CHAMBAL FERTILISERS
AND CHEMICALS LIMITED

BUILDING SKILLS,
SECURING LIVELIHOODS




ANNUAL REPORT
2016-17

CONTENTS

DIRECTORS

S.K. Poddar
Chairman

Shyam S. Bhartia
Co-Chairman

Anil Kapoor
Managing Director

K.N. Memani

Aditya Narayan

C.S. Nopany

Radha Singh

Marco P.A. Wadia

SECRETARY

Rajveer Singh

SENIOR EXECUTIVES

Abhay Baijal
Chief Financial Officer

A.K. Bhargava
Vice President - Works

V.K. Gupta
Vice President - Marketing

K. Satishchandra
Executive President-
India Steamship

AUDITORS

S.R. Batliboi & Co. LLP
Chartered Accountants

BRANCH AUDITORS

Singhi & Co.
Chartered Accountants

COST AUDITORS

K.G. Goyal & Associates

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DIRECTORS' REPORT

Dear Members,

Your Board of Directors have pleasure in presenting the 32nd Annual Report on the business and operations of the Company together with audited financial statements for the financial year ended March 31, 2017.

1. Financial Results

(Rs. in Crore)

Particulars	2016-17	2015-16
Revenue from operations	**7430.83**	8790.26
Other Income	**178.23**	134.45
Total Income	**7609.06**	8924.71
Total Expenses	**6992.56**	8425.42
Profit before Exceptional Items and Tax from continuing operation	**616.50**	499.29
Exceptional Items	-	(392.25)
Profit before tax from continuing operation	**616.50**	107.04
Tax expenses	**182.11**	152.66
Profit / (loss) after tax from continuing operation	**434.39**	(45.62)
Profit / (loss) after tax from discontinued operation	**(9.29)**	34.48
Profit / (loss) after tax	**425.10**	(11.14)
Other comprehensive income (net of taxes)	**(1.69)**	3.97
Total comprehensive income	**423.41**	(7.17)
Retained earnings-opening balance	**1367.12**	1471.99
Add:		
Profit / (loss) for the period	**425.10**	(11.14)
Dividend on treasury shares and saving on payment of dividend distribution tax	**0.84**	1.39
Re-measurement gain on defined benefit plans	-	0.06
Less:		
General Reserve	**50.00**	-
Dividend paid on Equity Shares (including dividend distribution tax)	**95.18**	95.18
Re-measurement loss on defined benefit plans	**0.89**	-
Retained earnings- closing balance	**1646.99**	1367.12

In pursuance of the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, Government of India, relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company has adopted Indian Accounting Standards ("Ind AS") beginning April 01, 2016 with the comparatives for the financial year ended March 31, 2016. Further information regarding transition to Ind AS has been provided in the notes forming part of the Financial Statements.

2. Operations

The Company has two business segments viz. Fertilisers and other Agri-inputs and Shipping. The Company is engaged in manufacture of Urea and Single Super Phosphate (SSP) and markets other Agri-inputs such as Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), insecticides, seeds, micronutrients, etc. The Fertiliser and other Agri-inputs Division registered robust performance during the year under review. The sales volumes of DAP and MOP were higher in comparison to the last year though there was some decrease in the sales volumes of Urea. The Shipping Division operates ships (Aframax tankers) for transportation of petroleum products. The performance of Shipping Division remained under pressure due to adverse market conditions.

The Company has executed an agreement for sale of ship - Ratna Shalini on May 2, 2017. Further, the Company has executed agreements for sale of remaining 3 ships - Ratna Shruti, Ratna Shradha and Ratna Namrata on May 20, 2017. The transactions are expected to be completed by September 15, 2017. After delivery of all the vessels, the Company intends to close the shipping business in due course of time which is expected to be completed by December 31, 2017. The Company has decided to close the shipping business considering the long term business outlook of shipping business and to focus on its core business of Fertilisers and Other Agri-inputs. In view of the above, the Shipping Division has been re-classified as held for sale/ discontinued operation as per Ind AS 105.

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

3. New Urea Project

During the Financial Year 2015-16, your Company had started the implementation of new Urea plant at Gadepan for production of 1.34 Million MT of Urea per annum at a cost of approximately USD 900 Million ("Gadepan – III Project"). The commercial production of Urea from Gadepan – III Project is scheduled to start in January 2019. Safety and quality with timely implementation of the project are focus areas during the construction phase. The construction of Gadepan- III Project is in full swing and progressing as per schedule. The Company's team of experienced and dedicated professionals is continuously monitoring the progress.

Gadepan – III Project is being funded through a mix of debt and internal accruals. Till March 31, 2017, the Company has spent Rs. 1624.63 Crore on Gadepan – III Project. The major capital expenditure in Gadepan – III Project shall take place during the Financial Year 2017-18. This project will give a major thrust to the operations of the Company by adding about 63% in the present Urea production capacity of the Company.

4. **Dividend**

The Board recommends dividend @ Rs. 1.90 per equity share of Rs. 10 each (Previous Year – Rs. 1.90 per equity share) for the financial year ended March 31, 2017. The total outgo on this account will be Rs. 95.18 Crore including dividend distribution tax.

The Dividend Distribution Policy of the Company is attached as **Annexure "B"** to this report. 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.

5. **Consolidated Financial Statements**

In pursuance of the provisions of the Companies Act, 2013, Rules 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 Auditors' Report and the Statement containing salient features of financial statements of subsidiaries and joint venture (Form AOC – 1) forms part of the Annual Report.

6. **Corporate Governance Report and Code of Conduct**

Your Directors are committed for adhering the highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2016-17 is attached as **Annexure "C".** The declaration of the Managing Director confirming compliance with the 'Code of Conduct and Ethics' is enclosed as **Annexure "D"** and Auditors' Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **Annexure "E".**

7. **Subsidiaries and Joint Venture**

(a) **Subsidiaries**

(i) **Chambal Infrastructure Ventures Limited**

Chambal Infrastructure Ventures Limited ("CIVL") is a wholly owned subsidiary of your Company which was incorporated to pursue the business opportunities in power sector. CIVL had been pursuing since long for various approvals including renewal of Memorandum of Understanding with the Government of Odisha for setting up a power project. In view of in-ordinate delays, CIVL has decided to withdraw the application for extension of Memorandum of Understanding and not to pursue the power project in Odisha.

(ii) **CFCL Ventures Limited, Cayman Islands and its subsidiaries**

CFCL Ventures Limited, Cayman Islands was a wholly owned subsidiary of CFCL Technologies Limited, Cayman Islands, a subsidiary of your Company. With a view to achieve administrative and operational cost efficiencies and simplification of the corporate structure of the subsidiaries, CFCL Technologies Limited merged with CFCL Ventures Limited with effect from December 20, 2016 and CFCL Ventures Limited became a direct subsidiary of your Company.

CFCL Ventures Limited operates business through its subsidiaries, namely, ISGN Corporation, USA and ISG Novasoft Technologies Limited, India. Inuva Info Management Private Limited, India is a subsidiary of ISG Novasoft Technologies Limited. CFCL Ventures Limited and its aforesaid three subsidiaries have changed their respective financial years to align with the financial year of your Company. Accordingly, the financial year of each of these subsidiaries comprises of 15 months period ended on March 31, 2017.

ISGN Corporation, USA had entered into a stock purchase agreement on January 28, 2016 for sale and transfer of its entire shareholding in its wholly owned subsidiary, namely ISGN Solutions, Inc., USA to Firstsource Group USA, Inc., USA. Further, ISG Novasoft Technologies Limited had signed an agreement on January 28, 2016 for sale of its Business Process Outsourcing business to Firstsource Process Management Services Limited, India on slump sale basis. These transactions were completed on May 18, 2016. Accordingly, ISGN Solutions Inc., USA and its subsidiaries, namely ISGN Fulfillment Agency LLC, USA and ISGN Fulfillment Services Inc., USA, ceased to be the subsidiaries of your Company during the year under review.

ISGN Corporation, USA is engaged in designing, developing, marketing and distribution of software products for mortgage lending industry in USA. This business is supported by ISG Novasoft Technologies Limited, India. After sale and disposal of its subsidiaries as mentioned above, ISGN Corporation, USA is now a pure-play technology product company with concerted focus on sale of software products to existing and new customers. ISGN Corporation, USA registered a robust growth in its technology product business during the 15 months period ended March 31, 2017. Continuous efforts have been made to reduce the cost of operations and modernize key software products. This has enabled ISGN Corporation to increase its revenue stream in technology product business.

(iii) **India Steamship Pte. Limited, Singapore**

India Steamship Pte. Ltd, Singapore is a wholly owned subsidiary of your Company and principal activity of the subsidiary is to carry on the business of ship chartering. There was no business activity in this subsidiary during the year under review.

(iv) **India Steamship International FZE, UAE**

India Steamship International FZE, UAE is a subsidiary of your Company and it has operated through in-chartered vessels during part of the year.

(v) **India Steamship Limited, India**

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

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

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

During the calendar year 2016, IMACID achieved revenue of Moroccan Dirham (MAD) 2068.30 million (Rs. 14041.94 million) against revenue of MAD 2777.42 million (Rs. 18125.35 million) achieved during the calendar year 2015. The profit after tax of IMACID was MAD 8.04 million (Rs. 54.58 million) during the year as against MAD 194.01 million (Rs. 1266.10 million) in the calendar year 2015. The lower production and sales of phosphoric acid due to lower demand and breakdown of captive power plant for major part of the year has adversely affected the performance of IMACID.

During the quarter ended March 31, 2017, IMACID achieved operating income of MAD 476.93 million (Rs. 3068.40 million).

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 provided in Note No. 56 to the Consolidated Financial Statements forming part of the Annual Report.

The Company shall place the audited financial statements of subsidiaries on its website in pursuance of Section 136 of the Companies Act, 2013 and shall provide a copy of these statements to any shareholder seeking it. These documents will also be available for inspection by members during business hours at the registered office of the Company at Gadepan, Dist. Kota, Rajasthan.

Save and except M/s. ISGN Solutions Inc., USA, ISGN Fulfillment Agency LLC, USA and ISGN Fulfillment Services Inc., USA, which ceased to be the subsidiaries of your Company and CFCL Technologies Limited which merged with CFCL Ventures Limited, no other subsidiary, associate or joint venture has been acquired/ included or ceased during the year under review.

8. Health, Safety, Quality and Environmental Protection

Your Company continuously strives to integrate sustainability into its operations through effective resource management, fostering a safe and productive work place, materials stewardship, responsible energy use, water use optimization, positive waste management and conservation of bio-diversity.

There is a well-defined Health, Safety, Security, Environment & Quality ("HSSEQ") policy which demonstrates management's strong commitment towards the same. The adherence to HSSEQ policy is continuously monitored by senior management through regular reviews.

Your Company has established, on a sustainable basis, an Integrated Management System based on OHSAS-18001:2007, ISO-14001:2015 and ISO-9001:2015. It has also adopted Process Safety Management and guidelines of British Safety Council. As a result of relentless and enhanced focus, there has been no reportable accident during last two years.

The details of various activities and achievements of the Company in respect of HSSEQ are as under:

(a) Health & Hygiene

Your Company aims to prevent work-related illness and occupational diseases as well as ensure good working environment through periodic medical examinations and hygiene monitoring at work place. Apart from two full time Doctors and trained nursing staff, specialist doctors like child specialist, eye specialist, dental surgeon, Gynecologist, etc. visit the Health Centre at Gadepan regularly. There are three ambulances available on round the clock basis at the plant location of the Company.

The Health Centre at Gadepan provides services round the clock to employees, their families, contractor workforce and villagers in the vicinity of the plants. The Company regularly organizes health and hygiene related training and awareness programs through external experts.

(b) Safety and Security Management

Your Company is committed to ensure highest level of health and safety of employees and contractor workforce. During the year, the Company had engaged a reputed external agency to carry out complete review of security of the plant and township areas. Based on the findings of this exercise, the Company is revamping its security set up through re-enforcement of physical infrastructure and enhanced technological interventions.

The Company has pro-actively taken various initiatives to prevent any mishap or accident in its operations. Effective implementation of the safety system is ensured through hazard identification, risk assessment & mitigation procedures, safety work permit system, etc. Before executing any maintenance job in the plants, a cross functional team review the jobs on a daily basis from a safety perspective to ensure that all recommended actions to prevent hazards are taken.

The continuous training programs and drills are conducted on rescue, work at height, working inside confined space, fire-fighting, emergency handling, electrical safety, material handling, road safety, use of breathing air sets, etc.

Safety is one of the focus area in the construction of the new Urea plant at Gadepan. In addition to dedicated team of safety professionals of the Company, the contractor and sub-contractors are available on round the clock basis to monitor safe working at project site.

(c) Environment Management

Your Company has always followed, in letter and spirit, the principles of prevention of pollution, minimization of waste & re-cycle and conservation of natural & other resources.

Your Company is sensitive towards the impacts of its operations on environment including with respect to resource consumption, 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 is in place to monitor the environmental compliances.

The Company's Gadepan complex made a positive change in ecology due to development of a dense green belt and regular plantation. This has provided a soothing and healthy environment for people to live and work and habitat to many species of birds. Only treated waste water is used in maintaining the green belt through irrigation network spread all over the Gadepan complex. The use of polythene bags is strictly prohibited in the Gadepan campus.

(d) Quality Management

Your Company is committed to provide products and services maintaining high standards of quality and offering value for money to its customers and consumers in a responsible manner.

The Company has always followed stringent guidelines on product quality and rigorous systems and processes are in place to monitor and control the quality of raw materials and the products.

`Quality is continually improved by determining and taking care of internal and external customer requirements, future needs and expectations. Quality reviews are regularly conducted and feedback from end users (farmers) is accorded high value. The Company has a well-equipped advanced quality control lab for monitoring of all critical parameters of the products manufactured by the Company.

In case of the end products sourced from third party manufacturers, the concept of quality is embedded since inception. The products are sourced from reputed national and international suppliers. In addition to this, the Company ensures the quality of the products through regular checks.

(e) Achievements

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

- "Best Production Performance Award 2016 for overall performance of a Company" (Winner) from The Fertiliser Association of India.
- "Environmental Protection Award 2016" (Winner) in the SSP Fertiliser Plants Category from The Fertiliser Association of India.
- "Rajasthan Energy Conservation Award – 2016" (1st Prize) by Government of Rajasthan, Department of Energy, Jaipur.

9. Corporate Social Responsibility

Your Company believes that responsible social behavior is vital for the success of an organization on sustainable basis. The Corporate Social Responsibility ("CSR") is deeply engrained in the corporate philosophy of the Company. Your Company is contributing in the sustainable development of the community through focused interventions in the areas of education, healthcare, livelihood training, soil health, infrastructure development, etc.

The CSR programmes / projects of the Company are implemented directly as well as through KK Birla Memorial Society and other Non-Governmental Organisations (NGO) which are engaged in specific areas. The brief outline of the CSR initiatives of the Company are as under:

(a) School Education

Education is the flagship programme of the CSR activities of the Company. The Company is creating positive impact in the lives of the children and youths by extending support from pre-school education to job oriented courses at Industrial Training Institutes.

The Company has adopted 36 Aanganwadi centers in 26 villages of District Kota and Baran. These Aanganwadi centers play an important role in preparing the children for formal education. Further, your Company has adopted 16 primary schools, 13 upper primary schools and 10 secondary and senior secondary schools in the villages surrounding its plants at Gadepan with the objective of improving the learning levels of students. Pratham Education Foundation, a renowned NGO, has been engaged to improve the learning level of students from nursery to 5th standard. Motion Education Development Society has been engaged for remedial education for students of class 6th to 12th standard. A significant improvement has been observed in the learning level of students in these schools post adoption by the Company. The renovation of two new schools was carried out during the year. All the adopted schools are now having separate toilet blocks for girls and boys. The Company also provided stationery, school bags, note books and winter wear to around 5000 students. Your Company is also imparting basic computer courses to rural youths through its four Community Information Technology Centers located in villages in the vicinity of its plants at Gadepan.

CFDAV School is being run in the Gadepan complex for Nursery to Class 10 students in collaboration with DAV Trust and Management Society. Around 65% students in CFDAV School are from adjoining villages.

(b) Technical Education

The Company had adopted Industrial Training Institute (ITI) of Sangod, Sultanpur, Jhalawar and Baran. ITI Sangod has become one of the best institutions of Rajasthan and has received various accolades at state and national level for its quality training and placement record. Department of Technical Education has awarded Best ITI of the Region Award to ITI, Sangod, during the year under review. The first phase of renovation work in ITIs at Jhalawar and Baran is complete and five new trades had been introduced in ITIs at Sangod, Baran and Jhalawar thereby increasing 250 seats in these ITIs. The senior employees of the Company are involved in the management of these ITIs and Company's employees also take extra classes for students therein.

In addition to the above, your Company is running four vocational training centers in the villages near Gadepan. These centers operate in association with District Adult Education Association. During the year, around 170 youths were trained in various skills and linked with various livelihood activities.

(c) Community Health Care

The Company provides free of charge healthcare services in adjoining villages of districts Kota and Baran. The Company has engaged an NGO - School Health Annual Report Programme to provide health services in the villages of districts Kota and Baran. The healthcare initiatives in the villages near Mussoorie (Uttarakhand) are being implemented in collaboration with Manorama Devi Birla Charitable Trust.

(d) Infrastructure Development

Your Company has continued to contribute towards village rural infrastructure development. The Company had leveraged funds from various government schemes to develop rural infrastructure in nearby villages to improve quality of life. The Company is also contributing towards Swachh Bharat Abhiyan by constructing individual household toilets in adjoining villages.

(e) Soil Health

The Company is running two agriculture development laboratories in Agra and Kota. In addition to this, three mobile soil testing vans are operating in Rajasthan and Uttar Pradesh.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on CSR 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 "F"** 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. 9.38 crore. As against this, the Company had spent approximately Rs. 9.46 crore on CSR projects / programmes.

10. Directors and Key Managerial Personnel

The Board consists of eight directors - seven non-executive directors including four independent directors and a Managing Director. Mr. Chandra Shekhar Nopany, Director (DIN: 00014587) is due for retirement at the forthcoming Annual General Meeting ("AGM") and has offered himself for re-appointment.

The Board of Directors at its meeting held on May 11, 2016 had re-appointed Mr. Anil Kapoor (DIN: 00032299) as Managing Director of the Company for a period of 3 years with effect from February 16, 2017, which has been approved by the members of the Company at the AGM held on September 22, 2016. During the year, the Managing Director has not received any commission or remuneration from any subsidiary of the Company.

The tenures of appointment of Mr. Marco P.A. Wadia, Ms. Radha Singh and Mr. Kashi Nath Memani, Independent Directors shall expire on the conclusion of the ensuing AGM scheduled to be held on September 15, 2017. Mr. Marco P.A. Wadia and Ms. Radha Singh, being eligible, have offered themselves for re-appointment as Independent Directors. On the recommendations of the Nomination and Remuneration Committee, the Board of Directors recommends to the shareholders of the Company, the re-appointment of Mr. Marco P.A. Wadia and Ms. Radha Singh as Independent Directors of the Company to hold office for a further term of 5 (five) consecutive years upto September 14, 2022.

Mr. Kashi Nath Memani has expressed his unwillingness for re-appointment. Mr. Memani has been associated as Independent Director with the Company for last 8 years. The Company has immensely benefited from his vast knowledge and experience. The Board of Directors expresses its sincere gratitude and appreciation of the contribution made by Mr. Memani as an Independent Director of the Company.

All the Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149 of the Companies Act, 2013 and the Listing Regulations.

In pursuance of the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Anil Kapoor, Managing Director, Mr. Abhay Baijal, Chief Financial Officer and Mr. Rajveer Singh, Assistant Vice President – Legal & Company Secretary are Key Managerial Personnel of the Company. During the year, there was no change in the Key Managerial Personnel.

The Board met five times during the financial year 2016-17.

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

11. Internal Financial Controls

The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The details of internal control system are given in the Management Discussion and Analysis Report attached hereto as **Annexure "A".**

12. Remuneration Policy

The Remuneration Policy of the Company including criterion for determining qualifications, positive attributes, independence of Directors and other matters as prescribed under Section 178 of the Companies Act, 2013 and Listing Regulations is annexed to this Report as **Annexure "G".**

13. Disclosures under the Companies Act, 2013 and Rules thereunder

(a) Your Company has not issued any shares during the Financial Year 2016-17.

(b) No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

(c) All Related Party Transactions entered during the year were on arm's length basis. No material Related Party Transactions (transaction(s) exceeding ten percent of the annual consolidated turnover of the Company as per last audited financial statements), were entered during the year by the Company. Accordingly, disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

(d) The extract of annual return is attached to this Report as **Annexure "H".**

(e) The following information is given in the Corporate Governance Report attached as **Annexure "C"** to this report:

i) The performance evaluation of the Board, the Committees of the Board, Chairperson and the individual Directors;

ii) The Composition of Audit Committee; and

iii) The details of establishment of Vigil Mechanism.

(f) The particulars of loans and guarantees given and investments made under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

(g) During the year, the auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

14. 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, 2017 and of the profit and loss of the Company for the year ended March 31, 2017;

(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 are 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.

15. Auditors

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

In pursuance of the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, regarding rotation of auditors upon completion of the maximum tenure prescribed therein, M/s. S. R. Batliboi & Co. LLP, Auditors (Registration No. 301003E/ E300005) and M/s. Singhi & Co., Chartered Accountants (Registration No. 302049E), Branch Auditors of Shipping Business of the Company, will retire at the conclusion of the ensuing AGM of the Company.

The Board places on record its appreciation of the services rendered by M/s. S. R. Batliboi & Co. LLP and M/s. Singhi & Co. during their association with the Company.

On the recommendations of the Audit Committee, the Board recommends to the shareholders of the Company, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as the Auditors of the Company to hold office from the conclusion of 32nd AGM of the Company till the conclusion of 37th AGM of the Company to be held in the year 2022, subject to ratification by members at every AGM.

The Board of Directors of the Company appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost accounts of the Company, as applicable, for the financial year 2017-18. As required under the Companies Act, 2013 and Rules framed thereunder, your Directors are seeking ratification of the members for the remuneration payable to M/s K.G. Goyal & Associates, Cost Accountants.

16. Secretarial Audit

In pursuance of the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. RMG & Associates, Company Secretaries for conducting secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report issued by the aforesaid Secretarial Auditors is attached as **Annexure "I"** to this report.

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

17. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company continuously strives to make its manufacturing facilities energy efficient. The energy conservation is of paramount importance for sustainability of the operations and it also results into saving of natural and financial resources. The Company has four double hull Aframax Tankers and these ships are more energy efficient as compared to the old vessels. The Company continuously makes efforts to make the vessels more energy efficient through energy saving measures and technological upgradations. 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.

18. Risk Management

Your Company has developed and implemented a Risk Management Policy. The Company has voluntarily constituted Risk Management Committee which 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 circulated to the Audit Committee and the Board of Directors for their review periodically.

19. Deposits

During the year, the Company has not accepted 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 2016-17.

20. Particulars of employees

The human resource has played vital role in the performance and growth of the Company over the years. Your Company has very healthy work environment which enables the employees to contribute their best in the working of the Company. 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**.**

21. 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 issue and allotment of options exercisable into not more than 41,62,000 equity shares of face value of Rs. 10/- each to eligible employees and Managing Director of the Company. Each option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company.

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

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 22,47,902 equity shares of the Company as on March 31, 2017 (22,53,402 equity shares as on March 31, 2016), being 0.54% 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. 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 2016-17.

The disclosures required to be made under ESOP Regulations read with SEBI Circular No. CIR/CFD/Policy Cell/2/2015 dated June 16, 2015 are given on the website of the Company at the weblink http://www.chambalfertilisers.com/pdf/esop-2017.pdf**.** The disclosures in respect of ESOS 2010 are also given in the notes to the Financial Statements.

22. Business Responsibility Report

In pursuance of the provisions of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report**.**

23. Investor Service Centre

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

The equity shares of your Company are listed at National Stock Exchange of India Limited and BSE Limited. The Company has paid annual listing fees to these Stock Exchanges for the financial year 2017-18.

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

24. Acknowledgements

Your Directors wish to place on record their appreciation of the faith reposed in the Company by all the stakeholders including the Department of Fertilisers, Government of India, State Governments, Domestic and International Financial Institutions & Banks, investors and customers. Your Directors also wish to thank the employees at all levels for their exemplary commitment, hard work and dedication which has been critical for the Company's sustained performance.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "A" to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report covering the business segments of the Company is as under:

1.0 FERTILISERS AND OTHER AGRI-INPUTS DIVISION

1.1 Industry Structure and Developments

A) Urea

Urea is the most popular source of the major plant nutrient – Nitrogen and plays vital role in ensuring the food security in the country. The Urea industry in the country has manufacturers from public, co-operative and private sectors. With the increase in the area under irrigation and introduction of high yielding varieties of crops, there has been a gradual increase in the demand of Urea over the years. Despite increase in demand, no new Urea capacities were added during last 17 years except revamp of few existing plants. This has resulted into widening of gap between demand and domestic supply thereby increasing the imports. Urea production in the country during the Financial Year 2016-17 was 24.20 million MT against 24.45 million MT during the previous year. India imported around 5.48 million MT of Urea during the Financial Year 2016-17, which is around 18% of the total Urea consumption in the country. The positive changes in Government policies including pooling of gas during the previous year have augured well for the industry and all the plants in the country were able to operate to their capacity. The pooling of gas has provided a level playing field to Urea manufacturers for achieving optimum production levels. The optimum production coupled with timely imports has resulted into adequate availability of Urea in the market place. There was downward trend in the prices of imported Urea and the prices were in the range of USD 185 to USD 270 per MT during the financial year 2016-17.

B) Other Products

Apart from Urea, the Company manufactures Single Super Phosphate (SSP) at its manufacturing unit at Gadepan which is low cost source of Phosphatic nutrients. SSP market is very fragmented with many small players. The SSP industry has been grappling with various challenges like price pressure, excess capacity, quality, etc. during the year.

