

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of the Company will be held at 1000 hours on Friday, September 16, 2011 at the Registered Office of the Company at Gadepan, District Kota, Rajasthan, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011, Profit & Loss Account for the year ended on that date and reports of Directors and Auditors.
2. To consider declaration of dividend on Equity Shares.
3. To appoint a director in place of Mr. Ram Nath Bansal, who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Mr. Marco Philippus Ardeshir Wadia, who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:
"RESOLVED THAT Mr. Harbachan Singh Bawa, Director who retires by rotation at this meeting and who has expressed his unwillingness for re-appointment, be not re-appointed and the resulting vacancy be not filled up at this meeting."
6. To appoint M/s. S. R. Batliboi & Co., Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration.
7. To appoint M/s. Singhi & Co., Chartered Accountants, as Branch Auditors for Shipping Business of the Company and fix their remuneration.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:
"RESOLVED THAT in partial modification of the resolution passed in this regard in the annual general meeting of the members of the Company held on August 27, 2010, pursuant to Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 121(2) of the Articles of Association of the Company, consent of the Company be and is hereby accorded for payment of commission upto Rs. 4,00,000 per annum to each of the non-executive Directors of the Company, for a period of 4 (four) years starting from the financial year 2011-12; provided that the total commission payable to all the non executive directors shall not exceed one percent of the net profits of the Company as computed in the manner referred to under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the commission payable to each of the non-executive directors for each year within the limits mentioned in the foregoing resolution and to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid resolution.”

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

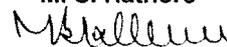
“**RESOLVED THAT** pursuant to the provisions of sections 310, 311 and other applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the payment of retention incentive of Rs. 4,96,125 to Mr. Anil Kapoor, Managing Director of the Company in September 2011, in addition to the salary, allowances, perquisites and other benefits payable to him as per the terms of his appointment.”

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

“**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, read with schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the re-appointment of, and remuneration payable to Mr. Anil Kapoor as Managing Director of the Company for a period of three years with effect from February 16, 2012, on such terms and conditions as approved by the Board of Directors and set out in the contract, a copy of which is placed at the table of the meeting duly initialed for identification provided that Mr. Anil Kapoor will not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a committee thereof) be and is hereby authorised to determine such increments payable to Mr. Anil Kapoor as it may deem fit and proper within the approved basic salary range from time to time, along with the performance bonus, if any, and to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid resolution.”

By order of the Board
M. S. Rathore



Vice President – Legal
Corporate Communication & Secretary

New Delhi
July 19, 2011

Notes:

1. Proxy

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

2. Explanatory Statement

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

3. Directors proposed to be re-appointed

M/s. Ram Nath Bansal and Marco Philippus Ardeshir Wadia, directors are retiring by rotation and eligible for re-appointment. Members may kindly refer "Report on Corporate Governance" (Annexure 'E' to Directors Report) for their details.

4. Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, August 24, 2011 to Thursday, August 25, 2011.

5. Certificate from Auditors

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

6. Payment of Dividend

The Dividend on Equity Shares for the year ended March 31, 2011, will be paid after declaration by the members:

- (i) in respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on August 25, 2011, after giving effect to all valid share transfer documents lodged with the Company on or before Tuesday, August 23, 2011.
- (ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business on Tuesday, August 23, 2011.

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

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

Dividend Year	Date of Declaration of dividend	Due date for Transfer to IEP Fund
2003-04	20.08.2004	19.09.2011
2004-05	20.10.2005	25.11.2012
2005-06	25.08.2006	27.09.2013
2006-07	24.08.2007	24.09.2014
2007-08	10.09.2008	10.10.2015
2008-09	20.08.2009	20.09.2016
2009-10	27.08.2010	01.10.2017

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

In view of the above, the shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years 2003-04 through 2009-10 to our Share Transfer Agent at New Delhi for issue of cheques / demand drafts before the due dates for transfer to the IEP Fund.

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

7. Dispatch of documents through electronic mode

In pursuance of circular No. 17/2011 dated April 21, 2011 and circular No. 18/2011 dated April 29, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Company proposes to send documents like notice of general meeting, annual report, etc. to the shareholders through electronic mode. We request you to participate in the Green initiative of the Ministry of Corporate Affairs by registering your email ID with your depository participant (where the shares are held in dematerialized form) or the Company (where the shares are held in physical form) by submitting the E-Mail Registration Form attached with the Annual Report.

8. Company on the Net

The website of your Company is www.chambalfertilisers.in where you can find more information about the Company, its subsidiaries and Joint Venture. The details of various services being provided to the investors, guidance and procedure to be followed by the investors in respect of transfer, transmission and transposition of shares, dematerialisation and rematerialisation of shares, quarterly, half yearly and annual results, Annual Report, etc. are available at the page <http://www.chambalfertilisers.in/InvestorServiceCentre.asp>

9. Share Transfer Agent

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

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

10. Members are requested to:

- (a) send their queries, if any, to reach the Company's Corporate Office at New Delhi at least 10 days before the date of the meeting so that information can be made available at the meeting;
- (b) bring their copy of the Annual Report at the meeting; and
- (c) send their e-mail address to us for prompt communication.

11. Pick-up Coach Facility

For the convenience of members intending to attend the Company's Annual General Meeting (AGM) scheduled to be held at 1000 hours on September 16, 2011, the Company will provide transport from Kota to Gadepan and back. The pick-up coach will leave from "Sahyog Bhavan" No. 1, Aerodrome Circle, Kota, Rajasthan at 0830 hours on the date of AGM to reach Gadepan (venue of the AGM) in time for the meeting and will leave for Kota after the meeting.

