD decrease by 5%	13.89	14.18	235.89	211.22
<b>SGD Sensitivity</b>				
Rs./SGD increase by 5%	(0.00)	(0.00)	-	-
Rs./SGD decrease by 5%	0.00	0.00	-	-
<b>EURO Sensitivity</b>				
Rs./EURO increase by 5%	(0.03)	(0.46)	-	-
Rs./EURO decrease by 5%	0.03	0.46	-	-

### Impact of Hedging Activities

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

(a) Financial Position

(Rs. in Crore)

As at March 31, 2020									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/ Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedge</b>									
<b>Foreign Exchange Risk:</b>									
Borrowings	-	4,680.14	-	4,680.14	30.09.2027	1:1	USD1:Rs. 66.27	621.96	(621.96)

(Rs. in Crore)

As at March 31, 2019									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/ Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash Flow Hedge</b>									
<b>Foreign Exchange Risk:</b>									
Borrowings	-	4,183.37	-	4,183.37	30.09.2027	1:1	USD1:Rs. 65.85	202.22	(202.22)

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

**(b) Financial Performance**

For the Year Ended March 31, 2020					(Rs. in Crore)
Type of Hedge	Change in the value of the Hedging Instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in Profit or Loss	Amount re-classified from Cash Flow Hedging Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the re-classification	
<b>Cash Flow Hedge</b>					
Foreign Exchange Risk	(419.74)	-	35.00	Revenue from Operations	

For the Year Ended March 31, 2019					(Rs. in Crore)
Type of Hedge	Change in the value of the Hedging Instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in Profit or Loss	Amount re-classified from Cash Flow Hedging Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the re-classification	
<b>Cash Flow Hedge</b>					
Foreign Exchange Risk	(169.89)	-	-	Not Applicable	

**Movements in Cash Flow Hedging Reserve** (Rs. in Crore)

Risk Category	Foreign Currency Risk	
	Financial Year 2019-20	Financial Year 2018-19
<b>Derivative Instruments</b>		
<b>Cash Flow Hedging Reserve</b>		
<b>Opening at the beginning of the Year</b>	(131.62)	(21.10)
Add: Changes in Borrowings	(419.74)	(169.89)
Less: Amounts reclassified to profit or loss	35.00	-
Less: Current Tax relating to above	7.08	-
Less: Deferred Tax relating to above	(141.51)	(59.37)
<b>Closing at the end of the Year</b>	(381.93)	(131.62)

**(c) Commodity Price Risk**

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

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

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

**(ii) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**a) Trade Receivables**

The Group receivables can be classified into two categories, one is from the customers / dealers in the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables are concerned,

credit risk is Nil. For market receivables from the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group has also taken security deposits from its customers, which mitigate the credit risk to some extent.

**b) Financial Instruments and Cash Deposits**

In respect of Parent Company, Credit risk from balances with banks and financial institutions is managed by the Parent Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised institutions with good credit ratings assigned by the credit rating agencies. The Parent Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

In respect of a subsidiary company, credit risk on cash and cash equivalents is limited as the subsidiary company keeps deposits in banks with good credit ratings assigned by international and domestic credit rating agencies.

(Rs. in Crore)

Particulars	Other Non Current Assets	Trade Receivables	Other Current Assets	Other Current Financial Assets
<b>Allowance as at April 01, 2018</b>	<b>3.00</b>	<b>15.93</b>	<b>19.50</b>	<b>1.65</b>
Allowance made during the financial year 2018-19	-	200.79	12.92	1.42
Allowance Written off/(written back) during the financial year 2018-19	-	(2.76)	-	-
Foreign Currency Translation Difference	(0.01)	0.14	-	-
<b>Allowance as at March 31, 2019</b>	<b>2.99</b>	<b>214.10</b>	<b>32.42</b>	<b>3.07</b>
Allowance made during the financial year 2019-20	-	2.80	12.67	-
Allowance Written off/(written back) during the financial year 2019-20	-	(200.37)	-	-
Foreign Currency Translation Difference	0.00	0.07	-	0.13
<b>Allowance as at March 31, 2020</b>	<b>2.99</b>	<b>16.60</b>	<b>45.09</b>	<b>3.20</b>