The Company also supplies other agri-inputs like Di-ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK Fertilisers, crop protection chemicals (insecticides, fungicides & herbicides), seeds, sulphur, micro-nutrients, complex fertilisers and city compost through its well established marketing network. The Company imports DAP, MOP, NPK, sulphur and complex fertilisers from reputed suppliers in the international market whereas other products are procured from reputed suppliers in India. Micro-nutrients are procured both from domestic and international suppliers.

DAP, MOP, SSP and NPK fertilisers are under the Nutrient Based Subsidy (NBS) policy of the Government of India. NBS policy prescribes payment of subsidy based on the nutrient component in these fertilisers. Half of the demand of DAP in the country is met through imports and balance half through domestic production whereas the country is fully dependent upon imports for MOP. There are large players in the Indian market who manufacture DAP as well as import DAP and MOP. The crop protection chemicals market is dominated by multi-national companies and the products are either manufactured by them or they supply the basic ingredients to domestic manufacturers for production of finished products. The seeds, sulphur, complex fertilisers and micro-nutrients markets are fragmented with many small manufacturers.

As against total consumption of 8.82 million MT of DAP during the year, around 4.39 million MT was imported. The prices of DAP remained volatile in international market. The prices of DAP were around USD 370 per MT CFR India in April 2016 which cascaded down to USD 315 per MT CFR India in March 2017.

MOP imports in the country during the financial year were 3.74 million MT as against 3.24 million MT during the previous year.

1.2 Opportunities and Threats

During the previous year, the Company started construction and implementation of new brownfield Urea project at Gadepan, Dist. Kota, Rajasthan with an approximate cost of USD 900 million. The construction is running as per schedule and the new plant is expected to commence commercial production in January 2019. The new plant will increase the present Urea production capacity of the Company by about 63%. It will be the most modern and energy efficient plant in the country. This will be the first Urea plant to be constructed under the New Investment Policy, 2012 (as amended) of the Government of India. The new Urea plant will offer a huge opportunity to the Company to expand its footprints in new territories in the country and increase its market share in the existing marketing territory.

The implementation of NBS Policy by the Government of India few years back has opened new business avenues and the Company has grabbed this opportunity with rapid expansion of its DAP and MOP business. The Company has utilised its marketing and brand strength to increase the business volumes in the existing territory and to expand its reach to the new territories. The Company has established itself as a significant player in this segment and it gave a major boost to the revenue and profitability of the Company. However, demand fluctuation due to monsoon variations, volatility in the global prices of these fertilisers and variation in the foreign exchange rates are the challenges and your Company takes these factors into consideration while making its marketing strategy.

1.3 Risks and Concerns

The Fertiliser Industry is highly regulated and dependent on the Government policies. The changes in such policies may sometimes adversely affect the Company. Subsidy is a major component of revenue of the Company. The delay in payment of subsidy by the Government of India creates stress on the working capital and increases the finance cost of the Company. During last few years, the Government has resorted to under-provisioning of fertilizer subsidy. In case of imported phosphatic fertilisers, the subsidy provision lasts only for first few months of the financial year and the fertiliser companies have to wait for long for release of subsidy thereafter. This is a concern area which is affecting the bottom-line of your Company.

The variations in demand of DAP and MOP due to change in monsoon patterns, volatility in foreign exchange rates and prices of the products in international markets and interest burden due to delay in payment of subsidy may impact the profitability of the Company.

1.4 Outlook

There has been gradual increase in the demand of Urea without any production capacity addition in the country for long. The increased demand is presently being met by Urea imports. Hence, subject to risks and concerns mentioned above, the Urea business is not likely to face any challenge in terms of sales volumes in the near future. There is likelihood of capacity addition of Urea in the country after few years including from the new Urea plant of the Company. Considering its long experience, the Company is confident that it will be able to enhance its sales volumes of Urea and smoothly absorb the production from the new plant. The Company is going from strength to strength and has registered significant growth in sales volumes of non-urea fertilisers. The products of the Company are known in the market place for their good and consistent quality. The Company will continue the momentum and considering the brand loyalty for the products of the Company and strong marketing network, the outlook remains positive.

1.5 Operational and Financial Performance

The performance of Fertilisers and other Agri-Inputs Division is summarized below:

Particulars	2016-17	2015-16
Urea Production (MT in lac)	20.02	21.25
Urea Sales (MT in lac)	19.52	20.70
SSP Production (MT in lac)	1.43	1.65
SSP Sales (MT in lac)	1.22	1.72
Sales including other Agri-inputs (Rs. in crore)	7430.48	8789.81*
EBIDTA before exceptional item (Rs. in crore)	923.88	845.50*

* previous year figures were re-stated as per Indian Accounting Standards ("IND-AS") to make them comparable with the current year figures.

The revenue from marketed products was Rs. 3921.68 crore during the financial year 2016-17 in comparison to Rs. 4388.31 crore in the previous year. The sales of various products were as under:

Products	2016-17	2015-16
DAP (MT in lac)	9.85	8.98
MOP (MT in lac)	2.09	1.87
SSP (MT in lac)	-	0.20
Other Fertilisers (MT in lac)	0.81	0.91
Crop Protection Chemicals (Net) – (Rs. in Crore)	213.26	250.67
Seeds (Net) – (Rs. in Crore)	73.32	64.93

The Company achieved highest ever sales volumes in DAP and MOP. The sales of Crop Protection Chemicals remained under pressure due to adverse market conditions for these products. During the year, the Company has not procured SSP from third party manufacturers and focused on its own production. There was satisfactory growth in sales of seeds though market for other fertilisers remained subdued.

The revenue of the Company was lower in comparison to the previous year mainly due to reduction in prices of natural gas, lower production and sale of Urea, lower prices of imported fertilisers and reduction in sales of crop protection chemicals. However, the Company has achieved better profitability by increasing the sales volumes and keeping healthy margins in some of the products marketed by it.

1.6 Material Developments in Human Resources/ Industrial Relations

The Company operates two sophisticated process plants for production of Urea and third plant is under construction. The availability and retention of qualified and experienced workforce is critical for the Company's operations. It continuously works towards ensuring that appropriate recruitment and retention plans are in place to avoid any gap in talent pool.

The Company continuously reviews its human resource policies to align them with the changing trends in the employment market and an appropriate performance appraisal system is in place to identify and reward the talent. The existing talent pool is rejuvenated through recruitments on a continuous basis.

The training and development needs of the employees at various levels are identified as part of the appraisal process and appropriate training programmes are designed. Apart from in-house training programmes, the employees are also nominated for external training programs from time to time. The employee strength of Fertilisers and other Agri-inputs Division was 935 as on March 31, 2017. The Company continues to maintain open and cordial employee relations across all locations.

2.0 INDIA STEAMSHIP- SHIPPING DIVISION

2.1 Industry Structure and Developments

The major segments in the shipping industry are dry bulk, containers and tankers. Your Company owns and operates coated Aframax tankers and is engaged in transportation of crude oil / petroleum products. The shipping industry is inter-linked with the global economy and is complex and volatile in nature. Shipping industry is highly dependent on trade flows across the globe and it has seen cyclic booms and busts following the fluctuations in the world economy.

The financial year 2016-17 started on a subdued note with freight market conditions remaining depressed in both the crude and product tanker sectors. For the calendar year 2016, Aframax spot earnings have averaged about 40% lower than average spot earnings in the calendar year 2015. Further, during the calendar year 2017, freight rates continued to soften with Aframax spot earnings during the quarter ended March 31, 2017 averaging about 25% lower than average spot earnings in the year 2016. As a consequence of softening of freight rates, the asset prices are also steadily moving downwards. The benchmark second hand prices in the majority of tanker sectors have declined and the tanker sale and purchase markets have fallen to the levels of year 2003-2004.

2.2 Opportunities and Threats

Crude tanker deadweight demand is projected to increase by 0.8% in the year 2017, a notable slowdown from last year, mainly due to the reduction in oil supply from major exporters. The Chinese and Indian crude imports are expected to grow firmly but there are still threats like the increase in US rig count which is expected to limit US crude import this year. The signs of recovery are not visible and earnings and bunker prices are moving in different directions. However, the downward cycle may offer asset buying opportunities for the players having financial strength and capacity to withstand the market pressure for long period.

2.3 Risk and Concerns

The impact of global economic scenario is reflected in the shipping business due to international nature of this business. The movement in demand and supply of petroleum products has a correlation with the demand and supply of oil tankers. Global oil demand is currently projected to increase by 1.7% in the year 2017. However, the crude and product tanker fleet is expected to grow firmly by 5.6% and 4.3% respectively in the year 2017. This indicates that there is likelihood of supply-side pressure remaining prevalent this year.

2.4 Outlook

It is currently expected that global seaborne crude imports will remain fairly steady during the year 2017, though the crude tanker deadweight demand is expected to grow at a slower pace than last year. The European crude imports are expected to continue to decline throughout the year. The downward trend in the freight rates and prices of ships coupled with increase in bunker prices is putting lot of pressure on the shipping business and the outlook in the short to medium term is not looking very positive.

2.5 Financial and Operational Performance

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

Particulars	2016-17	2015-16
Sales (Rs. in crore)	290.86	739.69
EBIDTA before exceptional items (Rs. in crore)	78.53	224.31

Note: The previous year figures were re-stated as per IND-AS to make them comparable with the current year figures.

The shipping industry has been passing through a downward phase. The reduced earnings coupled with high bunker prices have adversely affected the revenue and profitability of the Company. Further, the Company has sold the vessel Ratna Puja in April 2016 and there was no in-chartering of vessels during most part of the financial year 2016-17, which has also resulted into lower sales in comparison to the previous year.

The Company has executed an agreement for sale of ship - Ratna Shalini on May 2, 2017. Further, the Company has executed agreements for sale of remaining 3 ships - Ratna Shruti, Ratna Shradha and Ratna Namrata on May 20, 2017. The transactions are expected to be completed by September 15, 2017. After delivery of all the vessels, the Company intends to close the shipping business in due course of time which is expected to be completed by December 31, 2017. The Company has decided to close the shipping business considering the long term business outlook of shipping business and to focus on its core business of Fertilisers and Other Agri-inputs.

2.6 Material Developments in Human Resources / Industrial Relations

The Company has a committed and experienced workforce to ensure effective performance and operational efficiency. The Occupational Health and Safety and Protection of environment are high priority areas for shipping business. Considering the pressure on earnings and decrease in the size of the fleet, the shipping business has outsourced the technical management of ships. This has necessitated reduction in the number of shore staff personnel. In view of this, the Company has given voluntary retirement during the year to 24 staff personnel in the shore office in Kolkata. The shipping division had 21 employees in its shore office and 103 floating staff on-board as on March 31, 2017. The employee relations continue to be cordial during the year.

INTERNAL CONTROL SYSTEM

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and 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.

During the year, the internal audit was carried out by the internal audit team of the Company and M/s. Deloitte Haskins & Sells, LLP as per the approved audit plan. Internal audit 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 first discussed by the Management Committee and subsequently placed before the Audit Committee of the Board of Directors along with the directions/ action plan recommended by the Management Committee. The directions are implemented by the respective departments and Action Taken Report is placed before the Audit Committee.

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

CAUTIONARY STATEMENT

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

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "B" to Directors' Report

DIVIDEND DISTRIBUTION POLICY

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

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

The parameters for declaration of dividend are as under:

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

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

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

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

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

a) In case there are no profits or the profits are not adequate during a financial year for declaration of dividend, the Board of Directors may recommend payment of dividend, partly or fully, out of the profits of the Company for any previous financial year(s), provided such profits are not required to be retained for business needs of the Company.

b) The Board of Directors of the Company may consider recommending payment of dividend out of free reserves of the Company in case of inadequacy of profits during a financial year, if the Board of Directors is of the opinion that:

   i) Inadequacy of profits is of temporary nature and the Company is expected to earn profits in the next 2 to 3 financial years; and

   ii) The amount of dividend to be declared out of the reserves is not required to be conserved for business needs of the Company.

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

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

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

III) Policy in respect of utilization of retained earnings

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

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

IV) Parameters to be adopted for various classes of shares

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

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

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "C" to Directors' Report

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Company aims to be the industry leader by achieving excellence in everything it does including standards of business conduct. The Company believes in conducting its business with responsibility, integrity, fairness, transparency and honesty. The Company has always focused on good corporate governance practices, which are key drivers of sustainable corporate growth and long-term value creation for its shareholders. The Corporate Governance is a continuous process which aligns the interests of individuals, corporations and society and integrates all the participants involved in the process, which is not only economic but also social. Corporate Governance goes beyond the practices enshrined in the laws and encompasses the basic business ethics and values that need to be adhered in letter and spirit.

The Company believes that corporate governance is not limited to merely creating checks and balances. It is more about creating organizational excellence leading to increase in employee and customer satisfaction and long term shareholders' value without compromising on ethical standards. The Company believes in leveraging its resources to translate opportunities into reality, create awareness of corporate vision and inculcate dynamism and entrepreneurship at all levels.

Above all, corporate governance practices must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice.

2. Board of Directors

As on March 31, 2017, the Board of Directors comprised of eight directors including a Managing Director. The composition of Board of Directors is optimum and balanced in terms of specialisation in one or more areas. Out of the seven non-executive directors of the Company, four are independent directors including one woman director. The Board of Directors provide effective leadership and 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 Board deliberations and decisions. They have a wider view of external factors affecting the Company in its business environment. These directors make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team.

All the Independent Directors have an in-depth knowledge of business, in addition to the expertise in their area of specialization. All the Independent Directors of the Company satisfy the criteria of independence as defined under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment have been uploaded on the website of the Company.

Mr. Chandra Shekhar Nopany (DIN: 00014587), Director of the Company is retiring by rotation at the forthcoming Annual General Meeting ("AGM") and is eligible and has offered himself for re-appointment.

The tenures of appointment of Mr. Marco P.A. Wadia, Ms. Radha Singh and Mr. Kashi Nath Memani, Independent Directors shall expire on the conclusion of the ensuing AGM scheduled to be held on September 15, 2017. Mr. Kashi Nath Memani has expressed his unwillingness for re-appointment.

Mr. Marco P.A. Wadia and Ms. Radha Singh, being eligible, have offered themselves for re-appointment as Independent Directors. On the recommendations of the Nomination and Remuneration Committee, the Board of Directors recommended to the shareholders of the Company, the re-appointment of Mr. Marco P.A. Wadia and Ms. Radha Singh as Independent Directors of the Company to hold office for a further term of 5 (five) consecutive years upto September 14, 2022.

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

3. Meetings and Attendance

The Meetings of the Board are generally held at the Corporate Office of the Company at Jasola, New Delhi - 110025. The Board meetings are scheduled in the manner that it coincides with the announcement of quarterly financial results. In case of urgency, additional Board meetings are convened. During the year under review, five Board meetings were held on May 11, 2016, August 10, 2016, November 12, 2016, February 10, 2017 and March 16, 2017.The gap between two Board meetings did not exceed one hundred twenty days.

The composition of the Board of Directors, their attendance at the Board Meetings held during the Financial Year 2016-17 and AGM, number of other directorships in Indian public limited companies and membership of the Committees of the Boards of such companies as on March 31, 2017, are as follows:

Name of Director	Category of Director	Whether Attended Last AGM	Number of Board Meetings attended	Other Directorships	Membership of Committees of other Boards	
					Chairperson	Member
Mr. S. K. Poddar	NED/PG	No	3	6	0	0
Mr. S. S. Bhartia	NED/PG	No	4	3	0	2
Mr. Anil Kapoor	MD	Yes	5	2	0	0
Mr. K.N. Memani	ID	No	2	5	2	1
Mr. Aditya Narayan	ID	Yes	5	3	2	1
Mr. C.S Nopany	NED/PG	No	5	9	2	0
Ms. Radha Singh	ID	Yes	5	2	0	2
Mr. Marco P. A. Wadia	ID	Yes	5	7	3	5

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

Notes:

(i) Directorship excludes Indian private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013.

(ii) Committees mean Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

(iii) 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.

4. Board Agenda

The calendar of Board meetings is scheduled in the beginning of the year and shared with Board members. Apart from the annual Board meeting calendar, the notices of Board meetings are given well in advance to all the Directors. The Board members are provided with well-structured and comprehensive agenda papers with background information and analysis 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

The Board of Directors has constituted various Board committees with specific terms of reference and scope to ensure timely and effective working of the Board and the Company in addition to comply with the provisions of the Listing Regulations, other regulations / guidelines of Securities and Exchange Board of India (SEBI) and other statutory provisions. The committees operate as empowered bodies of the Board. In your Company, there are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles & responsibility and urgent 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. The terms of reference and composition of these Committees are 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 from time to time. The role of the Audit Committee includes oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing with the management and examination of the annual financial statements before submission to the Board of Directors and auditors report thereon, reviewing with the management the quarterly financial results before submission to the Board of Directors for approval, review and monitor the auditors' independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions with related parties, 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 and review of the functioning of whistle blower mechanism.

The Audit Committee also reviews the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, internal audit reports and such other matters / information as prescribed.

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.

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

(ii) Composition:

The Committee comprises of four Independent Directors. Mr. K. N. Memani being Chartered Accountant is a financial expert. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Chief Financial Officer, representatives of statutory auditors and internal auditors. Further, the cost auditor and other executives of the Company are invited in the Audit Committee meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Committee met five times during the year on May 10, 2016, August 9, 2016, November 12, 2016, February 9, 2017 and March 16, 2017 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco P. A. Wadia	Chairman	Independent	5
Mr. K.N Memani	Member	Independent	3
Mr. Aditya Narayan	Member	Independent	5
Ms. Radha Singh	Member	Independent	5

5.2 Corporate Social Responsibility Committee

(i) Terms of reference:

The terms of reference of the 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 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 Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

(ii) Composition:

The Committee comprises of three Directors. The Committee met twice during the year on November 11, 2016 and March 16, 2017 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. S.S. Bhartia	Chairman	Non-executive	1
Mr. C. S. Nopany	Member	Non-executive	2
Ms. Radha Singh	Member	Independent	2

5.3 Nomination and Remuneration Committee

(i) Terms of reference:

The terms of reference of the Committee are in accordance with the provisions of the 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 Nomination and Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for directors, key managerial personnel and other employees, identification of 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 their appointment and removal, devising a policy on Board diversity, formulating the criteria for evaluation of Independent Directors and the Board, evaluation of every director's performance and recommend or approve as the case may be, the remuneration including compensation package, increments, incentives, additional perquisites, etc. of Managing Director/ Whole Time Director/ Manager and senior executives (including Key Managerial Personnel) of the Company.

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

(ii) Composition:

The Committee comprises of three Directors. The Committee met twice during the year on May 10, 2016 and February 10, 2017 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	2
Mr. C. S. Nopany	Member	Non-executive	2
Mr. Marco P.A. Wadia	Member	Independent	2

The Remuneration Policy of the Company is attached as **Annexure "G"** to the Directors' Report.

5.4 Stakeholders Relationship Committee

(i) Terms of reference:

The terms of reference of the 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 review and redressal of grievances of security holders of the Company, allotment of securities, issue of duplicate certificates and deciding the dates of book closure/ record dates in respect of the shares and other securities issued by the Company.

In order to provide quick service to investors and expedite the process of transfers, the Board has delegated sufficient powers to the Company executives to deal with various matters including transfer of shares across the counter, transmission of securities, etc.

(ii) Composition:

The Committee comprises of three Directors. The Committee met four times during the year on May 10, 2016, August 9, 2016, November 12, 2016 and February 9, 2017 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	4
Mr. Marco P.A. Wadia	Member	Independent	4
Mr. Anil Kapoor	Member	Managing Director	4

(iii) Name, designation and address of Compliance Officer

Mr. Rajveer Singh
Assistant Vice President- Legal & Secretary
Chambal Fertilisers and Chemicals Limited
"Corporate One", 1st Floor,
5, Commercial Centre, Jasola,
New Delhi-110 025

Telephone : 91 11 41697900
Fax : 91 11 40638679
E-mail : complianceofficer@chambal.in

(iv) Shareholders' grievances received and resolved during the year:

The Company had 1,49,727 investors as on March 31, 2017. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	0	8853	8815	38*
Complaints	0	356	356	0

*since redressed

5.5 Banking and Finance Committee

(i) Terms of reference:

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

(ii) Composition:

The Committee comprises of four Directors. The Committee met once during the year on September 5, 2016 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meetings attended
Mr. S. S. Bhartia	Chairman	Non-executive	Yes
Mr. C. S. Nopany	Member	Non-executive	No
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. Aditya Narayan	Member	Non-executive	Yes

5.6 Project Monitoring Committee

(i) Terms of reference:

The Committee was formed to review progress of various projects of the Company and approve contracts of certain value. It has also been delegated necessary powers to review and monitor the progress of new Urea project of the Company.

(ii) Composition:

The Committee comprises of four Directors. The Committee met once during the year on February 10, 2017 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meetings attended
Mr. C. S. Nopany	Chairman	Non-executive	Yes
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. K. N. Memani*	Member	Independent	No
Ms. Radha Singh	Member	Independent	Yes
Mr. Aditya Narayan$	Member	Independent	Not Applicable

*Ceased to be Member of the Committee w.e.f. February 10, 2017

$ Appointed as Member of the Committee w.e.f. February 10, 2017

5.7 Risk Management Committee

(i) Terms of reference:

The composition of the Committee meets the requirement of Listing Regulations although the requirement regarding composition of Risk Management Committee is not applicable to the Company. The terms of reference of the Committee include review and monitor all business risks of the Company, finalise the risk document and to deal with other matters as may be prescribed in the Risk Management Policy of the Company or delegated to the Committee.

(ii) Composition:

The Committee comprises of three Directors, Chief Financial Officer and Company Secretary of the Company. The Committee met twice during the year on May 10, 2016 and November 12, 2016 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. S.S Bhartia	Chairman	Non-executive	2
Mr. Aditya Narayan	Member	Independent	2
Mr. Anil Kapoor	Member	Managing Director	2
Mr. Abhay Baijal	Member	Chief Financial Officer	2
Mr. Rajveer Singh	Member	Company Secretary	2

5.8 Strategy Committee

(i) Terms of reference:

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

(ii) Composition:

The Committee comprises of four Directors. No Committee meeting was held during the Financial Year 2016-17. The composition of the Committee is as follows:

Name of the Member	Status	Category
Mr. Marco P.A. Wadia	Chairman	Independent
Mr. S.S Bhartia	Member	Non-executive
Mr. Anil Kapoor	Member	Managing Director
Mr. Aditya Narayan	Member	Independent

6. Details of remuneration paid to Directors during the Financial Year 2016-17

6.1 Executive Director

(Amount in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Others - Retirement Benefits
Mr. Anil Kapoor	2,48,01,333	1,22,00,000	34,56,372	19,89,559

(i) The shareholders of the Company at the Annual General Meeting held on September 22, 2016 had approved the re-appointment of Mr. Anil Kapoor as Managing Director of the Company for a period of three years with effect from February 16, 2017. The term of appointment of Mr. Anil Kapoor is upto February 15, 2020, which can be terminated by either party by giving three months' written notice to other party.

(ii) No sitting fee or severance fee is payable to Managing Director.

(iii) The performance bonus payable by the Company to Managing Director is decided by the Board of Directors / Nomination and Remuneration Committee on annual basis based on the performance of the Company, industry trends and other relevant factors.

The Company had granted 150,000 stock options to the Managing Director during the Financial Year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the Committee in which the options were granted. The details of vesting of stock options are as under:

Date of Vesting	No. of Options
16.09.2011	22,500
16.09.2012	22,500
16.09.2013	30,000
16.09.2014	37,500
16.09.2015	37, 500
Total	**150,000**

The stock options can be exercised within 8 years from the respective dates of vesting. Mr. Anil Kapoor has exercised 11,000 stock options till March 31, 2017.

6.2 Non - Executive Directors

The Company pays sitting fee for attending the Board and Committee meetings to its Non-Executive Directors @ Rs.50,000 per Board meeting, Rs. 25,000 per Audit Committee meeting and Rs. 15,000 per meeting of other Committees of the Board. The details of sitting fee paid and the commission payable to the Directors are as follows:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission payable for the Financial Year 2016-17 (Rs.)
1.	Mr. S. K. Poddar	150,000	500,000
2.	Mr. K.N. Memani	175,000	500,000
3.	Mr. C. S. Nopany	325,000	500,000
4.	Mr. Aditya Narayan	420,000	500,000
5.	Ms. Radha Singh	510,000	500,000
6.	Mr. Marco P.A. Wadia	465,000	500,000

Mr. S.S. Bhartia opted out from receiving any sitting fee and commission.

The shareholders of the Company, at the Annual General Meeting held on September 15, 2015, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2015-16 subject to the aggregate annual limit of one percent of the net profits of the Company and the commission payable to a non-executive director not to exceed Rs. 5,00,000 in any financial year. After considering the time devoted and contribution made by the individual Directors in the affairs of the Company, the Board has decided to pay commission to non-executive Directors on uniform basis. There was no other pecuniary relationship or transaction with the non-executive directors.

7. Board Diversity Policy

The Company has a diverse business portfolio serving different customer segments. Having members of the Board from different fields is therefore necessary as well as significant for sustained commercial success of the Company and in maintaining its competitive advantage. The Board of Directors had adopted "Board Diversity Policy" which sets out the basic guidelines to constitute a diverse Board that can, *inter alia*, draw upon a range of perspectives, experience and knowledge.

8. Performance Evaluation

In pursuance of the provisions of the Companies Act, 2013 and Listing Regulations, the Performance Evaluation Policy has been laid down for evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Board. The Nomination and Remuneration Committee had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters for Independent Directors include level of participation in decision making process, understanding of Company's business and industry, ensuring adequacy and functionality of vigil mechanism, communicating inter-se with Board members and senior management, etc.