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

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 8

The shareholders at the twenty fifth annual general meeting held on August 27, 2010 had approved payment of commission upto Rs. 4,00,000 (Rupees Four Lac only) per annum to each of the independent directors of the Company for a period of 5 years starting from the Financial Year 2010-11. The Board of Directors of the Company has recommended to the members of the Company for their approval, payment of commission upto Rs. 4,00,000 (Rupees Four Lac only) per annum to each of the remaining non-executive directors also for a period of 4 years with effect from the Financial Year 2011-12.

The aggregate commission payable to all non-executive Directors at any time, shall not exceed one percent of the net profits of the Company computed in the manner referred to under the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and shall be paid in addition to the sitting fee payable to them for attending meetings of the Board and Committee thereof.

In pursuance of section 309 of the Companies Act, 1956, the payment of commission requires approval of the members by way of a special resolution.

All the directors except Mr. Anil Kapoor are interested in the resolution.

The Board commends the Resolution for approval of the shareholders.

Item No. 9

The Remuneration Committee had formulated a Retention Incentive Scheme (Scheme) for the employees in category of Sr. Manager and above in the Fertiliser Division and Managing Director of the Company. The Scheme is one of the tools for retention and to reduce attrition of the employees. As per the Scheme, a sum of Rs. 4,96,125 is payable to Mr. Anil Kapoor as retention incentive in September 2011. The Board of Directors has approved payment of aforesaid retention incentive to Mr. Anil Kapoor, subject to approval of the shareholders.

The retention incentive payable to Mr. Anil Kapoor in September 2011 shall tantamount to modification in the existing terms of his remuneration and will require approval of the shareholders.

The contract entered into between Mr. Anil Kapoor and the Company in respect of retention incentive shall be available for inspection by the members of the Company at the Registered Office of the Company between 1000 hours to 1200 on any working day prior to the date of the meeting.

The aforesaid information should also be treated as an abstract of the variation of the terms of the contract with Mr. Anil Kapoor under section 302 of the Companies Act, 1956.

None of the Directors except Mr. Anil Kapoor is concerned or interested in the resolution.

The Board commends the resolution for your approval.

Item No. 10

Mr. Anil Kapoor was appointed as Managing Director of the Company for a period of five years w.e.f. February 16, 2007 and his current tenure expires on February 15, 2012. The Board of Directors at its meeting held on July 19, 2011 re-appointed Mr. Anil Kapoor as Managing Director of the Company for a period of three years w.e.f. February 16, 2012. The terms of re-appointment of Mr. Anil Kapoor including the remuneration payable to him are as under:

a) Salary & Allowances:

- (i) Basic salary of Rs. 450,000 (Rupees four lac fifty thousand) per month in the range of Rs. 4,50,000 to Rs. 10,00,000 p.m.

The increment may be determined by the Board of Directors from time to time.

- (ii) Special allowance of Rs. 1,00,000 per month.
- (iii) The Company shall provide fully furnished accommodation or House Rent Allowance equivalent to 60% of the basic salary.
- (iv) Performance Bonus may be determined by the Board of Directors each year.
- (v) Retention Incentive as per details given below:
 - a) Rs. 4,96,125 payable in September 2012;
 - b) Rs. 6,61,500 payable in September 2013;
 - c) Rs. 8,26,875 payable in September 2014;

The payment of retention incentive shall be governed by the Retention Incentive Scheme approved by the Remuneration Committee. As per the Retention Incentive Scheme, if Managing Director retires upon completion of his tenure, he shall be entitled to receive retention incentive of Rs. 8,26,875 which shall be payable to him in September 2015.

- (vi) Settlement allowance equivalent to 6 months last drawn basic salary (as applicable to the senior executives of the Company) shall be payable to Managing Director at the end of his tenure.
- (vii) Employees Stock Option: He shall continue to be eligible for all the benefits of the stock options granted to him under CFCL Employees Stock Option Scheme 2010.

b) Perquisites and other Benefits:

- (i) Two Company provided and maintained AC cars with two chauffeurs.
- (ii) In addition to the above, all the perquisites and other benefits including Leave Travel Concession, medical reimbursement, gratuity, Employer's contribution to Provident Fund, Superannuation Fund, Club Fee (not more than two clubs), etc. as applicable to its senior executives, shall be applicable and allowed to the Managing Director as per the rules of the Company.

c) Other Terms

- i) In the event of the Company earning inadequate profits or incurring losses, the remuneration shall be revised as per the limits provided in Section II of Part II of Schedule XIII to the Companies Act, 1956.
- ii) Either of the parties to the contract may terminate the contract by giving the other party three months' notice in writing.

All other terms of appointment of Mr. Anil Kapoor shall remain unchanged.

The aforesaid information should also be treated as an abstract of the terms of the contract with Mr. Anil Kapoor under section 302 of the Companies Act, 1956.

The appointment letter containing the terms and conditions of re-appointment of Mr. Anil Kapoor shall be available for inspection by the members at the Registered Office of the Company between 1000 hours to 1200 hours on any working day prior to the date of the meeting.

Mr. Kapoor's detailed profile including his directorships in other companies is included in the "Report on Corporate Governance" (Annexure 'E' to Directors Report).

None of the directors except Mr. Anil Kapoor are concerned or interested in the resolution.

The Board commends the resolution for your approval.

By order of the Board
M. S. Rathore



Vice President – Legal,
Corporate Communication & Secretary

New Delhi
July 19, 2011