**(iii) Liquidity Risk**

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term funding requirements. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Rs. in Crore)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 Years	Total
<b>As at March 31, 2020</b>						
Borrowings	5,699.69	798.57	798.57	1,442.07	973.04	9,711.94
Redeemable Preference Shares	-	-	-	-	417.42	417.42
Lease Liabilities	4.77	-	-	16.13	0.32	21.22
Trade and Other Payables	637.32	-	-	-	-	637.32
Other Financial Liabilities	265.73	-	-	-	-	265.73
	<b>6,607.51</b>	<b>798.57</b>	<b>798.57</b>	<b>1,458.20</b>	<b>1,390.78</b>	<b>11,053.63</b>
<b>As at March 31, 2019</b>						
Borrowings	4,630.48	697.32	679.45	1,358.90	1,337.82	8,703.97
Redeemable Preference Shares	-	-	-	-	381.51	381.51
Finance Lease Obligations	0.49	0.50	-	-	-	0.99
Trade and Other Payables	1,589.56	-	-	-	-	1,589.56
Other Financial Liabilities	230.82	-	0.20	-	-	231.02
	<b>6,451.35</b>	<b>697.82</b>	<b>679.65</b>	<b>1,358.90</b>	<b>1,719.33</b>	<b>10,907.05</b>



#### 45. Capital Management

The Group's objective while managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholder. The Group will maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares or sell assets to reduce debt.

The Capital Structure of the Group is as follows:

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	416.21	416.21
Other Equity	3,123.09	2,467.03
Debts (Long Term and Short Term both (including Current Maturities))*	10,091.72	9,045.22
<b>Total</b>	<b>13,631.02</b>	<b>11,928.46</b>

\* The above debt includes Rs. 4,680.14 Crore (Previous Year: Rs.4,283.19 Crore) towards the Gadepan-III Plant, which has commenced commercial production from January 01, 2019. Majority of the balance debt is towards working capital requirement.

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

S. No.	Debt Covenants	Required	Achieved
1	Total outstanding Liabilities to Tangible Net worth	Ratio should be $\leq$ 2.75:1	2.39:1
2	Total Debts to EBITDA	Ratio should be $\leq$ 5.00:1	3.95:1
3	Fixed Assets Cover Ratio	Ratio should be $\geq$ 1.25:1	1.45:1
4	Debt Service Coverage Ratio	Ratio should be $\geq$ 1.20:1	1.78:1

#### 46. Distribution Made and Proposed

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Cash Dividend on Equity Shares Declared and Paid:</b>		
Final Dividend (for the year ended on March 31, 2019 at the rate of Rs.2.00 per share)	83.24	79.08
Dividend Distribution Tax (DDT) on Final Dividend	17.11	16.26
Interim Dividend (for the year ended on March 31, 2020 at the rate of Rs.4.00 per share)	166.49	-
DDT on Interim Dividend	34.21	-
<b>Total</b>	<b>301.05</b>	<b>95.34</b>
<b>Proposed Dividend on Equity Shares:</b>		
Dividend (for the year ended on March 31, 2020 Nil and March 31, 2019 at the rate of Rs.2.00 per share)	-	83.24
DDT on Dividend	-	17.11
<b>Total</b>	<b>-</b>	<b>100.35</b>

Proposed dividend on equity shares was subject to approval at the annual general meeting and it was not recognised as a liability (including DDT thereon) as at March 31, 2019.

#### 47. (A) Discontinued Operations

The break up of the discontinued operations of the Group as shown on the face of consolidated statement of profit and loss is as under:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Profit/ (Loss) Before Tax	1.27	(12.54)
(b) Income Tax Expense	2.33	1.16
(c) (Loss) After Tax	<b>(1.06)</b>	<b>(13.70)</b>

During the financial year ended March 31, 2020, ISGN Corporation, USA and ISG Novasoft Technologies Limited, India, step-down subsidiaries of the Parent Company, have entered into separate agreements with the respective buyers for sale/ transfer of certain assets/ liabilities. In view of the same, the results in relation thereto are disclosed as Discontinued Operations. The previous year figures have also been re-stated accordingly.