The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairperson of the Company was carried out for the Financial Year 2016-17. The performance of each Director has been evaluated by Nomination and Remuneration Committee. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The Chairperson of Nomination and Remuneration Committee and the Independent Directors have reported their respective evaluations to the Chairperson of the Company.

Based on the responses to the questionnaires received from the Directors and considering the evaluations carried out by Nomination and Remuneration Committee and Independent Directors, the Board 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 or violation of the Company's "Code of Conduct and Ethics". The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under this policy. The vigil mechanism under the Whistle Blower Policy provides adequate safeguard against victimization of the Directors and employees who avail of the mechanism and also provide for direct access to Chairman of the Audit Committee in exceptional cases. No personnel was denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at www.chambalfertilisers.com and intranet site - www.chambal.in

10. Related Party Transactions

During the financial year 2016-17, all transactions entered into with related parties, as defined under the Companies Act, 2013 and Listing Regulations, were on an arm's length basis. There were no materially significant transactions with related parties during the year 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-December-1-2015.pdf*

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

The commodity price risk of the Company may arise mainly out of imported fertilisers due to fluctuation of prices in the international market. The Company controls such risk through dynamic sourcing strategy and supply plan including constant review of market conditions and costing of competitors. In addition to the above, the prices of natural gas and bunker for ships are subject to fluctuation on account of change in prices of crude oil and demand-supply factors. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the Urea pricing policy if the consumption is within the permissible norms. The Company follows appropriate bunker sourcing strategy to mitigate the risk of fluctuation in prices. The Company did not enter into any transaction for hedging the commodity price risk.

The foreign exchange risk of the Company arises mainly out of import of fertilisers and foreign currency borrowings. The revenue of shipping division provides natural hedge against foreign exchange risk to some extent. The Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk exposure to the extent considered necessary through forward contracts and option structures.

12. Shareholding of Directors as on March 31, 2017

Name	Number of Shares held	Name	Number of Shares held
Mr. S. K. Poddar	7,06,128	Mr. Anil Kapoor	NIL
Mr. C. S. Nopany	3,23,775	Mr. K.N. Memani	NIL
Mr. Marco P. A. Wadia	6,000	Mr. Aditya Narayan	NIL
Mr. S. S. Bhartia	110	Ms. Radha Singh	NIL

13. General Body Meetings

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

Financial year	Date	Time	Location
2015-16	22.09.2016	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2014-15	15.09.2015	1030 hours	
2013-14	18.09.2014	1030 hours	

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

Date of Annual General Meeting	Nature of approval
September 22, 2016	1. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis. 2. Approval for conversion of loans into equity shares of the Company as per strategic debt restructuring scheme of Reserve Bank of India.
September 15, 2015	1. Approval for payment of commission to Non-executive Directors. 2. Approval for adoption of new Articles of Association of the Company. 3. Approval of revised CFCL Employees Stock Option Scheme 2010 ("ESOS 2010") and implementation of ESOS 2010 through CFCL Employees Welfare Trust. 4. Approval of acquisition of equity shares of the Company by CFCL Employees Welfare Trust ("Trust") from secondary market and grant of loan to the Trust. 5. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.
September 18, 2014	1. Approval of the borrowing powers / limits of the Board of Directors of the Company. 2. Approval to make offer or invitation for subscription of non-convertible debentures on private placement basis.

13.3 During the year 2016-17, the Company had sought Shareholders' approval by way of special resolution through postal ballots as per details given below:

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No. of Valid Votes	No. of Votes with Assent for the Resolution	No. of Votes with Dissent for the Resolution
Special Resolution to approve the sale, assignment, transfer and delivery by ISGN Corporation, of its entire shareholding in ISGN Solutions, Inc. (a subsidiary of ISGN Corporation and downstream subsidiary of the Company) to Firstsource Group USA, Inc.	14.03.2016	05.05.2016	30,47,68,147	30,43,60,678 (99.87%)	4,07,469 (0.13%)

Mr. Manish Gupta, Partner of RMG & Associates, Company Secretaries in whole time practice was appointed as scrutinizer for conducting the postal ballot exercise (including e-voting) for the aforesaid matter.

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.

14. Disclosures

14.1 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.

14.2 Your Company is fully compliant with the corporate governance requirements specified in Regulation 17 to 27 and clause (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 signed by the Compliance Officer, have been submitted to the concerned stock exchanges.

14.3 The Company has formulated a "Policy for determining Material Subsidiaries" which has been uploaded on the website of the Company (www.chambalfertilisers.com) and can be accessed at the weblink – http://www.chambalfertilisers.com/pdf/Policy-on-Material-Subsidiary-December-1-2015.pdf

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

14.5 The details of familiarization programmes imparted to Independent Directors are available on the website of the Company and can be accessed at the weblink - http://www.chambalfertilisers.com/pdf/Familiarization-Programme-for-Independent-Directors.pdf

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

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

a) Maintenance of the office of Non-Executive Chairman at the Company's expense.

b) Separate posts of Chairman and Managing Director.

c) Unmodified audit opinion on financial statements of the Company.

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

15. Means of Communication

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

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

15.3 The results are simultaneously posted on the website of the Company at www.chambalfertilisers.com. The investors can also find on this website the Annual Reports, Quarterly Results, Sustainability Reports, details of unpaid dividend, composition of various committees of the Board, 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, dematerialisation, rematerialisation of shares, etc.

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

15.5 Management Discussion and Analysis Report forms part of the Directors' Report.

16. Code of Conduct and Ethics

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

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

The declaration given by Managing Director of the Company affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during the Financial Year 2016-17 is enclosed as **Annexure - "C"** to Directors' Report.

17. General Shareholders' Information

17.1 **32nd Annual General Meeting**

Venue : Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208

Time : 1030 hours

Day & Date : Friday, September 15, 2017

17.2 **Financial Year** : April to March

17.3 **Tentative Financial Calendar**

Event	Date
Audited Annual Results (2016-17)	May 20, 2017
Mailing of Annual Report	August 2017
First Quarter Results	Early August 2017
Half Yearly Results	Late October 2017
Third Quarter Results	Mid January 2018
Audited Annual Results (2017-18)	Early May 2018

17.4 **Book Closure**

The register of members and share transfer books of the Company shall remain closed from August 29, 2017 to August 31, 2017 (both days inclusive).

17.5 **Dividend Payment Date:** September 20, 2017

17.6 **Listing on Stock Exchanges and Stock codes**

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

S. No	Name of the Stock Exchange	Stock Code
1.	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	500085
2.	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

The Company has paid annual listing fees for the Financial Year 2017-18 to BSE and NSE.

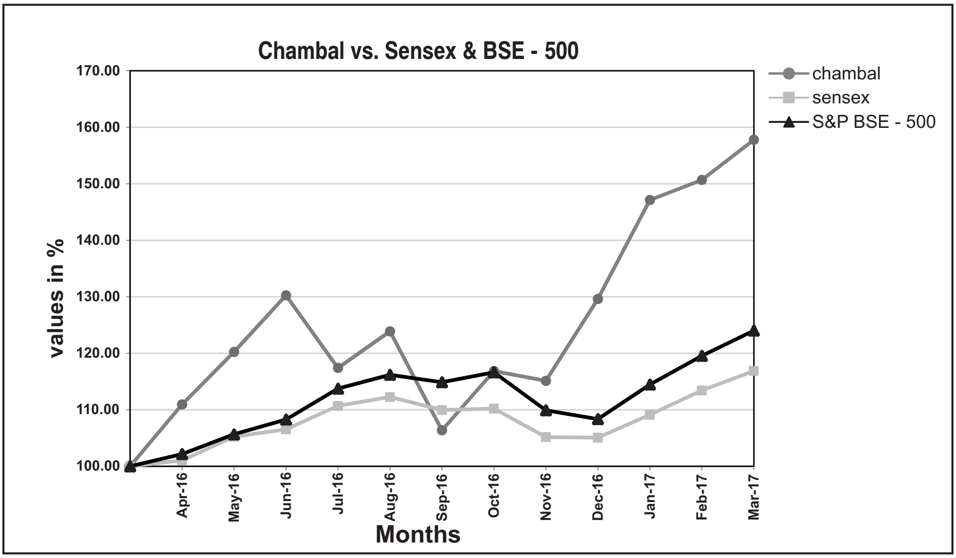
17.7 **Market Price Data**

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2016-17 were as follows:

(Amount in Rs.)

Months	BSE		NSE	
	High	Low	High	Low
April, 2016	62.85	54.00	62.90	52.40
May, 2016	69.35	60.35	69.50	59.90
June, 2016	73.40	63.70	73.40	63.20
July, 2016	72.30	64.20	72.30	64.20
August, 2016	69.70	61.60	69.70	61.70
September, 2016	66.75	57.20	65.90	57.20
October, 2016	64.50	56.60	64.80	56.55
November, 2016	66.75	53.70	66.80	53.55
December, 2016	74.75	62.40	74.50	62.35
January, 2017	88.50	70.60	88.55	70.45
February, 2017	87.20	77.40	87.40	77.00
March, 2017	90.90	76.15	91.00	76.00

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



The base of 100 is taken to be the closing price of shares and values of indices as on March 31, 2016.

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

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

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

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

The Share Transfer Agents have an online 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 Agents including transfer of shares 'Over the Counter' upto 10,000 shares per request. Average time taken in transfer of shares is around 2 working days from the date of receipt of the request.

17.10 **Address for Correspondence:**

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

Chambal Fertilisers and Chemicals Limited
Investor Service Centre
"Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025
Tel : 011 - 41697900, 46581300
Fax : 011 - 40638679
E-mail : complianceofficer@chambal.in
Web site : www.chambalfertilisers.com

17.11 **Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are compulsorily traded in dematerialised form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Limited and Central Depository Services (India) Limited. As on March 31, 2017, about 93.44% of the share capital of the Company was held in dematerialised form.

17.12 **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 the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2016	2,612	4,39,615
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2016-17	8	1,965
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the Financial Year 2016-17	8	1,965
Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2017	2,604	4,37,650

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.

17.13 **Distribution of Shareholding**

The distribution of shareholding as on March 31, 2017 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	1,28,087	85.55	2,29,86,906	5.52
2.	501 to 1000	11,827	7.90	1,04,25,182	2.50
3.	1001 to 5000	8,036	5.37	1,79,95,111	4.32
4.	5001 to 10000	927	0.62	70,16,620	1.69
5.	10001 to 100000	707	0.47	1,87,14,180	4.50
6.	100001 to 500000	74	0.05	1,79,23,626	4.31
7.	500001 & above	69	0.04	32,11,46,227	77.16
	Total	**1,49,727**	**100.00**	**41,62,07,852**	**100.00**

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

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

17.15 **Location of the Plants:**

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

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "D" to Directors' Report

DECLARATION OF MANAGING DIRECTOR

Pursuant to 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 Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2016-17.

Place : New Delhi **Anil Kapoor**
Date : May 20, 2017 Managing Director

Annexure "E" to Directors' Report

Independent Auditor's Report regarding compliance of conditions of Corporate Governance under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Chambal Fertilisers and Chemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by Chambal Fertilisers and Chemicals Limited (hereinafter the "Company"), for the year ended March 31, 2017 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance stipulated in the Listing Regulations.
4. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
6. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the conditions of Corporate Governance prescribed under the Listing Regulations. Accordingly, we have verified the relevant records maintained by the Company including the minutes of the meetings of various Committees formed by Board of Directors of the Company along with the minutes of the meetings of Board of Directors of the Company held during the period April 01, 2016 to March 31, 2017 and performed necessary inquiries with the management.
7. Our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Other matters and Restriction on Use

9. This report 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.
10. This report is addressed to the members of the Company and provided to the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occuring after the date of this report.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

Annexure "F" to Directors' 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.	The Company is committed to building a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company seeks to integrate and follow responsible practices into its business strategies and operations, to manage the three challenges – economic prosperity, social development and environmental integrity. The Company is engaged in various social initiatives through its intervention in the area of Education, Infrastructure, Healthcare, Women empowerment, etc. The CSR activities are carried out by the Company in partnership with Non-Governmental Organizations or Government Agencies. The Company has framed a Corporate Social Responsibility Policy ("CSR Policy") which includes the details of projects or programs to be undertaken by the Company, in compliance with the provisions of the Companies Act, 2013. The Policy is placed on the Company's website and can be accessed at the web-link: *http://www.chambalfertilisers.com/pdf/ChambalCSRPolicy2014.pdf*
2.	The Composition of the CSR Committee	Mr. S. S. Bhartia - Chairman Mr. C. S. Nopany - Member Ms. Radha Singh - Member
3.	Average net profit of the company for last three financial years	Rs.46890.16 Lac
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 937.80 Lac
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year	Rs. 937.80 lac
	b) Total amount spent for the Financial Year	Rs. 945.83 lac
	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 2016-17

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local Area or other 2) State and district where projects or programs was undertaken**	**Amount outlay – (budget) Project/ program wise (Rs. in lac)**	**Amount Spent on the projects or programs: 1) Direct expenditure on projects or programs 2) Overheads (Rs. in lac)**	**Cumulative expenditure upto the reporting period (Rs. in lac)**	**Amount Spent : direct or through implementing agency***
(i)	**Education initiative**	Education	(1) Local Area (2) Distt. Kota, Baran and Jhalawar, Rajasthan	396.01	(1) 402.19 (2) 16.79	418.98	Direct and KK Birla Memorial Society ("KKBMS") in collaboration with Pratham Education Foundation
(a)	Elementary, Secondary & Technical Education						
(b)	CFDAV School, Gadepan		(1) Local Area (2) Distt. Kota, Baran and Jhalawar, Rajasthan	78.16	(1) 67.66 (2) 2.82	70.48	Direct and KKBMS in partnership with DAV Trust and Management Society
(ii)	**Vocational Training Centres**	Vocational Skills Enhancement	(1) Local Area (2) Distt. Kota, Rajasthan	15.63	(1) 3.78 (2) 0.16	3.94	KKBMS in partnership with District Adult Education Association and Eklavya Development Society
(iii)	**Infrastructure**	Rural Development / Sanitation / Swachh Bharat Mission	(1) Local Area (2) Distt. Kota, Rajasthan	161.53	(1) 131.42 (2) 5.49	136.91	Direct and KKBMS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local Area or other 2) State and district where projects or programs was undertaken**	**Amount outlay – (budget) Project/ program wise (Rs. in lac)**	**Amount Spent on the projects or programs: 1) Direct expenditure on projects or programs 2) Overheads (Rs. in lac)**	**Cumulative expenditure upto the reporting period (Rs. in lac)**	**Amount Spent : direct or through implementing agency***
(iv)	**Health care Initiatives**	Health care	(1) Local Area (2) Distt. Kota, Rajasthan	31.26	(1) 28.78 (2) 1.20	29.98	KKBMS in collaboration with School Health Annual Report Program (SHARP)
(a)	at Gadepan						
(b)	In Uttarakhand		(1) Other (2) Distt. Tehri and Dehradun, Uttarakhand	31.27	(1) 30.00 (2) 1.25	31.25	KKBMS in partnership with Manorama Devi Birla Charitable Trust
(v)	**Various other schemes i.e. Women Self Help Groups, animal welfare, etc.**	Employability and Empowerment	(1) Local Area (2) Distt. Kota, Rajasthan	33.35	(1) 33.82 (2) 1.41	35.23	Direct and KKBMS in collaboration with Centre for Community Economics and Development Consultants Society (CECOEDECON)
(vi)	**Soil Health Initiative**	Maintaining quality of soil	1) Local Area & Other 2) Dist. Kota, Rajasthan and Varanasi & Agra, U.P.	192.79	(1) 210.28 (2) 8.78	219.06	Direct and KKBMS
Grand Total (i to vi)				**940.00**	**945.83**	**945.83**	

***Details of Implementing Agencies**

a) The Company had set up K K Birla Memorial Society in the year 2012, inter-alia, for implementation of its CSR Projects and Programs.

b) Pratham Education Foundation is a pioneer in the field of education and is partnering with the Company / KKBMS in improving education system in Government Schools.

c) DAV Trust and Management Society is running a school in Gadepan under a Memorandum of Understanding with the Company / KKBMS.

d) District Adult Education Association, supported by Jan Shikshan Sanshthan, Ministry of HRD, Government of India, is associated with the Company / KKBMS in imparting Vocational Training to unemployed rural youths.

e) Eklavya Development Society is a Registered Society working in semi-arid zone of Rajasthan. It has been set up for creating an environment of self-employment and responsive village community.

f) SHARP is a non-governmental organization with scientifically planned health programme for school children.

g) Manorama Devi Birla Charitable Trust, is associated with KKBMS for providing healthcare to the villages surrounding Mussoorie, Uttarakhand.

h) CECOEDECON is a non-governmental organization working in the areas of livelihood security, women empowerment, etc.

6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount	Not Applicable

The Corporate Social Responsibility Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and policy of the Company.

Anil Kapoor
Managing Director

S.S. Bhartia
Chairman- Corporate Social Responsibility Committee

Place : New Delhi
Date : May 20, 2017

Annexure "G" to Directors' Report

REMUNERATION POLICY

1. PURPOSE

To provide a framework and principles which will guide the remuneration strategy of Chambal Fertilisers and Chemicals Limited ("Company") for its Directors, Key Managerial Personnel and other employees. The Policy shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate its Directors and personnel to guide and manage the Company successfully.

2. DEFINITIONS

i. **"Act"** means the Companies Act, 2013 including any modification or re-enactment thereof.

ii. **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or replaced from time to time.

iii. **"Board"** means the Board of Directors of the Company.

iv. **"Committee"** or "Nomination and Remuneration Committee" means a Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

v. **"Employees' Stock Options"** means the options given or to be given by the Company to the Managing Director and employees of the Company in fertiliser and agri-input business which gives them the right to purchase, or to subscribe for, the equity shares of the Company at a future date at a pre-determined price.

vi. **"Independent Director"** means the Independent Director of the Company appointed in pursuance of the Act and Listing Regulations.

vii. **"Key Managerial Personnel"** or **"KMP"** means the person(s) appointed as such in pursuance of Section 203 of the Act.

viii. **"Management Committee"** means a committee of a particular business division of the Company comprising of members of Senior Management of such business division and KMPs.

ix. **"Rules"** means the rules framed under the Act.

x. **"Remuneration"** means any money or its equivalent given or passed on to any person for services rendered by him/ her and includes perquisites and other benefits.

xi. **"Senior Management"** means the employees of the Company holding the position of Vice President or above in Fertiliser and agri-input business of the Company, Company Secretary, Chief Financial Officer and head of Shipping business of the Company.

3. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL

3.1 Appointment Criterion and Qualifications:

3.1.1 A person proposed to be employed by the Company at Senior Management shall fulfil the following criterion:

a) He / she should be a person of integrity with high level of ethical standards.

b) The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / adequate for the concerned position.

c) The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.

d) The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and Listing Regulations.

3.1.2 The persons proposed to be appointed as Directors and Managing Director or Whole Time Director shall fulfil the following criterion:

a) He / she should be person of integrity with high level of ethical standards.

b) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business and operations of the Company. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The person should not have been disqualified to be a director as per the provisions of the Act, Rules and any other law and regulation for the time being in force.

d) In case of appointment as Independent Director, the person should fulfil the criterion of independence prescribed under the Act, Rules and the Listing Regulations.

3.2 Recommendation of the Committee:

Depending upon the requirement of the Company, the Committee shall identify the persons who fulfil the criterion mentioned above for appointment as Director, KMP or Senior Management Personnel and recommend to the Board for such appointment including the Remuneration and terms of their appointment.

The Committee shall also recommend to the Board the increment and performance incentive of Managing Director and Whole Time Director of the Company.

The Committee shall approve the increment and performance incentive of Senior Management personnel.

Unless it is required to be determined by the Board or Committee in pursuance of any provision of law, rules or regulation, the terms of employment and Remuneration including increment, performance incentive, etc. of the employees (excluding Senior Management) are determined by the Management Committee of the concerned business division of the Company.

3.3 Removal:

Due to reasons for any disqualification mentioned in the Act, Rules or under any other law, rules and regulations or Code of Conduct & Ethics of the Company, the Committee may recommend to the Board, removal of a Director, KMP or Senior Management personnel from the services of the Company, with the reasons recorded in writing. The removal of a Director, KMP or Senior Management personnel by the Board shall be subject to the provisions and in compliance of the Act, Rules and any other laws, rules and regulations, as may be applicable.

3.4 Retirement:

Unless removed by the competent authority,

a) A Director including Managing Director and Whole Time Director, if any, shall retire as per the terms of his/ her appointment.

b) Senior Management personnel shall retire as per the prevailing retirement policy of the Company.

c) The Board shall have the discretion to retain KMPs or Senior Management personnel on the same or similar position, remuneration or otherwise even after their attaining the age of superannuation, as it may deem fit, for the benefit of the Company.

4. REMUNERATION STRUCTURE & COMPONENTS

4.1 MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

The Managing Director including Whole-Time Director(s) shall be paid both fixed and variable components of Remuneration subject to the provisions of the Act, Rules and other laws, rules and regulations and the Listing Regulations. The variable component of Remuneration shall have a co-relationship with the performance of such a Director against a prescribed benchmark alongwith the factors such as financial performance of the Company. The Committee shall formulate and recommend to the Board from time to time Remuneration packages for Managing Director(s) and Whole-Time Directors keeping a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals including internal comparison amongst compensation of whole time directors and median employee pay. The Company has granted Employees Stock Options to the Managing Director. The Managing Director(s) and Whole-Time Directors are not entitled to sitting fee for attending Board Meetings.

4.2 NON EXECUTIVE DIRECTORS

Non-Executive Directors shall be paid adequate and reasonable sitting fee for attending meetings of the Board and Committees thereof subject to the maximum amount permissible under the Act and Rules. Subject to the adequacy of the profits and approval of the Shareholders, the Company may pay commission to the Non-Executive Directors of the Company.

The Board shall determine appropriate criterion for payment of commission to Non-Executive Directors which may include the time devoted by the directors for the business of the Company, contribution made by the director in the functioning of the Company, etc.

4.3 OTHER KMPs AND EMPLOYEES

CFCL has two businesses viz. Fertiliser and other Agri-inputs and Shipping. Both these businesses have unique requirement of talent, qualification and skill sets. Accordingly, the payment structure and salary levels are aligned keeping in view the particular industry requirement. Each business division has have its own policies pertaining to perquisites and benefits including retirement benefits which are designed as per the industry practice, business needs or other factors related to such business.

The Human Resource Department undertakes review of the Remuneration through periodic benchmarking exercises, surveys and market trends. The various Remuneration components are combined to ensure an appropriate and balanced Remuneration package depending upon the level of employee, job profile, performance, future potential and other relevant variables.

The Remuneration of Senior Management personnel and other employees are based on the following fundamental principles:

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.

d) Compensation trends in the industries in which the Company operates.

The compensation of Senior Management personnel comprises of fixed component as well as performance based incentives apart from perquisites and benefits including retirement benefits. While approving the increment and performance incentive of Senior Management personnel, the Committee shall strike a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Remuneration package of other employees depends upon the nature of business, job profile and other factors mentioned above. Apart from fixed component, the package may include one or more variable components such as performance based incentives, annual bonus, production linked bonus, etc., as the case may be.

The Company has also granted Employees Stock Options to the KMPs and employees above a certain level in the Fertiliser & Agri-Inputs division of the Company.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "H" to Directors' Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2017
[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 No. 0744-2782915
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Zuari Investments Limited, Corporate One, First Floor, 5, Commercial Centre, Jasola, New Delhi – 110025 Phone : 011-41697900, 46581300 Fax : 011-40638679, Email : isc@chambal.in

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	45.86
2.	Di-ammonium Phosphate	46692	40.26

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, P.O. Gadepan, District – Kota, Rajasthan, PIN -325 208	U61100RJ2011PLC034702	Subsidiary	100	2(87)
3.	India Steamship Pte. Limited, 24, Raffles Place, #24-03 Cllford Centre, Singapore 48621	Foreign Company	Subsidiary	100	2(87)
4.	India Steamship International FZE, PO Box 42596, Hamriyah Free Zone, UAE	Foreign Company	Subsidiary	100	2(87)
5.	ISGN Corporation, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA	Foreign Company	Subsidiary	72.27	2(87)
6.	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)
7.	ISG Novasoft Technologies Limited, 128/9, Maruthi Sapphire, 2nd Floor, Madivala Machideva Road, Murgeshpalya, Bengaluru – 560017	U72900KA2003PLC050528	Subsidiary	72.27	2(87)
8.	Inuva Info Management Private Limited, Flat No.3B, 3rd Floor, 208, S.P. Mukherjee Road, PS - Tollygunge, Kolkata – 700 026.	U72900WB2001PTC093549	Subsidiary	51.32	2(87)
9.	Indo Maroc Phosphore S.A, Morocco 2, Rue Al Abtal, Hay Erraha, 20200, Casablanca, Morocco.	Foreign Company	Joint Venture	33.33	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	24539122	0	24539122	5.90	24554122	0	24554122	5.90	0
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	213147661	0	213147661	51.21	215479131	0	215479131	51.77	0.56
e) Banks / FIs	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub–Total (A)(1)	**237686783**	**0**	**237686783**	**57.11**	**240033253**	**0**	**240033253**	**57.67**	**0.56**
(2) Foreign									
a) NRIs – Individuals	110110	0	110110	0.03	520110	0	520110	0.12	0.09

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) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub – Total (A) (2)	**110110**	**0**	**110110**	**0.03**	**520110**	**0**	**520110**	**0.12**	**0.09**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**237796893**	**0**	**237796893**	**57.13**	**240553363**	**0**	**240553363**	**57.80**	**0.67**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	22370348	29400	22399748	5.38	22486418	29400	22515818	5.41	0.03
b) Banks / FIs	1148974	147195	1296169	0.31	1118038	147195	1265233	0.30	(0.01)
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	33056590	100	33056690	7.94	24536870	100	24536970	5.90	(2.04)
g) FIIs	16058677	13900	16072577	3.86	1347034	13900	1360934	0.33	(3.53)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	**72634589**	**190595**	**72825184**	**17.50**	**49488360**	**190595**	**49678955**	**11.94**	**(5.56)**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	7833461	279183	8112644	1.95	14117772	272683	14390455	3.46	1.51
ii) Overseas	1210120	2000000	3210120	0.77	1210120	2000000	3210120	0.77	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	33584775	20506215	54090990	13.00	35243496	19970130	55213626	13.26	0.26
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19541251	4909300	24450551	5.87	19966302	4869100	24835402	5.97	0.10
c) Others									
i. Foreign Portfolio Investors	14092985	0	14092985	3.39	26721688	0	26721688	6.42	3.03
ii. HUF	1492575	13600	1506175	0.36	1391969	14100	1406069	0.34	(0.02)
iii. Trust	121310	1000	122310	0.03	197174	1000	198174	0.05	0.02

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	
Sub-total (B)(2):	**77876477**	**27709298**	**105585775**	**25.37**	**98848521**	**27127013**	**125975534**	**30.27**	**4.90**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**150511066**	**27899893**	**178410959**	**42.87**	**148336881**	**27317608**	**175654489**	**42.20**	**(0.67)**
C. Shares held by Custodian for GDRs & ADRs	Not Applicable								
Grand Total (A+B+C)	**388307959**	**27899893**	**416207852**	**100**	**388890244**	**27317608**	**416207852**	**100**	**0**

ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	110000	0.03	0	110000	0.03	0	0
2.	Chandra Shekhar Nopany	323775	0.08	0	323775	0.08	0	0
3.	Chandra Shekhar Nopany as Karta of C S Nopany	240100	0.06	0	240100	0.06	0	0
4.	Jyotsna Poddar	3871866	0.93	0	3871866	0.93	0	0
5.	Jyotsna Poddar	125000	0.03	0	125000	0.03	0	0
6.	Nandini Nopany	15809667	3.80	0	16234667	3.90	0	0.10
7.	Saroj Kumar Poddar	706128	0.17	0	706128	0.17	0	0
8.	Shobhana Bhartia	2726686	0.66	0	2726686	0.66	0	0
9.	Shradha Agarwala	325900	0.08	0	325900	0.08	0	0
10.	Shruti Vora	410000	0.10	0	410000	0.10	0	0
11.	Shyam Sunder Bhartia	110	0.00	0	110	0.00	0	0
12.	Adventz Finance Private Limited	265407	0.06	0	265407	0.06	0	0
13.	Adventz Securities Enterprises Limited	20022	0.00	0	20022	0.00	0	0
14.	Deepshika Trading Co. Private Ltd.	200	0.00	0	200	0.00	0	0
15.	Duke Commerce Limited	550200	0.13	0	550200	0.13	0	0
16.	Earthstone Holding (Two) Limited	13656476	3.28	0	13656476	3.28	0	0
17.	Earthstone Investment & Finance Limited	8424515	2.02	0	8424515	2.02	0	0
18.	Govind Sugar Mills Limited	1947	0.00	0	1947	0.00	0	0
19.	La Monde Trading & Investments Private Ltd.	15000	0.00	0	15000	0.00	0	0
20.	Manavata Holdings Limited	3425000	0.82	0	3425000	0.82	0	0
21.	Manbhawani Investment Ltd.	5300000	1.27	0	4800000	1.15	0	(0.12)

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	
22.	Master Exchange & Finance Limited	1601600	0.38	0	1601600	0.38	0	0
23.	New India Retailing and Investment Ltd.	581163	0.14	0	581163	0.14	0	0
24.	Nilgiri Plantations Limited	4056740	0.97	0	4056740	0.97	0	0
25.	Pavapuri Trading and Investment Company Ltd.	100000	0.02	0	100000	0.02	0	0
26.	Premium Exchange and Finance Limited	3086500	0.74	0	3086500	0.74	0	0
27.	Ricon Commerce Ltd.	150200	0.04	0	150200	0.04	0	0
28.	Ronson Traders Ltd.	6004000	1.44	0	6829000	1.64	0	0.20
29.	RTM Investment and Trading Co. Ltd.	1946200	0.47	0	1946200	0.47	0	0
30.	RTM Properties Ltd.	125000	0.03	0	125000	0.03	0	0
31.	SCM Investment & Trading Co. Ltd.	561200	0.13	0	561200	0.13	0	0
32.	Shital Commercial Limited	138318	0.03	0	138318	0.03	0	0
33.	Shree Vihar Properties Limited	700000	0.17	0	700000	0.17	0	0
34.	Sidh Enterprises Limited	153500	0.04	0	153500	0.04	0	0
35.	SIL Investments Limited	31813455	7.64	4.63	31813455	7.64	3.41	0
36.	SIL Properties Ltd.	100000	0.02	0	100000	0.02	0	0
37.	Simon India Limited	2200000	0.53	0	2200000	0.53	0	0
38.	Sonali Commercial Ltd.	379350	0.09	0	379350	0.09	0	0
39.	Texmaco Infrastructure & Holdings Limited	106864	0.03	0	106864	0.03	0	0
40.	Texmaco Rail & Engineering Ltd.	1000000	0.24	0	1000000	0.24	0	0
41.	The Hindustan Times Limited	51158209	12.29	0	52924679	12.72	0	0.43
42.	Upper Ganges Sugar and Industries Limited	704160	0.17	0.15	704160	0.17	0.15	0
43.	Uttam Commercial Ltd.	6777100	1.63	0	6857100	1.65	0	0.02
44.	Uttar Pradesh Trading Co. Ltd.	1262635	0.30	0.30	1262635	0.30	0.30	0
45.	Yashovardhan Investment & Trading Co. Ltd.	7364500	1.77	0	7524500	1.81	0	0.04
46.	Zuari Global Limited	59015360	14.18	0	59015360	14.18	0	0
47.	Zuari Investments Limited	402840	0.10	0	402840	0.10	0	0
	Total	**237796893**	**57.13**	**5.09**	**240553363**	**57.80**	**3.87**	**0.67**

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year – April 1, 2016	**237796893**	**57.13**		
	Date wise Increase / (Decrease)				
1.	**The Hindustan Times Limited**				
	April 4, 2016 – Market Purchase	87000	0.02	237883893	57.15
	April 5, 2016 – Market Purchase	207406	0.05	238091299	57.20
	April 6, 2016 – Market Purchase	176784	0.04	238268083	57.24
	April 8, 2016 – Market Purchase	186812	0.04	238454895	57.29
	April 12, 2016 – Market Purchase	31965	0.01	238486860	57.30
	April 13, 2016 – Market Purchase	76033	0.02	238562893	57.32
	April 21, 2016 – Market Purchase	70000	0.02	238632893	57.34
	April 25, 2016 – Market Purchase	10926	0.00	238643819	57.34
	April 27, 2016 – Market Purchase	11700	0.00	238655519	57.34
2.	**Manbhawani Investment Ltd.**				
	June 1, 2016- Market Sale	(500000)	(0.12)	238155519	57.22
3.	**Ronson Traders Limited**				
	June 3, 2016 – Market Purchase	500000	0.12	238655519	57.34
4.	**The Hindustan Times Limited**				
	October 3, 2016 – Market Purchase	5278	0.00	238660797	57.34
	October 4, 2016 – Market Purchase	143096	0.03	238803893	57.38
5.	**Ronson Traders Limited**				
	October 5, 2016 – Market Purchase	325000	0.08	239128893	57.45
6.	**Uttam Commercial Ltd.**				
	October 5, 2016 – Market Purchase	80000	0.02	239208893	57.47
7.	**Yashovardhan Investment & Trading Co. Ltd.**				
	October 5, 2016 – Market Purchase	160000	0.04	239368893	57.51
8.	**The Hindustan Times Limited**				
	October 17, 2016 – Market Purchase	100000	0.02	239468893	57.54
	October 18, 2016 – Market Purchase	100000	0.02	239568893	57.56
	November 17, 2016 – Market Purchase	50000	0.01	239618893	57.57
	November 18, 2016 – Market Purchase	50000	0.01	239668893	57.58
	November 22, 2016 – Market Purchase	131000	0.03	239799893	57.62
	November 24, 2016 – Market Purchase	65668	0.01	239865561	57.63
	November 25, 2016 – Market Purchase	22802	0.00	239888363	57.64
	November 30, 2016 – Market Purchase	10000	0.00	239898363	57.64
	December 2, 2016 – Market Purchase	30000	0.01	239928363	57.65
9.	**Nandini Nopany**				
	December 7, 2016 – Market Purchase	425000	0.10	240353363	57.75
10.	**The Hindustan Times Limited**				
	February 28, 2017 – Market Purchase	100000	0.02	240453363	57.77
	March 1, 2017 – Market Purchase	100000	0.03	240553363	57.80
	At the end of the year – March 31, 2017			**240553363**	**57.80**

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S. No.	Name	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India				
	At the beginning of the year	26589034	6.39	26589034	6.39
	October 28, 2016 – Sale	(923306)	(0.22)	25665728	6.17
	November 11, 2016 – Sale	(325739)	(0.08)	25339989	6.09
	February 3, 2017 – Sale	(486315)	(0.12)	24853674	5.97
	February 10, 2017 – Sale	(672086)	(0.16)	24181588	5.81
	February 17, 2017 – Sale	(1146162)	(0.28)	23035426	5.53
	February 24, 2017 – Sale	(615914)	(0.15)	22419512	5.39
	March 3, 2017 – Sale	(492698)	(0.12)	21926814	5.27
	At the end of the year			21926814	5.27
2.	DSP Blackrock Micro Cap Fund				
	At the beginning of the year	6599566	1.59	6599566	1.59
	June 17, 2016 – Purchase	95790	0.02	6695356	1.61
	June 24, 2016 – Purchase	27273	0.00	6722629	1.62
	August 12, 2016 – Purchase	1036379	0.25	7759008	1.86
	September 6, 2016 – Purchase	231886	0.06	7990894	1.92
	November 25, 2016 – Purchase	651879	0.16	8642773	2.08
	December 2, 2016 – Purchase	254748	0.06	8897521	2.14
	At the end of the year			8897521	2.14
3.	UTI-Mid Cap Fund (Refer Note 2)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	December 31, 2016 – Purchase	543814	0.13	543814	0.13
	January 6, 2017 – Purchase	200	0.00	544014	0.13
	January 13, 2017 – Purchase	3493874	0.84	4037888	0.97
	At the end of the year			4037888	0.97
4	Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund				
	At the beginning of the year	6702381	1.61	6702381	1.61
	September 6, 2016 – Sale	(30571)	(0.01)	6671810	1.60
	September 15, 2016 – Sale	(477234)	(0.11)	6194576	1.49
	September 22, 2016 – Sale	(837934)	(0.20)	5356642	1.29
	September 30, 2016 – Sale	(1433473)	(0.34)	3923169	0.94
	October 7, 2016 – Sale	(1416951)	(0.34)	2506218	0.60
	October 28, 2016 – Sale	(39013)	(0.00)	2467205	0.59
	January 6, 2017 – Purchase	726000	0.17	3193205	0.77
	March 17, 2017 – Purchase	175195	0.04	3368400	0.81
	March 24, 2017 – Purchase	387478	0.09	3755878	0.90
	At the end of the year			3755878	0.90

Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S. No.	Name	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5.	Dimensional Emerging Markets Value Fund				
	At the beginning of the year	2829641	0.68	2829641	0.68
	July 15, 2016 – Sale	(67545)	(0.02)	2762096	0.66
	July 22, 2016 – Sale	(71964)	(0.02)	2690132	0.65
	November 11, 2016 – Sale	(75513)	(0.02)	2614619	0.63
	At the end of the year			2614619	0.63
6.	Reliance Strategic Investments Limited (Refer Note 2)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	February 17, 2017 – Purchase	770624	0.19	770624	0.19
	February 24, 2017 – Purchase	290320	0.07	1060944	0.25
	March 3, 2017 – Purchase	549277	0.13	1610221	0.39
	March 10, 2017 – Purchase	327756	0.08	1937977	0.47
	March 17, 2017 – Purchase	199071	0.05	2137048	0.51
	March 24, 2017 – Purchase	378381	0.09	2515429	0.60
	At the end of the year			2515429	0.60
7.	Naveen Kumar Kapoor*				
	At the beginning of the year	2253402	0.54	2253402	0.54
	January 27, 2017 – Transfer	(5500)	(0.00)	2247902	0.54
	At the end of the year			2247902	0.54
	* Trustee of CFCL Employees Welfare Trust				
8.	Davos International Fund				
	At the beginning of the year	2245025	0.54	2245025	0.54
	Date wise Increase (Buy) /Decrease (Sell) in Shareholding during the year.	NIL	NIL	2245025	0.54
	At the end of the year			2245025	0.54
9.	Premier Investment Fund Limited (Refer Note 2)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	October 21, 2016 – Purchase	500000	0.12	500000	0.12
	October 28, 2016 – Purchase	940000	0.23	1440000	0.35
	November 11, 2016 – Purchase	717800	0.17	2157800	0.52
	November 25, 2016 – Purchase	67000	0.02	2224800	0.54
	December 16, 2016 – Sale	(65000)	(0.02)	2159800	0.52
	January 6, 2017 - Purchase	10000	0.00	2169800	0.52
	January 13, 2017 - Sale	(10000)	(0.00)	2159800	0.52
	At the end of the year			2159800	0.52
10.	M/S Haldor Topsoe A/S (Refer Note 2)				
	At the beginning of the year	2000000	0.48	2000000	0.48
	Date wise Increase (Buy) /Decrease (Sell) in Shareholding during the year.	NIL	NIL	2000000	0.48
	At the end of the year			2000000	0.48

Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S. No.	Name	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11.	Government Pension Fund Global				
	At the beginning of the year	4877876	1.17	4877876	1.17
	April 8, 2016 – Sale	(169514)	(0.04)	4708362	1.13
	April 15, 2016 – Sale	(267219)	(0.06)	4441143	1.07
	April 22, 2016 – Sale	(369261)	(0.09)	4071882	0.98
	April 29, 2016 – Sale	(405404)	(0.10)	3666478	0.88
	May 6, 2016 – Sale	(332531)	(0.08)	3333947	0.80
	May 13, 2016 – Sale	(398012)	(0.10)	2935935	0.71
	June 24, 2016 – Sale	(20093)	(0.00)	2915842	0.70
	June 30, 2016 – Sale	(127416)	(0.03)	2788426	0.67
	July 15, 2016 - Sale	(821214)	(0.20)	1967212	0.47
	At the end of the year			1967212	0.47
12.	The New India Assurance Company Limited				
	At the beginning of the year	3791342	0.91	3791342	0.91
	December 16, 2016 – Sale	(60000)	(0.01)	3731342	0.90
	December 23, 2016 – Sale	(339661)	(0.08)	3391681	0.81
	December 31, 2016 – Sale	(100339)	(0.02)	3291342	0.79
	January 6, 2017 – Sale	(194922)	(0.05)	3096420	0.74
	January 13, 2017 – Sale	(264029)	(0.06)	2832391	0.68
	January 20, 2017 – Sale	(121049)	(0.03)	2711342	0.65
	January 27, 2017 – Sale	(213057)	(0.05)	2498285	0.60
	February 3, 2017 – Sale	(306943)	(0.07)	2191342	0.53
	February 10, 2017 – Sale	(220514)	(0.05)	1970828	0.47
	February 17, 2017 – Sale	(279486)	(0.07)	1691342	0.41
	February 24, 2017 – Sale	(150917)	(0.04)	1540425	0.37
	March 3, 2017 – Sale	(416690)	(0.10)	1123735	0.27
	March 10, 2017 – Sale	(292738)	(0.07)	830997	0.20
	March 17, 2017 – Sale	(539655)	(0.13)	291342	0.07
	At the end of the year			291342	0.07
13.	UTI Balanced Fund				
	At the beginning of the year	2547265	0.61	2547265	0.61
	May 20, 2016 – Sale	(100000)	(0.02)	2447265	0.59
	June 10, 2016 – Sale	(225000)	(0.05)	2222265	0.53
	June 30, 2016 – Sale	(125000)	(0.03)	2097265	0.50
	November 11, 2016 - Sale	(125000)	(0.03)	1972265	0.47
	November 25, 2016 - Purchase	87377	0.02	2059642	0.49
	December 16, 2016 – Sale	(200000)	(0.05)	1859642	0.45
	January 13, 2017 – Sale	(650000)	(0.16)	1209642	0.29
	February 3, 2017 - Sale	(300000)	(0.07)	909642	0.22
	At the end of the year			909642	0.22

Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S. No.	Name	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14.	Sundaram Mutual Fund A/c Sundaram Smile Fund				
	At the beginning of the year	2082051	0.50	2082051	0.50
	July 15, 2016 - Sale	(148817)	(0.04)	1933234	0.46
	July 22, 2016 - Sale	(447403)	(0.11)	1485831	0.36
	July 29, 2016 - Sale	(372569)	(0.09)	1113262	0.27
	August 6, 2016 - Sale	(1113262)	(0.27)	NIL	NIL
	At the end of the year			NIL	NIL

Notes :

1) The details including sale and purchase transaction dates are given above based on beneficiary data received from the depositories as such details are not provided by the shareholders to the Company.
2) These entities were not in the list of top 10 shareholders as on April 1, 2016 but appearing in the list of top 10 shareholders as on March 31, 2017.

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

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Mr. Saroj Kumar Poddar, Chairman**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2017	706128	0.17	706128	0.17
2.	**Mr. Shyam Sunder Bhartia**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2017	110	0.00	110	0.00
3.	**Mr. Chandra Shekhar Nopany**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2017	323775	0.08	323775	0.08
4.	**Mr. Marco P.A. Wadia**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2017	6000	0.00	6000	0.00
5.	**Mr. Rajveer Singh, Assistant Vice President – Legal & Secretary**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2017	5000	0.00	5000	0.00

The remaining Directors and Key Managerial Personnel did not hold any shares during the Financial Year 2016-17.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	390425.04	90073.13	NIL	480498.17
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	692.95	19.77	NIL	712.72
Total (i+ii+iii)	**391117.99**	**90092.90**	**NIL**	**481210.89**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in indebtedness during the financial year				
Addition	910930.68	1232516.68	NIL	2143447.36
Reduction	1005346.51	1155092.90	NIL	2160439.41
Net Change	**(94415.83)**	**77423.78**	**NIL**	**(16992.05)**
Indebtedness at the end of the financial year				
i) Principal Amount	296457.00	167361.50	NIL	463818.50
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	245.16	155.18	NIL	400.34
Total (i+ii+iii)	**296702.16**	**167516.68**	**NIL**	**464218.84**

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	Mr. Anil Kapoor- Managing Director	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,70,01,333	3,70,01,333
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	34,56,372	34,56,372
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL
2.	Stock Options (Refer Note Below)	-	-
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
5.	Others - Retirement benefits and other perquisites	19,89,559	19,89,559
	Total (A)	4,24,47,264	4,24,47,264
	Ceiling as per the Act	**2988.30 lac**	

Note: Total 1,50,000 stock options were granted to the Managing Director during the Financial Year 2010-11 out of which 1,39,000 stock options were outstanding as on March 31, 2017. These options were granted at the prevailing market price of Rs. 73.50 per share at the time of grant of options.

B. Remuneration to other Directors:

(Amount in Rs.)

1. Independent Directors					
Particulars of Remuneration	**Names of Directors**				**Total Amount**
	Mr. Marco P.A. Wadia	**Ms. Radha Singh**	**Mr. K.N. Memani**	**Mr. Aditya Narayan**	
Fee for attending Board / Committee Meetings	4,65,000	5,10,000	1,75,000	4,20,000	15,70,000
Commission	5,00,000	5,00,000	5,00,000	5,00,000	20,00,000
Others	NIL	NIL	NIL	NIL	NIL
Total (1)	**9,65,000**	**10,10,000**	**6,75,000**	**9,20,000**	**35,70,000**

2. Other Non-Executive Directors				(Amount in Rs.)
Particulars of Remuneration	**Names of Directors**			**Total Amount**
	Mr. Saroj Kumar Poddar	**Mr. Shyam Sunder Bhartia**[$]	**Mr. Chandra Shekhar Nopany**	
Fee for attending Board/ Committee Meetings	1,50,000	NIL	3,25,000	4,75,000
Commission	5,00,000	NIL	5,00,000	10,00,000
Others	NIL	NIL	NIL	NIL
Total (2)	**6,50,000**	**NIL**	**8,25,000**	**14,75,000**
Total (B) = (1+2)				**50,45,000**
Total Managerial remuneration				**4,54,47,264***
Overall ceiling as per the Act (6% of net profit)				**Rs. 3585.96 lac**

[$] Opted for non-payment of sitting fee and commission. * Excluding sitting fee

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

(Amount in Rs.)

Sl. No.	**Particulars of Remuneration**	**Key Managerial Personnel**		
		Mr. Rajveer Singh, Company Secretary	**Mr. Abhay Baijal, Chief Financial Officer**	**Total Amount**
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	40,83,616	86,01,200	1,26,84,816
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	4,48,747	9,35,874	13,84,621
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Options (Refer Note 1 Below)	-	-	-
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
5.	Others - Retirement benefits and other perquisites	3,98,771	6,14,997	10,13,768
	Total	**49,31,134**	**1,01,52,071**	**1,50,83,205**

Note: 90,000 stock options granted to Mr. Abhay Baijal and 54,000 stock options granted to Mr. Rajveer Singh were outstanding as on March 31, 2017. 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.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the financial year 2016-17, there were no penalties / punishment / compounding of offences under the Companies Act, 2013 against the Company, its directors or other officers in default.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "I" to Directors' Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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 the 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, minutes 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 **March 31, 2017**, 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, 2017 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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable as the Company has not issued further share capital during the financial year under review**];

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not Applicable as the Company has not issued and listed any debt securities during the financial year under review**] ;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [**Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent]**;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review**];

   (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 [**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 specifically applicable to Fertilisers & other Agri-Inputs and Shipping industry 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 Report) Order,1986

(e) The Insecticides Act, 1968 and the Insecticides Rules, 1971

(f) The Seeds Act, 1966 and Rules framed thereunder

(g) The Merchant Shipping Act, 1958

(h) The Major Port Trust Act, 1963

(i) The Indian Ports Act, 1908

(j) Dock Workers (Safety, Health and Welfare) Act, 1986

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the year under review.
- 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.

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:-

(i) The members by the way of Postal Ballot approved the sale, assignment, transfer and delivery by ISGN Corporation, USA a material subsidiary of the Company, of its entire shareholding in ISGN Solutions, Inc. (a subsidiary of ISGN Corporation and downstream subsidiary of the Company) to Firstsource Group USA, Inc.

(ii) The members in the Annual General Meeting held on September 22, 2016 approved:

a. the re-appointment of Mr. Anil Kapoor as Managing Director of the Company for a period of 3 (three) years with effect from February 16, 2017

b. the offer or invitation for secured or unsecured redeemable non-convertible debentures, in one or more series/ tranches, aggregating up to Rs. 500 crore, on private placement basis.

c. the Conversion of loans into equity shares of the Company as per strategic debt restructuring scheme of Reserve Bank of India.

For RMG & Associates
Company Secretaries

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

Place: New Delhi
Date : 20.05.2017

Annexure "J" to Directors' 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 Ammonia converter basket from two bed basket to three bed basket in Ammonia-I plant.

· Replacement of high pressure steam line insulation.

· Installation of Light Emitting Diode (LED) lamps, tubes and lighting fixtures replacing conventional lights in Gadepan complex.

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

None

(iii) The capital investment on energy conservation equipments

The total capital investment on the above mentioned energy saving schemes was Rs. 3741.8 Lac during the Financial Year 2016-17.

(B) Technology Absorption:

(i) The efforts made towards technology absorption

· Replacement of Ammonia converter basket from two bed basket to three bed basket in Ammonia-I plant.

· Installation of cold-wall Ammonia converter in place of hot-wall Ammonia converter.

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

Cost reduction on account of energy efficiency, improvement in the reliability and operational flexibility.

(iii) Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

a) The details of technology imported : Advanced aero bundles for synthesis gas compressor

b) The year of import : 2013-14

c) Whether the technology been fully absorbed : Yes

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable

(iv) The expenditure incurred on Research and Development

The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, continuous efforts are made to improve the quality and efficiency.

(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 outgo : Rs. 325111.03 lac

Foreign Exchange earned : Rs. 29558.68 lac

For and on behalf of Board of Directors

Place : New Delhi
Date : May 20, 2017

S. K. Poddar
Chairman

Annexure "K" to Directors 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 percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17:

Name	Designation	Increase/ (Decrease) in Remuneration (%)	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr. S. K. Poddar	Non-Executive Chairman	(7.14)	0.79
Mr. Anil Kapoor	Managing Director	11.54	51.72
Mr. S. S. Bhartia*	Non-Executive Director	-	-
Mr. K. N. Memani	Independent Director	(20.59)	0.82
Mr. C. S. Nopany	Non-Executive Director	1.85	1.01
Ms. Radha Singh	Independent Director	(9.01)	1.23
Mr. Marco P.A. Wadia	Independent Director	(3.98)	1.18
Mr. Aditya Narayan	Independent Director	(7.54)	1.12
Mr. Abhay Baijal	Chief Financial Officer	8.75	Not Applicable
Mr. Rajveer Singh	Company Secretary	13.33	Not Applicable

* Mr. S.S. Bhartia has opted out from receiving any commission and sitting fee.

ii) The percentage increase in the median remuneration of employees in the financial year: **7.47%**

iii) The number of permanent employees on the rolls of Company: **1059**

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:

a) Average increase in the salaries of employees in the financial year 2016-17 other than managerial person**nel : 11.99%**

b) Percentage increase in the remuneration of Managing Director : **11.54%**

Average increase in the remuneration of employees other than the Managing Director and increase in the remuneration of Managing Director is in line with the industry practice and within the normal range.

v) It is hereby affirmed that the remuneration paid during the financial year is as per the remuneration policy of the Company.