The financial performance relating to the discontinued operations is set out below:

(a) **Financial performance and cash flow information**

The financial performance is as follows:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue	80.63	87.08
Less: Expenses*	56.84	67.42
Less: Finance Costs	7.17	6.87
Less: Depreciation and Amortisation Expenses	15.35	25.33
<b>Profit/ (Loss) Before Tax **</b>	<b>1.27</b>	<b>(12.54)</b>
Tax Expense / (Credit)	2.33	1.16
<b>Profit/ (Loss) from Discontinued Operations</b>	<b>(1.06)</b>	<b>(13.70)</b>

\* include expenses towards operating lease payment of Rs. 4.19 Crore (Previous Year: Rs. 5.17 Crore). All operating lease agreements have been terminated or served notice for termination at a later date, during the financial year 2019-20 on account of Discontinued Operations.

\*\* This is after inter group eliminations.

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

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Operating Activities	(34.17)	25.47
Investing Activities	101.07	(22.25)
Financing Activities	(68.68)	7.91

(b) **Details of Sale of Assets and Transfer of Liabilities by step-down subsidiaries of the Parent Company** (Rs. in Crore)

Particulars	Amount
Consideration Received	85.73
Escrow Account Balance Receivable	8.56
Other Receivables	0.26
Less: Carrying amount of net assets sold	(74.45)
Foreign Currency Translation	0.39
<b>Profit on sale before income tax</b>	<b>20.49</b>
Income tax expense on profit	1.67
<b>Profit on sale after income tax</b>	<b>18.82</b>

(c) **The carrying amounts of the major categories of Assets and Liabilities of the Discontinued Operations disposed off are as follows-** (Rs. in Crore)

Particulars	As at January 30, 2020
Property, Plant and Equipment	0.52
Goodwill	37.06
Other Intangible Assets	22.62
Intangible Assets under Development	13.80
Other Current Assets	8.56
<b>Total Assets</b>	<b>82.56</b>
Current Liabilities	8.11
<b>Total Liabilities</b>	<b>8.11</b>
<b>Net Assets</b>	<b>74.45</b>

47. (B) **Assets classified as Held for Sale**

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment classified as held for sale :		
- Plant and Equipment	0.15	0.10
- Land-Freehold *	-	5.44
<b>Total</b>	<b>0.15</b>	<b>5.54</b>

\*As at March 31, 2019, the management of the Parent Company was actively seeking a buyer to sell the freehold land. Subsequent to the previous year end, the Parent Company has entered into an agreement for sale of the freehold land and recorded a fair value gain of Rs.1.27 Crore, while classifying the freehold land as assets held for sale.

**48. Additional information pursuant to Schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2019-20 and 2018-19**

Financial Year 2019-20									
S. No.	Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs. in Crore)	As % of Consolidated Profit or Loss	Amount (Rs. in Crore)	As % of Consolidated OCI	Amount (Rs. in Crore)	As % of Consolidated Total Comprehensive Income	Amount (Rs. in Crore)
	<b>Parent Company</b>								
	Chambal Fertilisers and Chemicals Limited	106.96	3,669.86	99.83	1,223.49	85.47	(241.37)	104.13	982.12
	<b>Indian Subsidiaries</b>								
1	Chambal Infrastructure Ventures Limited	0.12	4.02	0.01	0.15	-	-	0.02	0.15
2	ISG Novasoft Technologies Limited ("ISGNTL")	0.19	6.68	(1.90)	(21.56)	0.01	(0.03)	(2.29)	(21.59)
	<b>Foreign Subsidiaries</b>								
1	India Steamship Pte Ltd. #	-	-	(0.00)	(0.03)	(0.00)	0.01	(0.00)	(0.02)
2	CFCL Ventures Limited ("CVL")	(9.01)	(309.18)	(0.44)	(4.93)	11.12	(31.40)	(3.86)	(36.33)
3	ISGN Corporation	(1.44)	(49.22)	2.30	26.06	-	-	2.76	26.06
	<b>Non-Controlling Interests in Subsidiary</b>								
	CFCL Ventures Limited	(3.15)	(108.22)	(0.05)	(0.63)	3.40	(9.61)	(1.09)	(10.24)
	<b>Interests in Joint Venture (as per Equity Method)</b>								
	Indo Maroc Phosphore S.A - IMACID	6.33	217.14	0.25	3.01	-	-	0.33	3.01
	<b>Total</b>	<b>100.00</b>	<b>3,431.08</b>	<b>100.00</b>	<b>1,225.56</b>	<b>100.00</b>	<b>(282.40)</b>	<b>100.00</b>	<b>943.16</b>