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

Sr. No.	Name	Designation of the employee	Qualifications	Age (Years)	Experience (years)	Date of Commencement of Employ-	Remunaration Received	Last Employment	
								Employer's Name	Post Held
I. Details of the top ten employees in terms of remuneration drawn for the Financial Year 2016-17:									
1.	Anil Kapoor*	Managing Director	B.Tech., M.S.	63	37	11.12.2000	42,447,264	Cabot India Limited	Vice President-Technical
2.	Satishchandra K*	Executive President- India Steamship	"BE (Mechanical), FICS (London), FICA (Delhi)"	62	39	20.10.2011	18,958,583	Blue Lines Shipping	Head of Commercial
3.	Abhay Baijal	Chief Financial Officer	B.E., P.G.D.M.	56	32	01.11.2003	10,152,071	Birla Home Finance Limited	Vice President-Operations
4.	Multan Singh Rathore**	Vice President- Legal & CSR	M.A., L.L.B., F.C.S.	61	43	28.09.1992	1,00,87,294	Rajasthan State Seeds Corporation Limited	Company Secretary
5.	Virendra Kumar Gupta	Vice President- Marketing	B.Tech (Agricultural Engineering) & PGDM	60	35	24.09.1991	7,728,229	J K B M Limited	Zonal Manager
6.	Abhai Kumar Bhargava	Vice President- Works	B.E. (Chemical Engineering)	61	38	21.09.2009	7,514,262	Indian Farmers Fertiliser Cooperative Limited	General Manager
7.	Siddhartha Shankar Choudhury**	Chief Engineer	MEO-Class-I-(M)	46	17	Note 1	7,429,501	Synergy Maritime Pvt. Ltd.	Chief Engineer
8.	Mrinmoy Gangopadhyay**	Master	Master - F.G.	46	19	Note 1	6,765,813	"The Great Eastern Shipping Co. Ltd."	Master
9.	Prabir Naiya**	Chief Engineer	MEO-Class-I-(M)	42	13	Note 1	6,509,560	Fleet Management Ltd.	Second Engineer
10.	Anirban Chatterjee**	Master	Master - F.G.	40	21	Note 1	6,404,334	"The Great Eastern Shipping Co. Ltd."	Master
***These employees were employed throughout the financial year 2016-17 and were in receipt of remuneration not less than Rs. 1,02,00,000 for that financial year. ** These employees were employed for part of the financial year 2016-17 and were in receipt of remuneration not less than Rs. 8,50,000 per month**									
II. Employees (other than those mentioned above) who were employed for a part of the financial year 2016-17 and were in receipt of remuneration in aggregate of not less than Rs. 8,50,000 per month:									
1.	Amardeep Singh Sandhu	Master	Master - F.G.	44	16	Note 1	4,699,547	"Dymacom Tanker Management Ltd."	Master
2.	Anindam Mandal	Master	Master - F.G.	40	17	Note 1	6,081,575	VR Maritime	Master
3.	Asit Kumar Das	Chief Engineer	MEO-Class-I-(M)	48	22	Note 1	5,060,624	Elegant Ship Management	Chief Engineer
4.	Debasish Banerjee	Chief Engineer	MEO-Class-I-(M)	54	21	Note 1	6,105,448	Thome Ship Management	Chief Engineer
5.	Debmalya Ghosh	Chief Engineer	MEO-Class-I-(M)	53	35	Note 1	2,181,895	Searland Shipping Management Co Ltd	Chief Engineer
6.	Hanesh Kumar Narang	General Manager - QHSE,Vetting & Training	Master - F.G.	53	25	01.08.2006	2,094,523	Fleet Management India Pvt Ltd.	Operations Manager

Sr. No.	Name	Designation of the employee	Qualifications	Age (Years)	Experience (years)	Date of Commencement of Employ-	Remu-naration Received	Last Employment	
								Employer's Name	Post Held
7.	Jahur Ahmed	Chief Engineer	MEO-Class-I-(M)	42	18	Note 1	5,977,439	NOS Ship Management Pvt. Ltd. Mumbai	Chief Engineer
8.	Kaushik Basu	Master	Master - F.G.	41	15	Note 1	53,05,383	V. Ships	Chief Officer
9.	Mithilesh Kumar	Master	Master - F.G.	45	28	Note 1	2,673,901	The Great Eastern Shipping Co. Ltd.	Master
10.	Nagendra Shukla	Chief Engineer	MEO-Class-I-(M)	40	20	Note 1	1,280,122	Torm Shipping	Chief Engineer
11.	Shankar Lal Bhattacharjee	Master	Master - F.G.	59	37	Note 1	6,167,189	V.Ships	Master
12.	Shekhar Kirtania	Chief Engineer	MEO-Class-I-(M)	45	25	Note 1	802,166	Vellas Maritime Canada	Chief Engineer
13.	Venkateswan Visweswaran	Master	Master - F.G.	41	16	Note 1	587,413	Synergy Maritime Pvt. Ltd.	Master

NOTES:

1. These persons were employed on contractual basis on various dates during the year.
2. None of the above employees is a relative of any Director of the Company.
3. None of the employees was in receipt of remuneration in excess of remuneratuion drawn by Managing Director of the Company
4. None of the above employees himself or alongwith his spouse and dependent children holds 2% or more equity shares of the Company.
5. All appointments are/were on contractual basis.

For and on behalf of the Board of Directors

Place : New Delhi
Date : May 20, 2017

S.K. Poddar
Chairman

BUSINESS RESPONSIBILITY REPORT

Introduction

Chambal Fertilisers and Chemicals Limited ("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. The Company is well aware that its long-term economic sustainability is dependent on the ecosystem and it has a history of conducting its business in a socially, environmentally and financially responsible manner. The Company is committed to building a sustainable enterprise for the benefit of its present and future generations of stakeholders.

The Company is committed to take a holistic, multi-disciplinary and long term approach for creating positive social impact in the communities it is engaged with. Indian Farmer being its key stakeholder, the Company regularly promotes responsible farming practices and help farmers in crop selection, soil nutrition and proper use of fertilizers, crop protection chemicals and other agri-inputs and thereby improve productivity. Apart from serving the farming community in its marketing territory, the Company considers the people residing in the vicinity of its plants, as important stakeholders. The Company's full spectrum Corporate Social Responsibility programmes are designed to bring sustainable changes in the field of education, health care, infrastructure etc. for local communities.

The Board of Directors and management team across all the operations of the Company remain committed to a sustainable future. The details of the initiatives taken by the Company from an environmental, social and governance perspective are as under:

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24124RJ1985PLC003293
2.	Name of the Company	Chambal Fertilisers and Chemicals Limited
3.	Registered address	Gadepan, District Kota, Rajasthan, PIN-325 208, India
4.	Website	www.chambalfertilisers.com
5.	E-mail id	corporate@chambal.in
6.	Financial Year reported	April 1, 2016 to March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Name of the Sector** — **Code** Manufacture of urea — 20121 Shipping — 5012 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, marketing of fertilisers and other Agri-inputs and Shipping
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) 18 (Eighteen)
10.	Markets served by the Company – Local/State/National/ International	Fertiliser Business serves 14 States in the national market. Shipping Business serves mainly the International Market.

Section B: Financial Details of the Company as on March 31, 2017

1.	Paid up capital (INR in Lac)	41620.79
2.	Total turnover (INR in Lac)	743083.18
3.	Total profit after taxes (INR in Lac)	42510.09
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.02% 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 undertakes CSR activities in the fields like education, vocational training, infrastructure development, healthcare, soil health, etc. Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as **Annexure-"F"** to the Director's Report.

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company had 8 subsidiaries as on March 31, 2017.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 Informatio

1. Details of Director/Directors responsible for BR		
(a)	Details of the Director responsible for implementation of the BR policies	
(i)	DIN Number	00032299
(ii)	Name	Mr. Anil Kapoor
(iii)	Designation	Managing Director
(b)	Details of the BR head	
(i)	DIN Number (if applicable)	Not Applicable
(ii)	Name	Mr. Vishal Mathur
(iii)	Designation	General Manager-Human Resources & Administration
(iv)	Telephone number	0744-2782900
(v)	e-mail id	vishal.mathur@chambal.in

2. **Principle-wise (as per NVGs) BR Policy/policies**

Principle Index

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3: Businesses should promote the wellbeing of all employees.
P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5: Businesses should respect and promote human rights.
P6: Business should respect, protect, and make efforts to restore the environment.
P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8: Businesses should support inclusive growth and equitable development.
P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for.......	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y (Note 1)	Y (Note 2)	Y (Note 3)	Y (Note 4)	Y (Note 3)	Y (Note 2)	Not Applica-ble	Y (Note 4)	Y (Note 2)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The policies are available on the website of the Company i.e. www.chambalfertilisers.com. Refer note 5 below for the links of the policies.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**									
3.	**Governance related to BR**									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Within 3-6 months.								
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Sustainability Report for the Financial Year 2015-16 is available at the website of the Company at the weblink - http://www.chambalfertilisers.com/index9d56.html								

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

Note 2 : The concerned policies are in conformity to ISO-14001:2015, ISO-9001:2015 and OHSAS-18001:2007 standards.

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

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

Note 5 : The policies are available on the following Links:
http://www.chambalfertilisers.com/indexb6ab.html?option=com_content&view=article&id=125&Itemid=150
http://www.chambalfertilisers.com/index4f05.html?option=com_content&view=article&id=183&Itemid=299

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	No. The Code of Conduct and Ethics of the Company is applicable to all the Directors and employees of the Company. The Company has also formulated 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 at the time of entering into contracts with them.
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, an email communication was received from a third party but no substance was found in the allegations mentioned in such communication.
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	The Company manufactures Urea which is major plant nutrient and ensures food security in the country. The Urea manufactured by the Company is neem coated which results into slow release of nitrogen in the soil thereby reducing the overall carbon footprint. The Company makes continuous efforts to increase the energy efficiency of the plants and processes involved in the manufacturing of Urea and follows the 3R concept of waste management i.e Reduce, Re-use and Re-cycle. The Company owns ships which are used for transportation of crude oil / petroleum products. All the ships of the Company are double hull vessels which minimises accidental oil spillage in case of any breach of hull.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	(a) The Company has been able to reduce water consumption in its Urea Plants at Gadepan by 1.2% as compared to the previous year. The overall water consumption during the Financial Year 2016-17 in the Plants at Gadepan was 4.91M3/ MT of Urea as against 4.97 M3/ MT of Urea during the previous year. The Company has constructed anicuts and there is dedicated pipeline for supply of water to the plants. Almost 70% of the waste water is re-cycled back into the system, and the balance is used in the irrigation network within the complex. The Company discharges the treated water in the river only during monsoon period to avoid over watering that may lead to mortality of trees & other vegetation. The major energy efficiency and reduction of resource consumption can be achieved through sourcing of technologically upgraded equipment in the process of repair and maintenance of the fertiliser plants. The Company gives highest priority to energy and resource efficiency while replacing the existing equipment / machinery.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	(b) The Company has not developed mechanisms to track resource usage at the consumer end. Our products are mainly consumed by farmers. However, we engage with the farmers to create awareness on sustainable agriculture.

3.	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. Considerable emphasis is laid on procurement of all equipment and materials from approved/reputed vendors with best credentials only. A defined procedure has been laid out for vendor registration and annual assessment of contractors and vendors. Local vendors are given equal opportunity provided they are competitive and supply material as per desired quality standards and specifications. For regular consumables, the Company has long term contracts so that suppliers can plan their production capacities. The Supplier's Code of Conduct encourages the suppliers and service providers to provide safe and healthy working conditions to their employees and comply with the existing laws concerning the protection of the environment and, wherever possible, adopt environment friendly technologies. Natural gas is the main raw material for production of Urea. The Company has long term supply arrangements with large suppliers in the country to source natural gas. The fertiliser plants of the Company are connected to a dedicated natural gas pipeline to ensure uninterrupted supply.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. The Company's approach has always been to support the local community and marginalized people. The Company ensures that local contractors and vendors from community, are engaged, wherver possible. The capacity of these vendors is developed to ensure that no compromises are made with the quality. Once the local vendors are identified, we design and implement programs to help them meet industry standards and provide goods and services as and when required. The Company also encourages partners and suppliers to use the services of local vendors, wherever possible. The Company has also established 4 vocational training centers in the nearby villages to impart youth with basic but employment oriented skills like driving, electrician, plumbing, etc.
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.	Yes. The Company follows the concept of 3Rs (Reduce, Reuse and Recycle) for waste management. The Company has adopted best practices to manage waste disposal through a comprehensive waste management system under the Health, Safety, Security, Environment & Quality Policy. The Company is continually working towards achieving higher levels of waste management efficiency. Hazardous wastes generated out of the operations are disposed-off through authorised recyclers / treatment, storage, and disposal facilities and non-hazardous wastes are disposed –off to re-cyclers or re-users. Horticulture waste is converted to manure through composting. Almost 100% of condensate is recycled back into the system. Further, the effluents generated from DM Plant regenerations, cooling tower blow downs, oil separator, etc are sent to the Effluent Treatment Plant where they are mixed together and stored in large holding ponds for irrigation of our green belt. The Company has also set up a sewage treatment plant which treats sanitary waste-water from the township and plants.

Principle 3: Businesses should promote the wellbeing of all employees		
1.	Please indicate the total number of employees.	As on March 31, 2017, there were 956 permanent employees of the Company.
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	As on March 31, 2017, 1844 employees had been hired on temporary / contractual / casual basis (including 103 seafarers working on the vessels of the Company) excluding the contractual / temporary personnel engaged in the new Urea Plant of the Company.
3.	Please indicate the Number of permanent women employees.	18
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, 2017. The ratings personnel working on the ships are normally members of National Union of Seafarers of India or Forward Seamen's Union of India.
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL
8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with disabilities	

Group	Percentage received training
Permanent Employees	73
Permanent Women Employees	66
Casual/Temporary/Contractual Employees	100
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 company has identified and mapped its stakeholders for engagement. The key stakeholders for the company are Employees, Farmers, Dealer / Distributor, Investors/Shareholders, Local Community, Contractors/Vendors, Industry Associations and Government.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. We proactively engage with our stakeholders through different modes in order to understand their issues and concerns. Open and honest communication through a variety of traditional and innovative ways with our stakeholders provides us with valuable insights regarding emerging trends, business risks, opportunities and their grievances. The local community and villagers dwelling near the plant area have been identified as the disadvantaged and marginalized stakeholders of the organization.

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 comprehensive Corporate Social Responsibility program of the Company has been formulated based on extensive research and need assessment survey carried out in the villages in the vicinity of the Company's plants. The entire region being socio-economically deprived needed an immediate action on key issues like education, gender discrimination, healthcare, infrastructure & sanitation, poverty and unemployment. Apart from this, the Company is providing medical services to the rural people near Mussoorie, Uttarakhand and soil testing facilities in Rajasthan and Uttar Pradesh. The Company is extensively working in the fields of education, healthcare, vocational training, infrastructure, soil health, etc. and has brought a perceptible transformation in the entire region.
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. However, the Company has formulated a "Suppliers' Code of Conduct" for its vendors and service providers. Through this code, the Company encourages its suppliers and service providers to maintain high standards of integrity and sustainability alongwith from stand against 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.
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 reporting period.
Principle 6: Business should respect, protect, and make efforts to restore the environment		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.	"Health, Safety, Security, Environment & Quality Policy" covers the Company and the contractor workforce working in the plants. In addition to this, the Supplier's Code of Conduct includes the environment and sustainability aspects.
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. "Sustainability Policy" and "Health, Safety, Security, Environment & Quality Policy" of the Company covers the aspects related to environment and sustainable resource use. We give an equal emphasis on all environmental issues such as optimizing 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. These policies are available at the Sustainability section at the website of the Company - www.chambalfertilisers.com. The Company's Environment Management System conforms to the international environment systems: ISO-14001: 2015 and OHSAS-18001:2007.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has approved procedures in place for assessing environmental risks. It considers all parameters by which control is exercised on its operations. The impact on environment, health and safety is assessed for all the activities carried out currently. The organisation has adopted ISO 14001:2015 and aspect-impact analysis pertaining to environmental risks are 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 2016-17.
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 2016-17 for conservation of energy: (a) Replacement of Ammonia converter basket from two bed basket to three bed basket in Ammonia-I plant. (b) Replacement of high pressure steam line insulation. (c) Installation of Light Emitting Diode (LED) lamps, tubes and lighting fixtures replacing conventional lights in Gadepan complex. In addition to the above, diesel engine performance analysers have been installed in the ships of the Company which have resulted in effective use of fuel injectors thus optimizing fuel consumption in the ships.
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 were carried out periodically by a lab approved by the Ministry of Environment and Forests and reports were submitted to State Pollution Control Board. No non-conformances was observed during the Financial Year 2016-17.
7.	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	As on March 31, 2017, there was no pending or unresolved show cause/legal notice received from Central Pollution Control Board or State Pollution Control Board.
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The Company is member of Fertilizer Association of India (FAI), Federation of Indian Chambers of Commerce and Industry (FICCI) and International Fertilizer Association (IFA), Indian National Shipowners' Association, Indian Chamber of Commerce and Bengal Chamber of Commerce & Industry.
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)	We are actively involved in debates and discussions related to public policies of fertilizer industry at the FAI forum. We regularly participate in various industry forums, share insights and present viewpoints on issues related to business, environment and society.
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. Corporate Social Responsibility Policy of the Company details out the projects and programs to be undertaken by the Company in this regard which is available on the website of the Company at -www.chambalfertilisers.com/pdf/ChambalCSRPolicy2014.pdf. The major thrust areas are education, healthcare, soil health, infrastructure, vocational training, etc. Further details in this regard are detailed out in the Directors Report which forms part of the Annual Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The Corporate Social Responsibility programmes of the Company are undertaken directly as well as through K K Birla Memorial Society which had been established by the Company, in partnership with Non-Government Organisations (**"NGOs"**).

3.	Have you done any impact assessment of your initiative?	Yes. Impacts of CSR activities are measured on a regular basis through impact assessment survey and reviews organized by respective NGOs undertaking the activities. However, we have not engaged any third party to conduct impact assessment of our CSR projects.
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 2016-17 was Rs. 945. 83 lac. The details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as **Annexure-"F"** to the Director'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 Company's CSR projects are implemented in close association with the community and NGOs. All CSR programs are implemented only after an exhaustive Information Education and Communication exercise with the stakeholders thereby ensuring that each initiative is executed with an active participation and engagement of community. To further ensure that the initiatives are sustainable, we continuously interact with the community members through one on one meetings, community meetings, nukkad nataks,etc. to raise their awareness of the CSR activites undertaken by the Company and to have their feedback thereon.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	32% Apart from one complaint pending before the District Consumer Disputes Redressal Forum, there were 6 customer complaints pending as on March 31, 2017.
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.	Three cases filed by the dealers / sub-dealer in the courts mainly related to commercial disputes were pending as on March 31, 2017. Further, one complaint filed by a customer before the District Consumer Disputes Redressal Forum was pending as on March 31, 2017. The Company has been contesting these cases at appropriate forums.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	No consumer / customer satisfaction survey was carried out during the financial year 2016-17 but the Company uses various platforms to interact with its customers, gauge their satisfaction levels and get valuable feedback. Their comments and remarks are compiled and analysed for identifying the opportunities for improvement in the products and service delivery mechanism. The retailer / dealer meetings, Uttam helpline and farmers meet are a part of the Company's customer feedback mechanism. The Shipping Division has a system of collecting customer feedback at the end of each voyage which *inter-alia* includes Customer's feedback with reference to Ship's performance, crew performance and communication with the Company. The feedback is monitored continuously and acted upon wherever necessary.

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Standalone Financial Statements

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, 2017, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's Shipping division at Kolkata.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;

(c) The report on the accounts of the Shipping division of the Company audited under Section 143(8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;

(d) The Balance Sheet, Statement of Profit and Loss Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;

(e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) 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 financial statements – Refer Note 26(i)(B) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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;

iv. The Company (including Shipping Division of the Company) has provided requisite disclosures in Note 50 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company (including Shipping Division of the Company) and as produced to us by the Management of the Company.

Other Matter

We did not audit the financial statements and other financial information of Shipping Division included in the accompanying standalone financial statements of the Company whose financial statements and other financial information reflect total assets of Rs.61,322.16 lacs as at March 31, 2017, total revenues (included in discontinued operations in the statement of profit and loss - Refer note 46(A)(ii)) of Rs.29,644.58 lacs and loss before tax and other comprehensive income of Rs.8,453.97 lacs for the year ended on that date. The financial statements and other financial information of the Shipping Division have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of such branch, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

ANNEXURE 1 REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

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

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

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

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in the property, plant and equipment are held in the name of the Company except for one office premises of carrying value of Rs.390.98 lacs, freehold land of carrying value of Rs.0.89 lac and leasehold land of carrying value of Rs.32.04 lacs as at March 31, 2017 for which the title deeds are not in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loan (brought forward from last year) to one party covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) In respect of the loan granted to the party covered in the register maintained under Section 189 of the Companies Act, 2013, the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.

(c) There is no overdue amount of loans granted to the party listed in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which directors are interested to which provisions of Section 185 of the Companies Act, 2013 apply. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in the respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Urea and SSP, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues applicable to it.

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

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

Name of the statute	Nature of dues	Amount (Rs. in lacs)	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	17414.79	FY 2007-08 to 2011-12	Commissioner, Service Tax Audit Commissionerate, Kolkata
Rajasthan Sales Tax Act, 1994	Sales Tax demand on usage of natural gas other than urea manufacture	352.34	1996-2001	Rajasthan High Court, Jodhpur
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	10.35	April 2008 to August 2013	CESTAT, New Delhi
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	4.57	November 2013 to July 2014	CESTAT, New Delhi
Income Tax Act, 1961	Disallowances for various expenses	24017.29	AYs 2009-10 to 2012-13	ITAT, Jaipur

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Interest under Section 201	14.83	AY 2011-12	ITAT, Jodhpur
Central Sales Tax Act, 1956	Non-submission of Form F	197.81	2012-13	Deputy Commissioner, Commercial Tax, Appeal-I, Ahmedabad
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	2.24	September 2011 to March 2012	Uttar Pradesh Commercial Tax, Tribunal Bench, Agra, Uttar Pradesh
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	17.99	April 2012 to March 2013	Additional Commissioner, Grade – II (Appeals) – Ist Commercial Taxes, Agra, Uttar Pradesh
Bihar value Added Tax Act, 2005	Sales Tax	61.89	2013-14	Joint Commissioner, Commercial Tax, Patna, Bihar
Finance Act, 1994	Service Tax	31.22	F.Y. 2008-09 to June 2012	CESTAT, Allahabad, Uttar Pradesh

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. Further, the Company did not have any outstanding debentures and loan from government during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which those were raised. The Company has not raised any money by way of initial public offer/ further public offer (including debt instruments) during the year.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3(xiv) of the Order is not applicable to the Company and accordingly not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Chambal Fertilisers and Chemicals Limited