# Dissolved on April 06, 2020

Financial Year 2018-19									
S. No.	Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs. in Crore)	As % of Consolidated Profit or Loss	Amount (Rs. in Crore)	As % of Consolidated OCI	Amount (Rs. in Crore)	As % of Consolidated Total Comprehensive Income	Amount (Rs. in Crore)
	<b>Parent Company</b>								
	Chambal Fertilisers and Chemicals Limited	105.28	2,932.38	82.41	481.96	80.74	(101.72)	82.87	380.24
	<b>Indian Subsidiaries</b>								
1	India Steamship Limited (Under Liquidation)	0.01	0.33	0.00	0.00	-	-	0.00	0.00
2	Chambal Infrastructure Ventures Limited	0.14	3.88	0.03	0.19	-	-	0.04	0.19
3	ISG Novasoft Technologies Limited ("ISGNTL")	0.08	2.33	(5.48)	(32.04)	0.05	(0.06)	(7.00)	(32.10)
	<b>Foreign Subsidiaries</b>								
1	India Steamship Pte Ltd.	0.01	0.16	(0.04)	(0.22)	(0.02)	0.02	(0.04)	(0.20)
2	India Steamship International FZE ##	-	-	(0.01)	(0.07)	(0.01)	0.01	(0.01)	(0.06)
3	CFCL Ventures Limited ("CVL")	(10.20)	(283.99)	0.49	2.85	15.03	(18.94)	(3.51)	(16.09)
4	ISGN Corporation	(1.71)	(47.53)	3.57	20.86	-	-	4.55	20.86
	<b>Non-Controlling Interests in Subsidiary</b>								
	CFCL Ventures Limited	(3.52)	(97.98)	(0.92)	(5.36)	4.21	(5.30)	(2.32)	(10.66)
	<b>Interests in Joint Venture (as per Equity Method)</b>								
	Indo Maroc Phosphore S.A - IMACID	9.91	275.68	19.95	116.68	-	-	25.42	116.68
	<b>Total</b>	<b>100.00</b>	<b>2,785.26</b>	<b>100.00</b>	<b>584.85</b>	<b>100.00</b>	<b>(125.99)</b>	<b>100.00</b>	<b>458.86</b>

## Liquidated on 28.02.2019

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

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

50. **Disclosure required under Section 186 (4) of the Companies Act, 2013**

**Particulars of Investments made:**

(Rs. in Crore)

S No.	Name of the Investee	Investment made during the financial year		Outstanding Balance as at	
		2019-20	2018-19	March 31, 2020	March 31, 2019
1	Investment made in corporate bonds (refer footnote below)	-	943.45	-	24.50

**Footnote:-**

Investment amount is net of Fair value loss of Rs. 21.50 Crore (Previous Year: Rs.10.50 Crore) on Investment measured at Fair Value through Profit and Loss.

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

51. **Changes in Financial Liabilities arising from Financing Activities for Financial Year 2019-20**

(Rs. in Crore)

Particulars	As at March 31, 2019	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction Cost and Others	As at March 31, 2020
Long Term Borrowings	4,383.19	482.97	(609.37)	419.74	-	3.61	4,680.14
Short Term Borrowings	2,968.77	955.39	-	-	-	-	3,924.16
Buyers Credit/Supplier's Credit	1,193.19	2,797.94	(3,060.55)	78.89	-	-	1,009.47
Line of Credit	117.57	-	(57.04)	-	-	-	60.53
Redeemable Preference Shares	381.51	-	-	-	35.91	-	417.42
Lease Liabilities *	-	-	(6.34)	-	-	27.56	21.22
Finance Lease Obligation	0.99	-	(0.99)	-	-	-	-
<b>Total</b>	<b>9,045.22</b>	<b>4,236.30</b>	<b>(3,734.29)</b>	<b>498.63</b>	<b>35.91</b>	<b>31.17</b>	<b>10,112.94</b>

\* Represents movement in Lease Liabilities on the adoption of Ind AS 116, Leases.