We have audited the internal financial controls over financial reporting of **Chambal Fertilisers and Chemicals Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ('the Guidance Note'). 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 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls , both issued by the Institute of Chartered Accountants of India. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the paragraph 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over the financial reporting of the Company, in so far as it relates to the Shipping division, is based on the corresponding report of the auditor of such division.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	109508.25	171326.72	203153.86
Capital work-in-progress	28 & 53	170587.91	62566.06	8789.05
Other intangible assets	4	376.10	269.03	290.51
Intangible assets under development		95.88	71.73	101.21
Financial assets	5			
i. Investments	5A	29125.25	31571.35	67210.32
ii. Loans	5B	123.61	161.16	226.71
iii Other financial assets	5C	350.71	459.64	421.62
Income tax assets (net)		5100.12	8659.02	4855.08
Other non-current assets	6	6987.92	10791.94	3737.49
Total non-current assets		**322255.75**	**285876.65**	**288785.85**
Current assets				
Inventories	7	84935.25	86218.02	56974.79
Financial assets	8			
i. Trade receivables	8A	302314.64	383695.92	302118.32
ii. Cash and cash equivalents	8B	8529.03	1301.72	282.71
iii. Bank balances other than (ii) above	8C	1877.97	1786.46	1665.97
iv. Loans	8D	32.27	2035.80	2250.90
v. Other financial assets	8E	12697.77	13485.60	1903.42
Income tax assets (net)		2247.25	-	10501.12
Other current assets	9	8492.29	6078.77	5821.12
Assets classified as held for sale	46(B)	61366.51	14769.41	22101.40
Total current assets		**482492.98**	**509371.70**	**403619.75**
Total Assets		**804748.73**	**795248.35**	**692405.60**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	41620.79	41620.79	41620.79
Other equity	10A	211903.40	178987.76	189031.11
Total Equity		**253524.19**	**220608.55**	**230651.90**
Liabilities				
Non-current liabilities				
Financial liabilities	11			
i. Borrowings	11A	107422.36	70790.75	77511.46
ii. Other financial liabilities	11B	190.25	0.30	821.68
Provisions	12	523.56	376.64	296.61
Deferred tax liabilities (net)	40	18334.44	24628.53	26731.30
Other non-current liabilities	13	249.76	212.39	-
Total non-current liabilities		**126720.37**	**96008.61**	**105361.05**
Current liabilities				
Financial liabilities	14			
i. Borrowings	14A	307758.94	377516.32	286517.14
ii. Trade payables	14B	22735.56	44699.98	18699.84
iii. Other financial liabilities	14C	36836.37	50508.65	40397.69
Other current liabilities	15	2856.80	3482.72	2678.56
Provisions	16	2682.32	2423.52	2430.20
Liabilities directly associated with assets classified as held for sale	46(A)	51634.18	-	5669.22
Total current liabilities		**424504.17**	**478631.19**	**356392.65**
Total Liabilities		**551224.54**	**574639.80**	**461753.70**
Total Equity and Liabilities		**804748.73**	**795248.35**	**692405.60**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
Continuing operation			
Revenue from operations	**17**	743083.18	879026.23
Other income	**18**	17822.69	13444.72
Total income		**760905.87**	**892470.95**
EXPENSES			
Cost of materials consumed	**19**	152944.71	203211.20
Purchase of traded goods		322770.98	407783.89
(Increase) / decrease in inventories of work-in-process, finished goods and traded goods	**20**	260.94	(29849.84)
Excise duty on sale of goods		2016.85	1999.67
Employee benefits expense	**21**	10702.91	10443.65
Finance costs	**22**	24580.20	25965.78
Depreciation and amortization expense	**3 & 4**	6157.06	8655.20
Other expenses	**23**	179821.73	214332.19
Total expenses		**699255.38**	**842541.74**
Profit before exceptional item and tax from continuing operation		**61650.49**	**49929.21**
Exceptional item	**24**	-	39225.16
Profit before tax from continuing operation		**61650.49**	**10704.05**
Tax expenses:			
(1) Current tax	**38, 39 & 40**	16388.05	15115.66
(2) Tax related to earlier years		(62.04)	(321.06)
(3) Deferred tax charge	**40**	1885.21	471.71
Income tax expense		**18211.22**	**15266.31**
Profit / (loss) for the year from continuing operation		**43439.27**	**(4562.26)**
Discontinued operations			
Profit / (loss) before tax for the year from discontinued operations	**46(A)**	(8453.97)	4726.51
Tax expense/ (credit) of discontinued operations	**40**	(7524.79)	1278.46
Profit / (loss) for the year from discontinued operations		**(929.18)**	**3448.05**
Profit / (loss) for the year		**42510.09**	**(1114.21)**
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to profit or loss:			
-Re-measurement gain/ (loss) on defined benefit plans		(135.82)	9.04
-Income tax (expense) / credit relating to above item		47.00	(3.13)
Net OCI that will not be re-classified to profit or loss		**(88.82)**	**5.91**
B. Items that will be re-classified to profit or loss:			
-Exchange differences on translation of foreign operation		(123.27)	597.85
-Income tax (expense) / credit relating to above item		42.66	(206.91)
Net OCI that will be re-classified to profit or loss		**(80.61)**	**390.94**
OCI for the year, net of tax		**(169.43)**	**396.85**
Total Comprehensive Income for the year		**42340.66**	**(717.36)**
Earnings per equity share (for continuing operation): Basic and Diluted (in Rs.)	**25**	10.44	(1.10)
Earnings per equity share (for discontinued operations): Basic and Diluted (in Rs.)	**25**	(0.22)	0.83
Earnings per equity share (for continuing and discontinued operations): Basic and Diluted (in Rs.)	**25**	10.22	(0.27)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities :			
Profit before tax from continuing operation		61650.49	10704.05
Profit/ (loss) before tax from discontinued operations	**46(A)**	(8453.97)	4726.51
Profit before tax		**53196.52**	**15430.56**
Adjustments for :			
Depreciation, impairment and amortisation		10483.35	14165.12
Fair value gain on financial instrument at fair value through profit or loss	**18**	(810.84)	(210.42)
Gain on reduction of non-current investment	**18**	(193.39)	-
Gain on sale of non-current investments	**18**	(534.00)	-
Gain on sale of current investments	**18**	(2884.94)	(3641.18)
Mark to market gain on derivative transactions		(1112.41)	(1219.78)
Employee share based payment expense	**36**	8.83	53.42
Exceptional item	**24**	-	39225.16
Loss on ships mandatorily measured at fair value	**51(b)**	-	11417.33
Impairment loss on ships	**46(A)(ii)**	10344.95	1402.78
Un-realised foreign exchange variation (gain) / loss		(8189.24)	3593.41
Realised foreign exchange variation (gain) / loss		1114.76	853.51
Loss on disposal of property, plant and equipment (net)		259.73	181.65
Allowance for doubtful debts and advances (net)		171.91	371.52
Liabilities no longer required written back		(139.30)	(10.34)
Catalyst charges written off	**23**	699.70	630.85
Irrecoverable balances written off		244.26	15.88
Gain on sale of discontinued operation (textile business)	**46(A)(i)**	-	(3813.19)
Interest expense		26023.03	28701.48
Interest (income)		(2068.25)	(2276.24)
Dividend (income)	**18**	(3451.78)	(5067.65)
Operating profit before working capital changes		**83162.89**	**99803.87**
Working capital adjustments:			
(Increase) in inventories		(1094.39)	(29463.57)
Decrease/ (increase) in trade receivables		78270.90	(81965.00)
Decrease/ (increase) in other financial assets		615.54	(10381.53)
(Increase) in other assets		(2792.89)	(166.27)
(Decrease)/ increase in trade payables, other liabilities and provisions		(17373.67)	32207.33
Cash generated from operations		**140788.38**	**10034.83**
Income tax paid (net of refunds)		(15891.79)	(12702.67)
Net cash flows from/ (used in) operating activities		**124896.59**	**(2667.84)**
B. Cash flow from investing activities			
Purchase of property, plant and equipment & Intangible		(100563.90)	(61784.71)
Proceeds from sale of property, plant and equipment & Intangible		14937.43	65.58
Purchase of non-current investments		-	(1188.09)
Proceeds from sale of non-current investments		3534.00	-
Proceeds from sale of current investments		2884.94	3641.18
Net proceeds from sale of discontinued operation (textile business)	**46(A)(i)**	-	22757.45
Loan given to subsidiaries		-	(3317.60)
Loan repaid by a subsidiary		1987.80	1329.80
Interest received		2075.84	2245.68
Dividend received		3386.92	5067.65
Fixed deposits placed (having original maturity of more than three months)		(42.66)	(42.55)
Net cash flow (used in) investing activities		**(71799.63)**	**(31225.61)**

(Rs. in Lacs)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities			
Proceeds from long term borrowings		90722.13	21563.36
Repayment of long term borrowings		(32856.57)	(30229.08)
Availment of buyer's credit		242719.32	269535.22
Repayment of buyer's credit		(368563.28)	(212235.78)
Net proceeds from short term borrowings		59926.41	28175.32
Payment of transaction costs related to borrowings		(734.94)	(4884.26)
Realised mark to market gain on derivative transaction		1112.41	-
Interest paid		(28797.35)	(28328.21)
Dividend paid		(7865.19)	(7865.30)
Tax on dividend paid		(1335.00)	(971.62)
Net cash flow from/ (used in) financing activities		**(45672.06)**	**34759.65**
Net increase in cash and cash equivalents (A+B+C)		**7424.90**	**866.20**
Foreign currency translation difference		54.97	152.80
Cash and cash equivalents at the beginning of the year		1301.72	282.72
Cash and cash equivalents at the end of the year		**8781.59**	**1301.72**
Components of cash and cash equivalents :			
Balances with banks :			
- on current accounts		478.02	208.58
- on cash credit accounts		43.25	86.28
- on saving accounts		-	3.94
- Deposits with original maturity of less than three months		8000.00	1000.00
Cheques on hand		3.76	-
Cash on hand		4.00	2.92
Cash and cash equivalents	**8B**	**8529.03**	**1301.72**
Add: Cash at bank and on hand attributable to discontinued operations	**46(A)(ii)**	252.56	-
Total cash and cash equivalents		**8781.59**	**1301.72**

Note: Cash Flow from operating activities for the year ended on March 31, 2017 is after considering corporate social responsibility expenditure of Rs.945.83 lacs (Previous year : Rs.905.86 lacs).

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A : Equity share capital

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

	(Rs. in Lacs)
At April 01, 2015	41620.79
At March 31, 2016	41620.79
At March 31, 2017	**41620.79**

B : Other equity

For the year ended March 31, 2017

(Rs. in Lacs)

Particulars	Reserves and Surplus										Items of Other Comprehensive Income	Total
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operation	
As at April 01, 2016	(1744.15)	(14.11)	20.95	641.59	25.00	38426.34	425.00	3850.00	254.32	136711.88	390.94	**178987.76**
Profit for the year	-	-	-	-	-	-	-	-	-	42510.09	-	42510.09
Other comprehensive income (net of tax):												
- Re-measurement (loss) on defined benefit plans	-	-	-	-	-	-	-	-	-	(88.82)	-	(88.82)
- Exchange differences on translation of foreign operation	-	-	-	-	-	-	-	-	-	-	(80.61)	(80.61)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42421.27**	**(80.61)**	**42340.66**
Cash dividends (including dividend distribution tax) (refer note 45)	-	-	-	-	-	-	-	-	-	(9517.90)	-	(9517.90)
Employee share based payment expense (refer note 36)	-	-	-	-	-	-	-	-	8.83	-	-	8.83
Transfer to general reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-
Any other credit {refer note below}	-	-	-	-	-	-	-	-	-	84.05	-	84.05
As at March 31, 2017	**(1744.15)**	**(14.11)**	**20.95**	**641.59**	**25.00**	**43426.34**	**425.00**	**3850.00**	**263.15**	**164699.30**	**310.33**	**211903.40**
For the year ended March 31, 2016												
As at April 01, 2015	(1744.15)	(14.11)	20.95	641.59	25.00	38426.34	425.00	3850.00	200.90	147199.59	-	**189031.11**
(Loss) for the year	-	-	-	-	-	-	-	-	-	(1114.21)	-	(1114.21)
Other comprehensive income (net of tax):												
- Re-measurement gain on defined benefit plans	-	-	-	-	-	-	-	-	-	5.91	-	5.91
- Exchange differences on translation of foreign operation	-	-	-	-	-	-	-	-	-	-	390.94	390.94
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1108.30)**	**390.94**	**(717.36)**
Cash dividends (including dividend distribution tax) (refer note 45)	-	-	-	-	-	-	-	-	-	(9517.90)	-	(9517.90)
Employee share based payment expense (refer note 36)	-	-	-	-	-	-	-	-	53.42	-	-	53.42
Any other credit {refer note below}	-	-	-	-	-	-	-	-	-	138.49	-	138.49
As at March 31, 2016	**(1744.15)**	**(14.11)**	**20.95**	**641.59**	**25.00**	**38426.34**	**425.00**	**3850.00**	**254.32**	**136711.88**	**390.94**	**178987.76**

Note: Any other credit in retained earnings represents (a) dividend on treasury shares; and (b) savings of dividend distribution tax on equity dividend.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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 one of the largest manufacturer of Urea in private sector in India and also deals in other fertilisers and Agri inputs ('Fertiliser Division'). Shipping Division (classified as discontinued operations, refer note 46(A)(ii)) of the Company is engaged in the business of running of ships for cargo. Further, the Company is in the process of setting up a new Urea plant under the New Investment Policy 2012 (amended) of the Government of India at its existing plant location at Gadepan, District Kota (Rajasthan).

These financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 20, 2017.

2. Significant Accounting Policies

2(a) Basis of Preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements of the Company for all periods covered therein upto and including the year ended March 31, 2016 were prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

These financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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;
- Property, plant and equipment of Shipping Division;
- Investment in debt instruments (i.e. preference shares).

The financial statements of the Company are presented in Indian Rupee (Rs.) and all values are rounded to the nearest lacs (Rs. 00,000.00), except when otherwise indicated.

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, except in case of Shipping Division of the Company which has determined United States Dollars (USD) as its functional currency and therefore categorised as a foreign operation.

The functional currency of the Shipping Division of the Company is determined to be USD since it primarily generates and expends cash in USD. The following factors have been considered to determine USD as the functional currency of the Shipping Division:

(a) the contracts and billing for deployment of ships are in USD i.e. the currency that mainly influences sales prices for services;

(b) the major operating expenses (port dues, bunkers, major portion of salaries of crew members and insurance cost) are denominated and settled in USD; and

(c) the borrowings of the Shipping Division have been drawn and settled in USD.

(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 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 a foreign operation

The results and financial position of a foreign operation (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 presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of profit and loss presented (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 a foreign operation, the associated exchange differences are re-classified to profit or loss, as part of the gain or loss on disposal.

Cummulative currency translation differences for a foreign operation are deemed to be zero at the date of transition, viz., April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation 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

The Company uses derivative financial instruments, such as forward currency contracts, options and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

iv) Fair value measurement

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

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

- In the principal market for the asset or liability, or

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, 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 measurement, such as assets held for disposal in discontinued operation.

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 agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

v) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 46(A). All other notes to the financial statements mainly include amounts for continuing operation, unless otherwise mentioned.

vi) Property, plant and equipment

On transition to Ind AS i.e. April 01, 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE, except for the PPE pertaining to Shipping Division of the Company which has been measured at fair value at the date of transition to Ind AS on account of change in the functional currency of Shipping Division and regarded that fair value as deemed cost at the date of transition.

PPE are stated at cost, except PPE of the Shipping Division, net of accumulated depreciation and accumulated impairment losses, if any. Ships of Shipping Division are measured at fair value and for other items of PPE of the Shipping Division, Ind AS- 16 has been applied retrospectively. 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.

Ships of Shipping Division are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed at with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. Any gain or loss on the fair valuation is recognized in the statement of profit and loss.

Ship special survey expenses are being capitalised and depreciated over the life of next special survey.

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

vii) Depreciation on property, plant and equipment

Depreciation on PPE is calculated using the straight-line method as per the useful lives of the assets estimated by the management which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in para (i) to (ix) 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 Fertiliser Division of the Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Major plant and equipment of Fertiliser Division	On technically assessed useful lives of 30 years.
(iii)	Components (plant and equipment) of Fertiliser Division	Over their useful lives ranging from 18 to 25 years.
(iv)	- Major inspection of plant and equipment of Fertiliser Division - Major overhauling of plant and equipment of Fertiliser Division	Over the period of 10 years to the next major inspection. Over the remaining useful life of related plant and equipment or useful life of overhauling ranging from 8 to 25 years, whichever is lower.
(v)	Certain plant and equipment of Fertiliser Division	On technically assessed remaining useful lives of such assets ranging from 1 to 2 years.
(vi)	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.
(vii)	Ships of Shipping Division	25 years based on the technical evaluation, as the ships are double hull crude oil/product tankers. The life is estimated to be 25 years, as such kind of ships are allowed for acquisition without technical clearance and further charter-in of such ships are permitted subject to CAP2 (condition assessment program) rating provided the life is below 25 years. The amount of depreciation is calculated after considering gain/ loss on fair valuation of each ship at the beginning of the year.
(viii)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(ix)	Railway siding	25 years based on technical evaluation that the railway siding is currently in use.

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

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

viii) Intangible Assets

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

Software

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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and used that carrying value as the deemed cost.

ix) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

x) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Finance leases, which effectively transfer to the Company substantially, all the risks and rewards incidental to the ownership of the leased item, 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. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset, or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in 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 profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments-

For the purposes of subsequent measurement, equity instruments are classified in two categories:

-Equity instruments at fair value through profit or loss (FVTPL)

-Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture is carried at deemed cost in the separate financial statements, except in case of investment in preference shares (debt instrument) of a subsidiary company which is carried in accordance with Ind AS 109 'Financial Instruments'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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 from the same lender 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.

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 corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xiv) Inventories

Inventories are valued as follows:

Bunkers remaining on board*	Lower of cost and net realisable value. Cost is determined on weighted average basis.
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 of Finished goods includes excise duty. 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

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

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.

xvi) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment 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 criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue, including subsidy, in respect of sale of products is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and rebates. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. The Company collects sales tax and value added tax ("VAT") on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Subsidy on Urea including freight have been accounted on the basis of notified concession prices as under:

(i) the New Pricing Scheme – Stage III and New Investment Policy 2008 for the period from April 1, 2015 to May 31, 2015;

(ii) New Urea Policy 2015 from June 1, 2015 onwards; and

(iii) Uniform Freight Policy

The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

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

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

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

(b) Income from operations of ships

In respect of voyage charter, revenue is recognized on proportionate number of days of respective voyage. In case of time charter (including cost plus charter), revenue is recognized on time proportion basis. Bunker is recognized on actual quantity consumed. Dispatch money / demurrage is considered as part of freight.

(c) Interest income

Interest income from debt instruments measured at amortised cost, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(d) Dividend

Dividend income is recognised when the Company'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 Company is reasonably certain of their ultimate collection.

xvii) Government grants and subsidies

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

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

xviii) Retirement and other employee benefits

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

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

(b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of the Company is accounted for as per the Company's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) every year. The 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 after deducting the contribution already paid.

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

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

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

(f) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. 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.

(g) Long Service Awards: Long service awards are other long-term benefits accruing to all eligible employees of the Fertiliser Division, 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.

(h) Settlement allowance: Settlement allowance are other long-term benefits accruing to the eligible employees of the Fertiliser Division, 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 other comprehensive income 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.

xix) Income Taxes

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interest in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

xx) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Segment accounting policies

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

xxi) 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.

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

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 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.

xxiv) Treasury shares

The Company has created CFCL Employees Welfare Trust ('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 Trust has bought shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

xxv) 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.

Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the Company from April 01, 2017.

(i) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

(ii) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements will be given in due course.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and equipment	Factory equipment	Office equipment	Furniture and fittings	Vehicles	Ships	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT													
Deemed cost / Fair valuation													
As at April 1, 2015	433.27	429.76	9433.85	62.70	118.67	377.88	92300.17	797.40	669.41	531.91	491.04	97507.80	203153.86
Additions	-	-	239.41	-	-	15.80	1192.90	67.06	293.94	26.78	1020.54	1325.92	4182.35
Deletions	-	-	(4.56)	-	-	-	(65.96)	(2.96)	(25.69)	(0.88)	(54.22)	-	(154.27)
Adjustments	-	-	-	-	-	-	74.63	-	-	-	-	(16913.06)	(16838.43)
Foreign currency translation difference	-	-	0.02	-	-	-	-	-	4.64	22.34	3.70	5664.72	5695.42
As at March 31, 2016	**433.27**	**429.76**	**9668.72**	**62.70**	**118.67**	**393.68**	**93501.74**	**861.50**	**942.30**	**580.15**	**1461.06**	**87585.38**	**196038.93**
Additions	-	-	269.13	-	-	-	15502.92	448.01	257.78	41.05	164.37	1.72	16684.98
Deletions	-	-	(36.71)	-	-	(0.48)	(770.68)	(3.34)	(13.45)	(2.10)	(110.72)	-	(937.48)
Discontinued operations (refer note 46(A)(ii)	-	-	-	-	-	-	-	-	-	-	-	(88683.69)	(88683.69)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	(0.02)	-	-	-	-	-	(1.77)	(8.34)	(0.30)	1096.59	1086.16
As at March 31, 2017	**433.27**	**429.76**	**9901.12**	**62.70**	**118.67**	**393.20**	**108233.98**	**1306.17**	**1184.86**	**610.76**	**1514.41**	**-**	**124188.90**
Depreciation and impairment													
As at April 01, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year {refer foot-note (9) below}	-	5.84	329.06	8.52	34.54	28.40	7481.60	74.24	332.62	117.63	314.78	5342.62	14069.85
Deletions	-	-	-	-	-	-	(5.16)	(0.63)	(7.41)	(0.07)	(27.84)	-	(41.11)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	(931.45)	(931.45)
Foreign currency translation difference	-	-	-	-	-	-	-	-	0.21	1.12	0.19	54.64	56.16
As at March 31, 2016	**-**	**5.84**	**329.06**	**8.52**	**34.54**	**28.40**	**7476.44**	**73.61**	**325.42**	**118.68**	**287.13**	**4465.81**	**13153.45**
Charge for the year {refer footnote (9) below}	-	5.84	335.20	8.01	34.54	18.21	5034.63	74.70	234.10	256.34	319.55	3898.54	10219.66
Impairment {refer note 46(A)(ii)}	-	-	-	-	-	-	-	-	50.80	-	-	-	50.80
Deletions	-	-	(0.80)	-	-	-	(303.73)	(0.95)	(2.90)	1.33	(59.45)	-	(366.50)
Discontinued operations [refer note 46(A)(ii)]	-	-	-	-	-	-	-	-	-	-	-	(8420.27)	(8420.27)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	(2.62)	(9.49)	(0.30)	55.92	43.51
As at March 31, 2017	**-**	**11.68**	**663.46**	**16.53**	**69.08**	**46.61**	**12207.34**	**147.36**	**604.80**	**366.86**	**546.93**	**-**	**14680.65**

(Rs. in Lacs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and equipment	Factory equipment	Office equipment	Furniture and fittings	Vehicles	Ships	Total
Revaluation													
As at April 01, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the year {refer note 51(b)}	-	-	-	-	-	-	-	-	-	-	-	11417.33	11417.33
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	141.43	141.43
As at March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11558.76**	**11558.76**
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operation [refer note 46(A)(ii)]	-	-	-	-	-	-	-	-	-	-	-	(11703.48)	(11703.48)
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	144.72	144.72
As at March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value													
As at March 31, 2016	**433.27**	**423.92**	**9339.66**	**54.18**	**84.13**	**365.28**	**86025.30**	**787.89**	**616.88**	**461.47**	**1173.93**	**71560.81**	**171326.72**
As at March 31, 2017	**433.27**	**418.08**	**9237.66**	**46.17**	**49.59**	**346.59**	**96026.64**	**1158.81**	**580.06**	**243.90**	**967.48**	**-**	**109508.25**

Footnotes:

1. Freehold land having carrying value Rs.0.89 lac (March 31, 2016 : Rs.0.89 lac and April 01, 2015 : Rs.0.89 lac), Leasehold land having carrying value of Rs. 32.04 lacs (March 31, 2016 : Rs.32.49 lacs and April 01, 2015 : Rs. 32.93 lacs) and Buildings having carrying value of Rs.390.98 lacs (March 31, 2016 : Rs.397.46 lacs and April 01, 2015 : Rs.403.93 lacs) are yet to be registered in the Company's name.
2. The carrying value of Buildings includes Rs.0.29 lac (March 31, 2016 : Rs.0.30 lac and April 01, 2015 : Rs.0.31 lac) representing undivided share in assets jointly owned with others.
3. Adjustment to plant and equipment in the previous year included machinery having a carrying value of Rs.148.34 lacs transferred from 'Assets held for sale ' during the previous year.
4. Adjustment from plant and equipment in the previous year included cenvat credit of Rs.0.35 lac related to earlier years but availed during the previous year.
5. Adjustment from plant and equipment in the previous year included Rs.73.36 lacs being liabilities written back during the previous year.
6. Deletions from plant and equipment during the year includes equipment having gross block of Rs.347.77 lacs (Previous year : Nil) and accumulated depreciation of Rs.186.85 lacs (Previous year : Nil) transferred to 'Assets held for sale' (refer note 46(B)).
7. **Fair value measurement of Ships**

   The Company's ships are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment/ revaluation losses. The fair value measurements of the ships as at April 01, 2015 (date of transition to Ind AS) were performed by M/S UBA Insurance Surveyors and Loss Assessors LLP, independent valuer not related to the Company, who have appropriate qualification and relevant valuation experience in the fair value measurement of ships in relevant locations. Fair value of the ships was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the type and utility of the specific ship, present international market scenario, age and remaining life of the specific ship. All resulting fair value estimates for ships are included in level 2.

   Had the ships been measured on a historical basis, their carrying amount would have been as follows:

	(Rs. in Lacs)
Cost (as at April 01, 2015)	201873.92
Accumulated depreciation	(59559.03)
Net carrying amount	**142314.89**

8. Adjustment from ships during the previous year included one (1) ship having gross block of Rs.16,913.06 lacs and accumulated depreciation of Rs.931.45 lacs transferred to 'Assets held for sale' (refer note 46(B)).
9. Depreciation charge for the year includes an amount of Rs. 4,159.71 lacs (Previous year : Rs. 5,473.63 lacs) related to Shipping Division. The amount is recognised in discontinued operations in the statement of profit and loss {refer note 46(A)(ii)}.

(Rs. in Lacs)

Particulars	Software	Total
NOTE 4 : OTHER INTANGIBLE ASSETS		
Cost		
As at April 1, 2015	290.51	290.51
Purchase	66.47	66.47
Deletions	-	-
Foreign currency translation difference	7.74	7.74
As at March 31, 2016	**364.72**	**364.72**
Purchase	318.53	318.53
Deletions	-	-
Foreign currency translation difference	(3.21)	(3.21)
As at March 31, 2017	**680.04**	**680.04**
Amortization and impairment		
As at April 1, 2015	-	-
Charge for the year {refer footnote below}	95.27	95.27
Deletions	-	-
Foreign currency translation difference	0.42	0.42
As at March 31, 2016	**95.69**	**95.69**
Charge for the year {refer footnote below}	135.95	135.95
Impairment {refer note 46(A)(ii)}	76.93	76.93
Deletions	-	-
Foreign currency translation difference	(4.63)	(4.63)
As at March 31, 2017	**303.94**	**303.94**
Net book value		
As at March 31, 2016	**269.03**	**269.03**
As at March 31, 2017	**376.10**	**376.10**

Footnote:
Amortization expense for the year includes an amount of Rs.38.84 lacs (Previous year : Rs.36.29 lacs) related to Shipping Division. The amount is recognised in discontinued operations in the statement of profit and loss {refer note 46(A)(ii)}.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 5 : FINANCIAL ASSETS			
Note 5A : Non-current investments			
A. Investment carried at deemed cost **Equity instruments (unquoted)** **Subsidiary companies**			
- 109,962 (March 31, 2016 : 1,079,962 and April 01, 2015 : 1,079,962) equity shares of Singapore $ 1 each fully paid up in India Steamship Pte. Limited, Singapore *	29.13	286.04	286.04
- 250,000 (March 31, 2016 : 250,000 and April 01, 2015 : 250,000) equity shares of Rs.10 each fully paid up in India Steamship Limited	25.00	25.00	25.00
- 25 (March 31, 2016 : 25 and April 01, 2015 : Nil) ordinary shares of AED 1,000 each fully paid up in India Steamship International FZE, UAE	3.06	3.06	-
- 9,400,000 (March 31, 2016 : 9,400,000 and April 01, 2015 : 9,400,000) equity shares of Rs.10 each fully paid up in Chambal Infrastructure Ventures Limited	360.00	360.00	360.00

(Rs. in Lacs)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	- Nil (March 31, 2016 : 2,932,947 and April 01, 2015 : 2,932,947) ordinary shares of US$ 0.0001 each fully paid up in CFCL Technologies Limited **	-	0.18	0.18
	- 2,932,947 (March 31, 2016 : Nil and April 01, 2015 : Nil) ordinary shares of US$ 0.0001 each fully paid up in CFCL Ventures Limited **	0.18	-	-
	Joint venture			
	- 206,667 (March 31, 2016 : 206,667 and April 01, 2015 : 206,667) shares of Moroccan Dirham 1,000 each fully paid up in Indo Maroc Phosphore S.A. (IMACID)	28586.67	28586.67	28586.67
B.	**Investment carried at fair value through profit or loss**			
	Equity instruments (unquoted)			
	- 20,000 (March 31, 2016: 20,000 and April 01, 2015 : 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	2.00	2.00	2.00
	Preference shares (unquoted)			
	Subsidiary companies			
	- Nil (March 31, 2016 : 11,740,459 and April 01, 2015 : 8,357,574) preference shares of US$ 0.0001 each fully paid up in CFCL Technologies Limited **	-	118.73	35971.18
	- 11,740,459 (March 31, 2016 : Nil and April 01, 2015 : Nil) preference shares of US$ 0.0001 each fully paid up in CFCL Ventures Limited **	118.73	-	-
	Others			
	- Nil (March 31, 2016 : 30,00,000 and April 01, 2015 : 30,00,000) 12% Non convertible cumulative redeemable preference shares of Rs.100 each fully paid up of Upper Ganges Sugar & Industries Limited	-	2189.16	1978.74
C.	**Investment carried at amortised cost**			
	Government securities (unquoted)			
	- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities)	0.06	0.09	0.09
	- Indira Vikas Patra	0.20	0.20	0.20
	Bonds & debentures (unquoted)			
	- 218 (March 31, 2016 : 218 and April 01, 2015 : 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd. of Rs.100 each fully paid up	0.22	0.22	0.22
		29125.25	**31571.35**	**67210.32**
	Aggregate amount of unquoted investments	29125.25	31571.35	67210.32

Notes:

i. * The Board of Directors of India Steamship Pte. Limited, Singapore, a wholly owned subsidiary of the Company, in its meeting held on December 27, 2016, had approved the reduction of its paid up capital by an amount of SGD 970,000, which is in excess of its funds requirement. Pursuant to this, the paid up share capital of India Steamship Pte. Limited has been reduced to SGD 109,962 on January 10, 2017. Pending distribution of the sum of SGD 970,000 (equivalent Rs.450.31 lacs) to the Company as at the year end, which has been shown as 'Receivable from subsidiary company' (refer note 8E of the financial statements), the resultant gain due to foreign exchange variation of Rs.193.39 lacs has been shown as 'Gain on reduction of non-current investment' (refer note 18 of the financial statements).

ii. ** During the year, CFCL Technologies Limited, Cayman Islands, a subsidiary of the Company, merged with its wholly owned subsidiary CFCL Ventures Limited, Cayman Islands (CVL) effective from December 20, 2016 with an exchange ratio of 1:1 (received 2,932,947 ordinary shares of US$ 0.0001 each fully paid up in exchange of 2,932,947 ordinary shares of US$ 0.0001 each fully paid up and 11,740,459 preference shares of US$ 0.0001 each fully paid up in exchange of 11,740,459 preference shares of US$ 0.0001 each fully paid up). The value of investment recognized in the financial statements is based on the fair valuation report of an independent valuer. Accordingly, CVL became a direct subsidiary of the Company.

The fair value loss of Rs.39,225.16 lacs recognised through profit or loss till March 31, 2016, has been reversed and a loss of Rs.39,225.16 lacs has been recognised as loss on issuance of shares on account of merger during the year. The same has been shown under 'Exceptional item' (refer note 24 to the financial statements).

CVL has issued ordinary shares, preference shares (series A-1, B-1, C-1, D-1, E-1, F-1, G, H & I) 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 CVL are as follows-Series A1, & B1 preference share will be converted in the ratio of 1:1.22, Series C1, D1, E1 preference share will be converted in the ratio of 1:1.68, Series F-1 preference share will be converted in the ratio of 1:1.33 and Series G, H and I preference share 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 CVL.

Further, the Company has given corporate guarantee of Rs.11,025.35 lacs (March 31, 2016: Rs.14,577.20 lacs and April 01, 2015 : Rs.13,751.10 lacs) to a bank on account of loan given by bank to step-down subsidiaries of CVL. The Company has further provided letter of continued financial support to the said subsidiary.

(a) Disclosure related to deemed cost of investments in subsidiaries and joint venture on the date of transition to Ind AS:

(Rs. in Lacs)

Particulars	As at April 1, 2015
(i) The aggregate deemed cost of those investments for which deemed cost is their previous GAAP amounts	311.22
(ii) The aggregate deemed cost of those investments for which deemed cost is fair value	64917.85
(iii) The aggregate adjustment to the carrying amounts reported under the previous GAAP	19493.35
(b) Reconciliation of fair value:	
(i) Investment in preference shares of Upper Ganges Sugar & Industries Limited (debt instrument) measured at fair value through profit or loss	
As at April 1, 2015 (as per previous GAAP)	3000.00
Less: Level 3 fair valuation loss on fair valuation carried out as at April 01, 2015	(1021.26)
As at April 1, 2015 (as per Ind AS)	**1978.74**
Add: Level 3 fair valuation gain	210.42
As at March 31, 2016	**2189.16**
Add: Level 3 fair valuation gain till the date of sale	810.84
Add: Gain on sale of investment	534.00
Less: Sale of investment	(3534.00)
As at March 31, 2017	-
(ii) Investment in preference shares of CFCL Ventures Limited (CFCL Technologies Limited till 20.12.2016) measured at fair value through profit or loss	
As at April 01, 2015 (as per previous GAAP)	35971.18
Less: Level 3 fair valuation loss on fair valuation carried out as at April 01, 2015	-
As at April 01, 2015 (as per Ind AS)	**35971.18**
Less: Level 3 fair valuation loss	35852.45
As at March 31, 2016	**118.73**
Add: Level 3 fair valuation	-
As at March 31, 2017	**118.73**

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5B : Non current loans			
Loans to employees:			
a) Secured, considered good	100.29	136.02	188.43
b) Unsecured, considered good	23.32	25.14	38.28
	123.61	**161.16**	**226.71**
Included in Loans to employees			
Dues from director of the Company	2.15	-	2.15
Note 5C : Other non current financial assets			
(Unsecured, considered good)			
Security deposits	348.75	458.09	419.92
Deposit with banks having maturity more than 12 months (refer note 8C)	1.96	1.55	1.70
	350.71	**459.64**	**421.62**
NOTE 6 : OTHER NON-CURRENT ASSETS			
(Unsecured, considered good)			
Capital advances	222.50	4219.72	1269.32
Advances other than capital advances			
Balances with statutory/ government authorities	-	20.00	20.09
Catalysts in use (valued based on life technically assessed)	1632.45	1019.58	1430.09
Prepaid expenses	954.66	926.71	1017.99
Deferred transaction cost on borrowings	4178.31	4605.93	-
	6987.92	**10791.94**	**3737.49**
NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)			
Raw materials {including in transit- Rs.26.17 lacs (March 31, 2016 : Rs.481.82 lacs and April 01, 2015 : Rs.22.96 lacs)}	762.96	1678.39	1830.70
Naphtha	-	-	526.80
Work-in-process	844.23	740.25	1070.80
Finished goods {including in transit- Rs.5,291.56 lacs (March 31, 2016 : Rs.5,320.97 lacs and April 01, 2015 : Rs.2,217.31 lacs)}	20551.37	13592.95	4589.79
Traded goods {including in transit- Rs.8,036.76 lacs (March 31, 2016 : Rs.10,621.25 lacs and April 01, 2015 : Rs.2,592.31 lacs)}	55095.86	62419.20	41241.97
Stores and spares {including in transit- Rs.12.34 lacs (March 31, 2016 : Rs.19.79 lacs and April 01, 2015 : Rs.30.63 lacs)}	6825.95	7196.47	6718.26
Loose tools	8.57	7.02	16.14
Catalysts in use (valued based on life technically assessed)	513.19	411.06	630.80
Packing materials	333.12	172.68	349.53
	84935.25	**86218.02**	**56974.79**

During the year ended March 31, 2017, an amount of Rs.436.66 lacs (Previous year : Rs. 44.90 lacs) was recognised as an expense for inventories carried at net realisable value.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 8 : CURRENT FINANCIAL ASSETS			
Note 8A : Trade receivables			
Secured, considered good	7128.17	6805.51	3324.20
Unsecured, considered good (including subsidy receivable from Government of India- Rs.264,317.82 lacs (March 31, 2016 : Rs.309,353.98 lacs and April 01, 2015 : Rs.267,264.61 lacs)	295186.47	376890.41	298794.12
Unsecured, considered doubtful (including subsidy receivable from Government of India- Rs.46.98 lacs (March 31, 2016 : Rs.2.70 lacs and April 01, 2015 : Nil)	615.48	480.29	108.76
	302930.12	**384176.21**	**302227.08**
Less: Allowance for doubtful debts	615.48	480.29	108.76
	302314.64	**383695.92**	**302118.32**
Trade receivables from marketing customers are non-interest bearing and are generally on average term of 56 days.			
Note 8B : Cash and cash equivalents			
Balances with banks :			
On current accounts	478.02	208.58	41.88
On cash credit accounts	43.25	86.28	61.04
On saving accounts	-	3.94	2.88
Deposits with original maturity of less than three months	8000.00	1000.00	-
Cheques on hand	3.76	-	171.83
Cash on hand	4.00	2.92	5.08
	8529.03	**1301.72**	**282.71**
Note 8C : Bank balances other than 8B above			
On unpaid dividend / preference share redemption amount / fixed deposit accounts	1218.66	1169.25	1091.46
Deposits with remaining maturity for less than 12 months	659.31	617.21	574.51
Deposits with remaining maturity for more than 12 months *	1.96	1.55	1.70
	1879.93	**1788.01**	**1667.67**
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	1.96	1.55	1.70
	1877.97	**1786.46**	**1665.97**
* Fixed deposit receipts of Rs.1.96 lacs (March 31, 2016 : Rs.1.55 lacs and April 01, 2015 : Rs.1.55 lacs) are pledged with sales tax authorities.			
Note 8D : Current loans			
(Unsecured, except to the extent stated and considered good)			
Loan to a subsidiary (refer note 30)	-	1987.80	2187.68
Loans to employees:			
a) Secured, considered good	28.35	35.70	47.50
b) Unsecured, considered good	3.92	12.30	15.72
	32.27	**2035.80**	**2250.90**
Included in Loans to employees			
i. Dues from director of the Company	-	2.15	-
ii . Dues from officer of the Company	-	1.15	0.29

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 8E : Other current financial assets			
(Unsecured and considered good, except to the extent stated)			
Derivatives			
Foreign currency option contracts	503.60	1127.52	-
Others			
Receivable from gas pool operator	10038.64	10612.90	-
Receivable from subsidiary companies / joint venture (refer note 30)	792.83	438.10	148.91
Security deposits	61.17	83.47	341.93
(Considered doubtful Nil (March 31, 2016 : Rs.26.14 lacs and April 01, 2015 : Rs.26.14 lacs))			
Fertilisers Companies Govt. of India bonds (at lower of cost and market value)	0.10	0.10	0.10
Insurance and other claims receivable	-	379.00	502.95
Interest receivable on loans, deposits and others	247.74	60.37	29.81
Other receivables	1053.69	810.28	905.86
	12697.77	**13511.74**	**1929.56**
Less: Allowance for doubtful advances	-	26.14	26.14
	12697.77	**13485.60**	**1903.42**
NOTE 9 : OTHER CURRENT ASSETS			
(Unsecured and considered good, except to the extent stated)			
Advances to suppliers	1026.86	1640.34	788.98
{(Considered doubtful Rs.14.19 lacs (March 31, 2016 : Rs.62.68 lacs and April 01, 2015 : Rs.62.68 lacs))}			
Balances with statutory/ government authorities	5328.38	2769.24	3548.42
{(Considered doubtful Rs.137.84 lacs (March 31, 2016 : Rs.275.09 lacs and April 01, 2015 : Rs.275.09 lacs))}			
Interest receivable - others	72.36	-	-
Prepaid expenses	1943.62	1959.45	1612.22
Other receivables	273.10	47.51	209.27
	8644.32	**6416.54**	**6158.89**
Less: Allowance for doubtful advances	152.03	337.77	337.77
	8492.29	**6078.77**	**5821.12**
NOTE 10 : SHARE CAPITAL			
Authorised :			
440,000,000 (March 31, 2016 : 440,000,000 and April 01, 2015 : 440,000,000) equity shares of Rs.10 each	44000.00	44000.00	44000.00
210,000,000 (March 31, 2016 : 210,000,000 and April 01, 2015 : 210,000,000) redeemable preference shares of Rs.10 each	21000.00	21000.00	21000.00
	65000.00	**65000.00**	**65000.00**
Issued, subscribed and paid up :			
416,207,852 (March 31, 2016 : 416,207,852 and April 01, 2015 : 416,207,852) equity shares of Rs.10 each, fully paid up	41620.79	41620.79	41620.79
	41620.79	**41620.79**	**41620.79**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting periods

There is no movement in the equity shares outstanding at the beginning and at the end of the reporting periods.

b) Terms / rights attached to equity shares-

The Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari passu with each other in all respects. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities.

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

Name	March 31, 2017		March 31, 2016		March 31, 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	52,924,679	12.72	51,158,209	12.29	51,074,209	12.27
SIL Investments Limited	31,813,455	7.64	31,813,455	7.64	31,813,455	7.64
Life Insurance Corporation of India	21,926,814	5.27	26,589,034	6.39	27,910,373	6.71

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

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 10A : Other equity			
(a) Securities Premium	641.59	641.59	641.59
(b) Retained Earnings	164699.30	136711.88	147199.59
(c) General Reserve	43426.34	38426.34	38426.34
(d) Treasury shares	(1744.15)	(1744.15)	(1744.15)
(e) Loss on treasury shares acquired	(14.11)	(14.11)	(14.11)
(f) Capital Reserve	20.95	20.95	20.95
(g) Capital Redemption Reserve	25.00	25.00	25.00
(h) Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	425.00	425.00	425.00
(i) Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	3850.00	3850.00	3850.00
(j) Share option outstanding account {refer (i) below}	263.15	254.32	200.90
(k) Exchange differences on translation of foreign operation	310.33	390.94	-
Total	**211903.40**	**178987.76**	**189031.11**
(i) Share option outstanding account			
Opening balance	254.32	200.90	
Add: Employee share based payment expense (refer note 36)	8.83	53.40	
Closing balance	**263.15**	**254.30**	

Description of nature and purpose of each reserve

(a) Securities Premium: Securities Premium represents amount received on issue of shares in excess of the par value.

(b) Retained Earnings: Retained earnings comprises of prior years undistributed earnings after taxes.

(c) General Reserve: This 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.

(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.

(f) Capital reserve: Capital reserve represents the amount on account of forfeiture of equity shares of the Company.

(g) Capital redemption reserve : Capital redemption reserve represents reserve created on redemption of preference shares.

(h) & (i) Tonnage tax reserve and tonnage tax reserve (utilised) under Section 115VT of the Income Tax Act, 1961: These reserves were created till the time '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) Exchange differences on translation of foreign operation: Exchange differences arising on translation of foreign operation 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.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 11 : FINANCIAL LIABILITIES			
Note 11A: Non current borrowings			
Secured loans:			
Term loans :			
- Foreign currency loans from banks	76686.73	91317.93	93722.82
- Foreign currency loans from financial institution	30699.46	11663.92	10213.29
Finance lease obligation	106.94	160.95	202.15
	107493.13	**103142.80**	**104138.26**
Less : Current maturities of long term borrowings shown under "other current financial liabilities" (refer note 14C)	70.77	32352.05	26626.80
Non-current borrowings (as per balance sheet)	**107422.36**	**70790.75**	**77511.46**
(A) Details of borrowings and transaction costs			
(i) Foreign currency loans from banks			
Foreign currency loans from banks	77654.85	92245.86	94787.44
Less: Transaction costs	968.12	927.93	1064.62
Carrying value of foreign currency loans from banks	**76686.73**	**91317.93**	**93722.82**
(ii) Foreign currency loans from financial institution			
Foreign currency loans from financial institution	31080.10	11726.75	10220.41
Less: Transaction costs	380.64	62.83	7.12
Carrying value of foreign currency loans from financial institution	**30699.46**	**11663.92**	**10213.29**

(B) Nature of security, terms and repayment schedule (continuing operation):

i. Foreign currency term loans from banks of USD Nil (March 31, 2016 : Rs.4,373.16 lacs including current maturities of Rs.4,373.16 lacs and April 01, 2015: Rs.14,501.16 lacs including current maturities of Rs.10,375.83 lacs) carried interest rate in the range of 3/6 months LIBOR plus 2.75%-4.50% p.a. These loans were secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of movable fixed assets of the Company, both present and future (save and except assets of Shipping Division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

ii. Foreign currency term loans from banks of USD 1,197.36 lacs (Rs.77,654.85 lacs including current maturities of Nil) (March 31, 2016 : Rs.16,430.56 lacs including current maturities of Nil and April 01, 2015 : Nil including current maturities of Nil) carry interest @ 3 months LIBOR plus 2.821% p.a. These loans are repayable in 13 half yearly instalments starting from September 30, 2019. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of Shipping Division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii. Foreign currency term loans from financial institution of USD 479.22 lacs (Rs.31,080.10 lacs including current maturities of Nil) (March 31, 2016 : Rs.4,832.52 lacs including current maturities of Nil and April 01, 2015 : Nil including current maturities of Nil) carry interest @ 3 months LIBOR plus 3.096% p.a. The said term loan is repayable in 17 equal half yearly instalments starting from September 30, 2019. The loan is secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of Shipping Division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iv. Finance lease obligation of Rs.106.94 lacs (including current maturities of Rs.70.77 lacs) (March 31, 2016 : Rs.160.95 lacs including current maturities of Rs.54.01 lacs and April 01, 2015 : Rs.202.15 lacs including current maturities of Rs.41.21 lacs) is payable in 17 monthly instalments of Rs.6.77 lacs each (i.e. lease obligation including interest) starting from April 2017 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

(C) Nature of security, terms and repayment schedule (discontinued operations):

i. Foreign currency term loan from a bank of USD Nil (March 31, 2016: Rs.13,252.00 lacs including current maturities of Rs.13,252.00 lacs and April 01, 2015: Rs.15,001.20 lacs including current maturities of Rs.2,500.20 lacs carried interest @ 3 months LIBOR plus 1.125% p.a.). The loan was secured by first priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

ii. Foreign currency term loan from a bank of USD 290 lacs (Rs.18,807.95 lacs including current maturities of Rs.2,594.20 lacs) (March 31, 2016 : Rs.21,865.80 lacs including current maturities of Rs.3,313.00 lacs and April 01, 2015 : Rs.23,126.85 lacs including current maturities of Rs 2,500.20 lacs) carries interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 11 quarterly instalments of USD 10.00 lacs each (Rs.648.55 lacs) starting from June 09, 2017 and the last instalment of USD 180.00 lacs (Rs.11,673.90 lacs) payable on March 09, 2020. The loan is secured by first priority mortgage on the Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 46(A)(ii)}.

iii. Foreign currency term loan from banks of USD 421.94 lacs (Rs.27,364.94 lacs including current maturities of Rs.8,189.16 lacs) (March 31, 2016 : Rs.36,324.33 lacs including current maturities of Rs.8,366.56 lacs and April 01, 2015 : Rs.42,158.22 lacs including current maturities of Rs.7,892.43 lacs) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranche of the aforesaid term loan amounting to USD 130 lacs (Rs.8,431.15 lacs) is repayable in 13 equal quarterly instalment starting from April 21, 2017. Another tranche of the aforesaid term loan amounting to USD 130 lacs (Rs.8,431.15 lacs) is repayable in 13 equal quarterly instalment starting from June 03, 2017. Another tranche of the aforesaid term loan amounting to USD 161.94 lacs (Rs.10,502.64 lacs) is repayable in 14 equal quarterly instalments starting from April 18, 2017. This loan is secured by first priority mortgage on the Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 46(A)(ii)}.

iv. Foreign currency term loans from financial institution of USD 44.59 lacs (Rs.2,891.75 lacs including current maturities of Rs.2,891.75 lacs) (March 31, 2016 : Rs.6,894.23 lacs including current maturities of Rs.3,940.18 lacs and April 01, 2015 : Rs.10,220.42 lacs including current maturities of Rs.3,716.51 lacs) carry interest @ 6 months LIBOR plus 4.50% p.a. The said term loan is repayable in 3 equal quarterly instalments starting from April 03, 2017. The loan is secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of Shipping Division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 46(A)(ii)}.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 11B : Other non current financial liabilities			
Earnest money / security deposits	-	0.30	0.40
Payable for capital goods	190.25	-	-
Derivative financial liability	-	-	821.28
	190.25	**0.30**	**821.68**
NOTE 12 : LONG TERM PROVISIONS			
Provision for employee benefits			
- Gratuity (refer note 31)	235.24	117.53	72.64
- Post retirement medical benefits (refer note 31)	288.32	259.11	223.97
	523.56	**376.64**	**296.61**
NOTE 13 : OTHER NON CURRENT LIABILITIES			
Other employee benefits obligations	249.76	212.39	-
	249.76	**212.39**	**-**
NOTE 14 : FINANCIAL LIABILITIES			
Note 14A : Current borrowings			
Secured loans:			
From banks:			
- Rupee loans	51736.04	-	23500.00
- Cash credit facilities	22433.11	59244.17	41172.98
- Foreign currency loans	66228.27	228199.02	145022.43
Unsecured loans:			
-Commercial papers	110000.00	65000.00	30000.00
From banks:			
- Foreign currency loans	57361.52	25073.13	46821.73
	307758.94	**377516.32**	**286517.14**

i. Rupee loan of Rs.51,736.04 lacs (March 31, 2016 : Nil and April 01, 2015 : Nil) from a bank has been under Special Banking Arrangement against the subsidy on Urea receivable from Government of India. The bank has charged interest @ 8.00% p.a.(including 6.25% p.a. paid by Government of India directly to bank). Accordingly, Rs.108.88 lacs (@ 1.75% p.a.) (Previous year : Nil) has been charged as interest expense in the statement of profit and loss. The loan is secured by hypothecation of subsidy receivables upto Rs.51,736.04 lacs (March 31, 2016 : Nil and April 01, 2015 : Nil) from Government of India.

ii. Rupee loans of Nil (March 31, 2016 : Nil and April 01, 2015 : Rs.23,500.00 lacs) carried interest in the range of 10.10% - 10.25% p.a., Cash credit facilities carrying interest in the range of 9.00% - 12.40% p.a. and Foreign currency loans of Rs.18,053.01 lacs (March 31, 2016 : Rs.37,165.16 lacs and April 01, 2015 : Rs.13,323.75 lacs) carrying interest in the range of 1.25% - 1.42% p.a., 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 & future (except assets of Shipping Division). These loans are further secured by second charge on the immovable properties (except assets of Shipping Division) of the Company.

iii. Foreign currency loans of Rs.48,175.26 lacs (March 31, 2016 : Rs.191,033.86 lacs and April 01,2015 : Rs.131,698.68 lacs) carrying interest @ 1.15% - 1.60% p.a. are secured by second charge on the Company's current assets (except assets of Shipping Division), both present and future.

iv. Unsecured foreign currency loans of Rs 57,361.52 lacs (March 31, 2016 : Rs.25,073.13 lacs and April 01, 2015 : Rs.46,821.73 lacs) carry interest in the range of 1.20% - 1.67% p.a.

v. Unsecured commercial papers of Rs. 110,000.00 lacs (March 31, 2016 : Rs. 65,000.00 lacs and April 1, 2015 : Rs. 30,000.00 lacs) carry interest in the range of 6.34% - 6.50% p.a.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 14B : Trade payables			
Trade payables			
Outstanding dues to Micro and Small Enterprises (refer note 34)	117.88	98.92	22.75
Outstanding dues to other than Micro and Small Enterprises	22617.68	42482.48	18517.42
Outstanding dues to related parties (refer note 30)	-	2118.58	159.67
	22735.56	**44699.98**	**18699.84**
Note 14C : Other financial liabilities			
Current maturity of long term borrowings (refer note 11A)	70.77	32352.05	26626.80
Interest accrued but not due on borrowings	274.70	712.72	783.61
Earnest money / security deposits	10049.61	8653.96	6296.23
Accrued employee liabilities	1699.41	1683.75	1562.04
Unclaimed statutory liabilities (as referred in Section 124(1) of the Companies Act, 2013):*			
- Unpaid dividend	1218.66	1169.25	1091.46
- Unpaid matured deposit	-	-	1.34
- Unpaid interest on above	-	-	0.67
Payable for capital goods {includes Rs.28.86 lacs (March 31, 2016 : Rs.15.18 lacs and April 01, 2015 : Nil) dues to Micro and Small Enterprises (refer note 34)}	17822.33	489.71	1457.97
Derivative financial liabilities	5700.89	5447.21	2577.57
	36836.37	**50508.65**	**40397.69**

* Amount payable to Investor Education and Protection Fund is Nil (March 31, 2016 : Nil and April 01, 2015 : Rs. 0.09 lac, since paid on due date).