**Changes in Financial Liabilities arising from Financing Activities for Financial Year 2018-19**

(Rs. in Crore)

Particulars	As at March 31, 2018	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction Cost and Others	As at March 31, 2019
Long Term Borrowings	3,156.48	1,237.62	(175.00)	169.89	-	(5.80)	4,383.19
Short Term Borrowings	1,580.69	1,388.08	-	-	-	-	2,968.77
Buyers Credit/Supplier's Credit	871.50	2,706.45	(2,365.66)	(19.10)	-	-	1,193.19
Line of Credit	110.80	6.77	-	-	-	-	117.57
Redeemable Preference Shares	359.55	-	-	-	21.96	-	381.51
Finance Lease Obligation	0.32	0.99	(0.32)	-	-	-	0.99
<b>Total</b>	<b>6,079.34</b>	<b>5,339.91</b>	<b>(2,540.98)</b>	<b>150.79</b>	<b>21.96</b>	<b>(5.80)</b>	<b>9,045.22</b>

52. During the financial year 2018-19, the Parent Company had provided for Rs.197.27 Crore due to delay in implementation of Modified NPS-III for payment on account of additional fixed cost to Urea units by the Ministry of Chemicals and Fertilisers, Government of India ("MOCF"). During the financial year ended March 31, 2020, MOCF has amended Modified NPS-III. Accordingly, the Parent Company has reversed the aforesaid provision of Rs. 197.27 Crore and has also written off an amount of Rs.91.70 Crore towards subsidy receivables accrued during the previous years, in pursuance of such amendment in Modified NPS-III. The impact of the aforesaid reversal of provision and written off an amount has been included under "Exceptional Items" as per note 24.

53. As at March 31, 2020, ISG Novasoft Technologies Limited (ISGN India), a step down subsidiary of the Parent Company had unbilled foreign currency receivables aggregating to Rs. 83.89 Crore (USD 1,10,865,53) (Previous Year : Rs. 74.73 Crore (USD 1,08,05,668)) from ISGN Corporation, USA (ISGN USA). These unbilled receivables were accumulated over a period of time on account of Transfer Pricing

requirements under the Income Tax Act and inability of ISGN USA to pay these receivables due to difficult financial condition. After considering the financial position and future business prospects of ISGN USA, the subsidiary had deemed the same as doubtful of recovery and accordingly the aforesaid receivables had been fully provided for. Other tax liabilities in respect of the aforesaid services have also been provided for during the financial year 2018-19. ISGN India is in discussion with third party consultants on ways to address the matter within the applicable legal & statutory framework. The management of ISGN India, based on the expert advice, does not expect any material financial impact on account of the above.

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

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

(Rs. in Crore)

Name of the Shareholder	Nature of Transaction	% Shareholding as at March 31, 2020	Year Ended March 31, 2020	% Shareholding as at March 31, 2019	Year Ended March 31, 2019
The Hindustan Times Limited	Rent Expenses	13.74	0.29	13.06	0.27

**55. During the year, ISGN Corporation ("ISGN, USA") and ISG Novasoft Technologies Limited, ("ISGN, India"), subsidiaries of CFCL Ventures Limited ("CVL") have sold/ transferred certain assets/liabilities to the respective buyers.**

As part of the aforesaid transactions, the Parent Company executed keepwell agreements with the respective buyers and the concerned subsidiaries. As per the terms of the aforesaid keepwell agreements, the Parent Company has to ensure that the concerned subsidiary has sufficient funds to enable it to make payments against indemnity obligations of the subsidiary under the agreements executed for sale/ transfer of assets / liabilities. The aggregate indemnity obligations of the subsidiaries under the aforesaid agreements shall not exceed Rs.122.86 Crore.

**56. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**b) Income Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

The Group has Rs.470.67 Crore (Previous Year: Rs.487.34 Crore) of carried forward tax losses on long term / short term capital losses. These losses mainly relate to the loss on voluntary liquidation of a subsidiary of the Parent Company and merger of a subsidiary of the Parent Company with its subsidiary and will expire in three to five years and may be used to offset taxable long term/short term capital losses in the future. At present, the Group does not have any tax planning opportunities available that could partly support the recognition of these capital losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses (long term/short term capital losses) carried forward. If the Group would have been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs. 127.75 Crore (Previous Year: Rs.133.73 Crore). Further details on taxes are disclosed in note 43 to the financial statements.

The Government has introduced the Taxation Laws (Amendment) Act, 2019 and has given the option of lower tax rate subject to certain conditions. As the Parent Company has carried forward tax losses and Minimum Alternate Tax ("MAT") credit as on date and it is expected that the Parent Company will remain under MAT for some more years, the management has carried out an assessment based on future earnings including market conditions, according to which the Parent Company shall continue

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under the existing tax regime and move to lower tax rate after certain years. In view of above, the Parent Company has re-assessed the deferred tax liability as per Ind AS 12 'Income Taxes' and resultant impact has been recognised during the year. Accordingly, the 'Deferred Tax' for the year ended March 31, 2020 includes a credit of Rs. 343.97 Crore.

**c) Defined Benefit Plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit plans are given in note 32 to the financial statements.

**d) Revenue**

The Parent Company's revenue includes subsidy claims, part of which are pending notification / final implementation by 'Fertiliser Industry Coordination Committee' (FICC), Government of India. As per management estimates, there is reasonable certainty based on Government of India policy and past experience that claims will be notified in due course. On issuance of notification by FICC, Government of India, the adjustments, if any, to revenue are not expected to be significant.

**e) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including discounted cash flow method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further disclosures in this regard are given in note 40.

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

**Pramit Agrawal**  
Partner  
Membership No - 099903

Place : New Delhi  
Date : May 23, 2020

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Abhay Baijal**  
Chief Financial Officer

Place : New Delhi  
Date : May 23, 2020

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Rajveer Singh**  
Company Secretary

**Form - AOC - I**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statements of Subsidiaries/Joint Venture**

**Part A : Subsidiaries**

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Extent of share-holding (in percentage)
1	Chambal Infrastructure Ventures Limited	02.01.2007	INR	-	9.40	(5.38)	4.03	0.00 *	-	0.28	0.20	0.05	0.15	-	100.00
2	CFCL Ventures Limited	19.03.2007	USD	1 USD = INR 75.67	0.00 *	(1,088.29)	3.41	1,091.70	-	-	(288.60)	-	(288.60)	-	72.27
3	ISGN Corporation <sup>(1)</sup>	04.09.2007	USD	1 USD = INR 75.67	0.65	(143.78)	19.67	162.81	-	78.73	(0.89)	-	(0.89)	-	72.27
4	ISG Novasoft Technologies Limited <sup>(1)</sup>	25.11.2003	INR	-	36.23	(29.54)	13.51	6.82	-	33.32	(2.00)	2.33	(4.33)	-	72.27
5	India Steamship Pte. Ltd. <sup>(2)</sup>	08.03.2007	USD	1 USD = INR 75.67	0.45	(0.45)	-	-	-	-	(0.03)	-	(0.03)	-	100.00

\* The amount is less than Rs. 50,000.

**Notes:**

- (1) Wholly owned subsidiaries of CFCL Ventures Limited.
- (2) Dissolved on April 06, 2020.
- (3) The respective liquidators of Inuva Info Management Private Limited (Under Liquidation) and India Steamship Limited (Under Liquidation), the subsidiaries of the Company, completely liquidated the assets thereof during the financial year 2019-20. These subsidiaries were not having any assets or liabilities as at March 31, 2020 and are in the process of voluntary liquidation/dissolution.
- (4) Investments exclude investments in subsidiaries. Profit/ (Loss) after taxation does not include Other Comprehensive Income.

**Part B : Joint Venture**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

Name of Joint Venture	Latest Audited Balance Sheet Date	Date on which the Joint Venture was acquired	Shares of Joint Venture held by the Company on the year end		Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Network attributable to shareholding as per latest audited Balance Sheet (Rs. in Crore)	Profit for the Year	
			No. of shares	Amount of Investment in Joint Venture (Rs. in Crore)				Considered in Consolidation	Not Considered in Consolidation
Indo Maroc Phosphore S.A.- IMACID	31.03.2020	20.11.1997	206666	85.13 *	Holding more than 20% shares and joint control	Not Applicable	217.14	3.01	6.03

\* The fair value of investment in the books of accounts of the Company as on March 31, 2020 is Rs. 285.87 Crore.

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

**Gaurav Mathur**  
Joint Managing Director  
DIN: 07610237

**Anil Kapoor**  
Managing Director  
DIN: 00032299

**Abhay Bajjal**  
Chief Financial Officer

**Rajveer Singh**  
Company Secretary

**Place : New Delhi  
Date : May 23, 2020**