Terms and conditions of the above financial liabilities:

- Trade and other payables are non-interest bearing. For maturity profile of trade payables and other financial liabilities, refer note 43.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 15 : OTHER CURRENT LIABILITIES			
Advance from customers	512.96	492.98	1166.02
Advance received against slump sale transaction {refer note 46(A)(i)}	-	-	500.00
Other employee benefits obligations	55.35	112.13	-
Statutory obligations payable	2248.76	2778.68	972.46
Other liabilities :			
- Dues to related parties (refer note 30)	27.00	27.00	18.00
- Others	12.73	71.93	22.08
	2856.80	**3482.72**	**2678.56**
NOTE 16 : CURRENT PROVISIONS			
Provision for employees benefits:			
- Gratuity (refer note 31)	195.42	139.55	257.56
- Leave encashment	2477.61	2275.12	2146.42
- Post retirement medical benefits (refer note 31)	9.29	8.85	8.21
Other provision:			
- Wealth tax	-	-	18.01
	2682.32	**2423.52**	**2430.20**

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of products (including excise duty):		
Sale of own manufactured products (including subsidy on fertilisers)	350880.10	440150.25
Sale of traded products (including subsidy on fertilisers)	392168.34	438831.14
Other operating revenues		
Others	34.74	44.84
Revenue from operations (gross)	**743083.18**	**879026.23**
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers bonds	0.01	0.01
- Employees loans	5.11	9.30
- Loan to subsidiaries (refer note 30)	55.05	192.65
- Income tax refunds	429.17	-
- Deposits (gross) (refer note 28)	53.73	135.04
- Payment from customers	697.68	1136.56
- Current investments	726.09	663.51
- Others	101.35	138.76
Dividend income		
- On investment in subsidiary companies / joint venture (refer note 30)	3451.78	5067.45
- On other long term investments	-	0.20
Rent received	12.40	8.27
Gain on foreign exchange variation (net)	4291.62	-
Mark to market gain on derivative transaction	1190.47	-
Insurance claims received	551.44	672.98
Liabilities no longer required written back	53.36	10.34
Allowance for doubtful debts and advances written back (net)	43.94	-
Fair value gain on financial instrument at fair value through profit or loss	810.84	210.42
Gain on reduction of non-current investment {refer footnote (i) of note 5A}	193.39	-
Gain on sale of non-current investment	534.00	-
Gain on sale of current investments	2884.94	3641.18
Sale of scrap {Net of excise duty Nil (Previous year : Rs.0.05 lac)}	139.09	135.07
Miscellaneous income	1597.23	1422.98
	17822.69	**13444.72**
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening inventories	1678.39	1830.70
Add: Purchases	152029.28	203058.89
Less: Closing inventories	762.96	1678.39
	152944.71	**203211.20**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	(Increase)/ Decrease
NOTE 20 : (INCREASE) / DECREASE IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND TRADED GOODS			
Closing inventories			
- Work-in-process	844.23	740.25	(103.98)
- Finished goods	20551.37	13592.95	(6958.42)
- Traded goods	55095.86	62419.20	7323.34
	76491.46	**76752.40**	**260.94**
Opening inventories			
- Work-in-process	740.25	1070.80	330.55
- Finished goods	13592.95	4589.79	(9003.16)
- Traded goods	62419.20	41241.97	(21177.23)
	76752.40	**46902.56**	**(29849.84)**
(Increase)/ decrease in inventories	**260.94**	**(29849.84)**	

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus *	9368.12	9201.30
Contribution to provident and other funds *	567.81	544.19
Gratuity expense (refer note 31)	285.44	167.23
Post retirement medical benefits (refer note 31)	32.20	28.38
Workmen and staff welfare expenses	440.51	449.13
Employee share based payment expense (refer note 36)	8.83	53.42
	10702.91	**10443.65**
* Refer note 28		
NOTE 22 : FINANCE COSTS		
Interest (including interest on income tax : Rs.5.86 lacs (Previous year : Rs.20.02 lacs)) *	14367.12	10787.46
Bank charges and guarantee commission *	321.09	426.78
Exchange differences regarded as an adjustment to borrowing costs *	9891.99	14751.54
	24580.20	**25965.78**
* Refer note 28		
NOTE 23 : OTHER EXPENSES		
Consumption of stores and spares	2449.91	2044.34
Consumption of packing materials	7611.21	8014.41
Bagging and other services	1332.28	1373.08
Power and fuel	95800.73	124747.83
Catalyst charges written off	699.70	630.85
Rent (refer note 33) *	2962.03	2525.07
Rates and taxes	83.34	43.85
Insurance *	1625.43	2076.38

(Rs. in Lacs)

Particulars		Year ended March 31, 2017		Year ended March 31, 2016
Repairs and maintenance:				
- Plant and equipment		1776.20		1797.88
- Buildings *		448.37		596.38
- Others		1015.36		1250.30
Directors' sitting fees (including service tax)		23.49		28.14
Travelling and conveyance *		881.07		849.55
Communication costs		117.83		133.91
Printing and stationery		46.66		47.53
Legal and professional fees *		499.89		457.66
Auditor's remuneration (including Branch Auditors')				
As auditor:				
- Audit fee		46.12		40.30
- Tax audit fee		9.07		9.07
- Limited review fee		22.76		22.61
- Out of pocket expenses		7.40		5.73
In other manner:				
- Certification and other services		34.34		29.93
Excise duty on decrease in inventories		43.38		27.26
Freight and forwarding charges		58662.47		61563.44
Other selling expenses		399.14		286.58
Corporate social responsibility expenditure (refer note 35)		945.83		905.86
Depletion of loose tools		8.71		14.30
Green belt development/ horticulture expenses		248.99		242.33
Allowance for doubtful debts and advances (net)		-		371.52
Loss on foreign exchange variation (net)		-		2564.16
Loss on disposal of property, plant and equipment (net)		257.17		180.14
Bank charges and guarantee commission (other than financing)		133.26		101.34
Irrecoverable balances written off	250.87		16.80	
Less: Allowance for doubtful debts and advances adjusted out of above	6.61	244.26	0.00	16.80
Miscellaneous expenses *		1385.33		1333.66
		179821.73		**214332.19**

* Refer note 28

NOTE 24 : EXCEPTIONAL ITEM

Fair value loss on financial instrument at fair value through profit or loss		-		39225.16
Loss on long term investment recognised on reverse merger {refer footnote (ii) of note 5A}	39225.16		-	
Less: Fair value loss on financial instrument at fair value through profit or loss	(39225.16)	-	-	-
		-		**39225.16**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE 25 : EARNINGS PER SHARE (EPS)		
(i) Continuing operation		
Net profit / (loss) as per statement of profit and loss	43439.27	(4562.26)
Calculation of weighted average number of equity shares		
- Number of share 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.)	10.44	(1.10)
Nominal value of equity shares (in Rs.)	10.00	10.00
(ii) Discontinued operations		
Net profit/ (loss) as per statement of profit and loss	(929.18)	3448.05
Calculation of weighted average number of equity shares		
- Number of share 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.)	(0.22)	0.83
Nominal value of equity shares (in Rs.)	10.00	10.00
(iii) Continuing and discontinued operations		
Net profit / (loss) as per statement of profit and loss	42510.09	(1114.21)
Calculation of weighted average number of equity shares		
- Number of share 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.)	10.22	(0.27)
Nominal value of equity shares (in Rs.)	10.00	10.00

26. Contingent liabilities and contingent assets:

(i) Contingent liabilities (not provided for) in respect of :

(Rs. in Lacs)

S.No.		Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(A)		Outstanding amount against corporate guarantee given to bank on account of loan given by such bank to stepdown subsidiary	11025.35	14577.20	13751.10
(B)	i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Company *	1236.15	732.32	624.07
	ii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30	1.30
	iii)	Various labour cases	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
	iv)	Other claims against the Company not acknowledged as debts	12.05	12.05	402.93

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

(Rs. in Lacs)

S.No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1.	**Income Tax :**			
	Demand raised by IT authorities on account of various disallowances for assessment year (AY) 2003-04 including penalties	-	1.28	1.28
	Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties	-	5.87	5.87
	Penalty demand raised by IT authorities on account of a disallowance for AY 2008-09	-	123.23	123.23
	Demand raised by IT authorities on account of various disallowances for AY 2009-10 including penalities	505.39	98.50	98.50
	Demand raised by IT authorities on account of various disallowances for AY 2010-11	323.96	70.33	70.33
	Demand raised by IT authorities on account of various disallowances for AY 2011-12	71.15	104.37	104.37
	Demand raised by IT authorities on account of various disallowances for AY 2012-13	154.22	154.22	154.22
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2016-17	-	6.15	1.05
2.	**Sales Tax :**			
	(a) Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006	-	22.18	22.18
	(b) Demand raised by Asstt. Commissioner of Commercial Taxes, Patliputra Circle, Patna for financial year 2013-14	103.15	103.15	-
	(c) Demand raised by sales tax authorities, Uttar Pradesh for financial years 2011-12 and 2012-13	20.23	-	-
	(d) Miscellaneous Rajasthan Sales Tax and Central Sales Tax demand	-	38.47	38.47
3.	**Service Tax :**			
	(a) Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion.	-	4.57	4.57
	(b) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June, 2012 (including penalty and interest).	31.22	-	-
	(c) 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 Shipping Division of the Company.	26.83	-	-
	Total	**1236.15**	**732.32**	624.07

(v) The Company had received a demand of Rs.352.34 lacs (March 31, 2016: Rs.352.34 lacs and April 01, 2015: Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / 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.7,380.36 lacs (March 31, 2016: Rs.7,380.36 lacs and April 01, 2015: Rs.7,380.36 lacs) for non compliance of the provisions of the said Act. The Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered.

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

(ii) Contingent assets (not recognised for) in respect of : (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Un-utilised cenvat credit	393.40	405.37	297.51

The Shipping Division of the Company have been claiming cenvat credit in the service tax returns. However, the division has not recognised such service tax credit receivable in the financial statements due to uncertainty in utilisation of the same.

27. Capital Commitments (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	352405.55	464048.95	4700.27

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 :

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	5652.90	4986.59
Add : Expenditure during the year		
Salaries, wages and bonus	320.60	238.25
Contribution to provident and other funds	16.33	9.43
Travelling and conveyance	86.94	16.88
Legal and professional fees	91.79	33.20
Interest **	3233.11	105.49
Other finance costs	35.63	95.94
Bank charges	59.69	120.93
Exchange differences regarded as an adjustment to borrowing costs	-	56.11
Construction of enabling asset - Anicut dam	3696.06	-
Insurance	584.87	-
Rent	5.70	-
Repairs and Maintenance - Buildings	11.73	-
Miscellaneous expenses	72.16	2.73
Total expenditure	**13867.51**	**5665.55**
Less: Interest income	(267.32)	-
Add: Current tax	92.39	-
Less: Deferred tax	(92.39)	-
Net expenditure	**13600.19**	**5665.55**
Less: Allocated to property, plant and equipment ***	(315.70)	(12.65)
Capitalisation of expenditure (pending for allocation) *	**13284.49**	**5652.90**

* Includes Rs.12,927.47 lacs (March 31, 2016 : Rs.5,652.90 lacs and April 01, 2015 : Rs.4,986.59 lacs) related to upcoming urea manufacturing plant under the New Investment Policy 2012.

** Interest comprises of:

(i) Rs.2,560.39 lacs (Previous year : Rs.92.84 lacs) on specific borrowings taken for upcoming urea manufacturing plant under the New Investment Policy 2012; and

(ii) Rs.672.72 lacs (Previous year : Rs.12.65 lacs) on general borrowings for other qualifying assets using the weighted average interest rate applicable during the year which is 6.81% p.a.

*** Represents capitalisation of interest expense on qualifying assets.

29. Segment information

Operating segment

The Managing Director & 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 CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

The Company's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The CODM has identified two reportable segments are namely Fertilisers and other Agri inputs and Shipping. A description of the types of products and services provided by each reportable segment is as follows:

Fertilisers and other Agri-inputs segment includes manufacture and marketing of Urea, Single Super Phosphate (SSP) and purchase and sale of other fertilisers and Agri-inputs.

Shipping segment includes transportation of crude oil and liquid products through vessels owned and/ or hired by the Shipping Division. The division has been classified as held for sale and discontinued operations on March 31, 2017. Information about this discontinued segment is provided in note 46(A)(ii).

Textile segment includes manufacturing and sale of synthetic and cotton yearn. The division was sold on September 30, 2015. Information about this discontinued segment is provided in note 46(A)(i).

(Rs. in Lacs)

Particulars	Fertilisers and other Agri-inputs			Shipping (Discontinued operation)			Textile (Discon-tinued operation)	Total Segment		
	2016-17	2015-16	April 1, 2015	2016-17	2015-16	April 1, 2015	April 1, 2015	2016-17	2015-16	April 1, 2015
Revenue										
External revenue (including other operating revenue)	743083.18	879026.23						743083.18	879026.23	
Inter segment revenue	-	-						-	-	
Total revenue	**743083.18**	**879026.23**						**743083.18**	**879026.23**	
Income/ (expense)										
Depreciation and amortisation	(6020.38)	(8506.89)						(6020.38)	(8506.89)	
Segment profit	**75548.75**	**67703.02**						**75548.75**	**67703.02**	
Total assets	**695759.63**	**645064.35**				**109994.63**	**21642.55**	**695759.63**	**741960.99**	**602965.72**
Total liabilities	**47978.84**	**46078.42**	**20166.59**		**6489.91**	**5379.99**	**2292.48**	**47978.84**	**52568.33**	**27839.06**
Other disclosures										
Capital expenditure	121046.68	59651.87			1399.35			121046.68	61051.22	

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit

(Rs. in Lacs)

Particulars	2016-17	2015-16
Segment profit	75548.75	67703.02
Reconciliation items:-		
Dividend income	3451.78	5067.65
Interest income	2068.19	2275.83
Mark to market gain on derivative transaction	1190.47	-
Fair value gain on financial instrument at fair value through profit or loss	810.84	210.42
Gain on reduction of non-current investment	193.39	-
Gain on sale of investments	3418.94	3641.18
Other expenses net of other income	(314.99)	(2854.80)
Depreciation and amortisation expense	(136.68)	(148.31)
Finance costs	(24580.20)	(25965.78)
Exceptional item (refer note 24)		(39225.16)
Profit before tax from continuing operation	**61650.49**	**10704.05**

Reconciliation of assets (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Segment operating assets	**695759.63**	**741960.99**	**602965.72**
Property, plant and equipment	455.27	407.22	400.80
Non-current investments	29125.25	31571.35	67210.32
Income tax assets (net)	7347.37	8659.01	15368.77
Prepaid expenses	2059.86	1859.61	1366.04
Deferred transaction cost on borrowings	4178.31	4605.93	-
Bank balances on unpaid dividend accounts	1218.66	1169.25	1091.46
Deposits with banks	661.28	617.21	575.66
Derivative financial assets	503.60	1127.52	-
Other un-allocable assets	2072.99	3270.26	3426.83
Assets classified as held for sale {refer note 46(B)}	61366.51	-	-
Total assets	**804748.73**	**795248.35**	**692405.60**

Reconciliation of liabilities (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Segment operating liabilities	**47978.84**	**52568.33**	**27839.06**
Long-term borrowings	107422.36	70790.75	77511.46
Deferred tax liabilities (net)	18334.44	24628.53	26731.30
Short-term borrowings	307758.94	377516.32	287913.01
Current maturities of long term borrowings	70.77	32352.05	28535.40
Unclaimed statutory liabilities	1218.66	1169.25	1093.47
Derivative financial liabilities	5700.89	5447.21	3398.85
Advance received against slump sale transaction	-	-	500.00
Other un-allocable liabilities	11105.46	10167.36	8231.15
Liabilities classified as held for sale {refer note 46(A)(ii)}	51634.18	-	-
Total liabilities	**551224.54**	**574639.80**	**461753.70**

Information about geographical areas

The Company's revenue from continuing operation i.e. Fertilisers and other Agri-inputs segment from external customers is located in India only. Hence, no additional disclosure about geographical information has been given.

Information about major customers

Revenue from single customer i.e. Government of India amounted to Rs.367,154.43 lacs (Previous year : Rs.466,194.73 lacs) arising from sales in the Fertilisers and other Agri-inputs segment.

30. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances where control exits and with whom transactions have taken place during the reported periods are:

Related party name and relationship

(a) Key Management personnel

S. No.	Name	Designation
1.	Mr. Saroj Kumar Poddar	Chairman
2.	Mr. Shyam Sunder Bhartia	Non-Executive Director
3.	Mr. Chandra Shekhar Nopany	Non-Executive Director
4.	Mr. Kashi Nath Memani	Independent - Non Executive Director
5.	Ms. Radha Singh	Independent - Non Executive Director
6.	Mr. Marco Philippus Ardeshir Wadia	Independent - Non Executive Director
7.	Mr. Aditya Narayan	Independent - Non Executive Director
8.	Mr. Anil Kapoor	Managing Director
9.	Mr. Abhay Baijal	Chief Financial Officer
10.	Mr. M.S. Rathore	Company Secretary (till April 30, 2015)
11.	Mr. Rajveer Singh	Company Secretary (w.e.f. May 01, 2015)

(b) Subsidiaries

CFCL Technologies Limited, Cayman Islands (till December 19, 2016)
CFCL Ventures Limited, Cayman Islands (w.e.f. December 20, 2016)
Chambal Infrastructure Ventures Limited, India
India Steamship Pte. Limited, Singapore
India Steamship International FZE, UAE
India Steamship Limited, India

Subsidiaries of CFCL Technologies Limited, Cayman Islands (till December 19, 2016)

CFCL Ventures Limited, Cayman Islands
ISGN Corporation, USA

Subsidiaries of CFCL Ventures Limited, Cayman Islands

ISGN Corporation, USA (w.e.f. December 20, 2016)
ISG Novasoft Technologies Limited, India
Inuva Info Management Private Limited, India

Subsidiaries and step-down subsidiaries of ISGN Corporation, USA

ISGN Solutions Inc, USA (till May 18, 2016)
- Richmond Investors, LLC, USA (till July 10, 2015)
- Richmond Title Genepar, LLC, USA (till April 07, 2015)
- Richmond Title Services, LP , USA (till June 08, 2015)
- ISGN Fulfillment Services, Inc. (Pennsylvania, USA) (till May 18, 2016)
- ISGN Fulfillment Services, Inc (AZ, USA) (till January 12, 2016)
- ISGN Fulfillment Agency, LLC (DE, USA) (till May 18, 2016)

(c) Joint venture

Indo Maroc Phosphore S.A. Morocco

(d) Post Employment Benefit Plans

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

Transaction with the related parties-

(Rs. in Lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Dividend income		**1350.32**		**3134.50**
- India Steamship International FZE, UAE	1012.95		-	
- India Steamship Pte Limited, Singapore	337.37		3134.50	
Freight / demurrage expenses *		**3254.86**		**11274.98**
- India Steamship International FZE, UAE	3254.86		7964.59	
- India Steamship Pte Limited, Singapore	-		3310.39	
Interest income		**55.05**		**192.65**
- CFCL Technologies Limited	-		89.10	
- India Steamship Pte Limited, Singapore	-		21.16	
- India Steamship International FZE, UAE	55.05		82.39	
Guarantee commission income		**669.96**		**794.96**
ISGN Corporation, USA	669.96		794.96	
Reduction in non-current investment		**256.92**		**-**
India Steamship Pte Limited, Singapore	256.92		-	
Reduction in corporate guarantee		**3354.50**		**-**
ISGN Corporation, USA	3354.50		-	
Contribution (accrual basis)		**465.28**		**689.01**
- CFCL Employees Provident Fund	328.37		309.39	
-Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	113.23		117.23	
- CFCL Employees Group Gratuity Trust	6.00		225.00	
- India Steamship Staff Provident Fund *	17.68		24.07	
- India Steamship Staff Gratuity Insurance Scheme *	-		13.32	

(Rs. in Lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Investments purchased		**-**		**3375.77**
- CFCL Technologies Limited	-		3372.71	
- India Steamship International FZE, UAE	-		3.06	
Loan given		**-**		**3274.20**
- India Steamship International FZE, UAE	-		1944.40	
- India Steamship Pte Limited, Singapore	-		1329.80	
Loan repaid		**2015.80**		**3517.48**
- CFCL Technologies Limited	-		2187.68	
- India Steamship International FZE, UAE (including exchange difference)	2015.80		-	
- India Steamship Pte Limited, Singapore (including exchange difference)	-		1329.80	
Reimbursement of expenses		**0.44**		**-**
- Chambal Infrastructure Ventures Limited	0.12		-	
- India Steamship Limited	0.32		-	
Fair value loss of financial instrument measured at fair value through profit or loss		**-**		**39225.16**
-CFCL Technologies Limited	-		39225.16	

Outstanding balances as at the year end (Rs. in Lacs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Trade payables		**35.80**		**2151.73**		**166.48**
- India Steamship International FZE, UAE	-		2118.58		-	
- India Steamship Pte Limited, Singapore	-		-		159.67	
- CFCL Employees Provident Fund	27.55		25.33		6.81	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund"	8.25		7.82		-	
Current loans		**-**		**1987.80**		**2187.68**
- India Steamship International FZE, UAE	-		1987.80		-	
- CFCL Technologies Limited	-		-		2187.68	
Corporate guarantee outstanding		**11025.35**		**14577.20**		**13751.10**
- ISGN Corporation, USA	11025.35		14577.20		13751.10	
Other current financial assets		**781.34**		**410.20**		**115.12**
- India Steamship International FZE, UAE	64.86		82.40		-	
- India Steamship Pte Limited, Singapore	450.31		-		-	
- ISGN Corporation, USA (Guarantee commission)	266.17		327.80		88.32	
- CFCL Technologies Limited	-		-		26.80	

* included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company {refer note 46(A)(ii)}.

Loans and advances in the nature of loans given to subsidiaries (Rs. in Lacs)

Particulars	Maximum amount outstanding during the year	
	Year ended	Year ended
India Steamship International FZE, UAE (including exchange difference)	2149.65	2070.19
CFCL Technologies Limited	-	2333.16
India Steamship Pte Limited, Singapore	-	1333.84

Joint venture

Indo Maroc Phosphore S.A. Morocco (Rs. in Lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Dividend income		**2101.46**		**1932.95**
	2101.46		1932.95	
Reimbursement of expenses received		**37.08**		**31.90**
	37.08		31.90	

Outstanding balances as at the year end (Rs. in Lacs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		11.49		**27.90**		**33.79**
Other receivables	11.49		27.90		33.79	

Key Management Personnel (Rs. in Lacs)

Nature of Transactions	Year ended March 31, 2017		Year ended March 31, 2016	
**Remuneration paid ** **		**575.30**		**520.99**
Mr. Anil Kapoor	424.47		380.55	
Mr. Abhay Baijal	101.52		93.35	
Mr. M.S. Rathore	-		7.21	
Mr. Rajveer Singh	49.31		39.88	
Interest income on loan given		0.13		0.21
Mr. Anil Kapoor	0.12		0.12	
Mr. Rajveer Singh	0.01		0.09	

Outstanding balances as at the year end (Rs. in Lacs)

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Loan receivable		**2.15**		**3.30**		**2.44**
Mr. Anil Kapoor	2.15		2.15		2.15	
Mr. M.S. Rathore	-		-		0.29	
Mr. Rajveer Singh	-		1.15		-	

** Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance liability for Key management personnel can not be ascertained separately, except for the amount actually paid.

Key Management Personnel - (other than disclosed above) (Rs. in Lacs)

Nature of Transactions	Year ended March 31, 2017		Year ended March 31, 2016	
Director Commission		**30.00**		**30.00**
Mr. Saroj Kumar Poddar	5.00		5.00	
Mr. Chandra Shekhar Nopany	5.00		5.00	
Mr. Kashi Nath Memani	5.00		5.00	
Ms. Radha Singh	5.00		5.00	
Mr. Marco Philippus Ardeshir Wadia	5.00		5.00	
Mr. Aditya Narayan	5.00		5.00	
Sitting fees		**20.45**		**24.70**
Mr. Saroj Kumar Poddar	1.50		2.00	
Mr. Chandra Shekhar Nopany	3.25		3.10	
Mr. Kashi Nath Memani	1.75		3.50	
Ms. Radha Singh	5.10		6.10	
Mr. Marco Philippus Ardeshir Wadia	4.65		5.05	
Mr. Aditya Narayan	4.20		4.95	

Outstanding balances as at the year end (Rs. in Lacs)

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Outstanding payable at the year end		**27.00**		**27.00**		**18.00**
Mr. Saroj Kumar Poddar	4.50		4.50		3.60	
Mr. Chandra Shekhar Nopany	4.50		4.50		3.60	
Mr. Kashi Nath Memani	4.50		4.50		3.60	
Ms. Radha Singh	4.50		4.50		3.60	
Mr. Marco Philippus Ardeshir Wadia	4.50		4.50		3.60	
Mr. Aditya Narayan	4.50		4.50		-	

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

Share Options held by Key Management Personnel under the ESOS to purchase equity shares of the Company from CFCL Employees Welfare Trust have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price (in Rs.)	As at March 31, 2017 Number Outstanding	As at March 31, 2016 Number Outstanding	As at April 1, 2015 Number Outstanding
September 16, 2010	2019- 2023	73.50	283,000	283,000	314,000

No share options have been granted to the members of the Board of Directors (except for Managing Director). For further details on ESOS, refer note 36.

31. Gratuity and other post-employment benefit plans: (Rs. in Lacs)

Particulars	As at March 31, 2017 *	As at March 31, 2016	As at April 1, 2015
Gratuity Plan - (Liability) *	(607.73)	(257.08)	(330.20)
Provident Fund - Asset */ **	345.80	427.84	294.53
Post retirement medical benefits plan - (Liability)	(297.61)	(267.96)	(232.18)

* Rs.177.07 lacs included in 'Liabilities directly associated with assets classified as held for sale' in respect of Shipping Division of the Company classified as held for sale and discontinued operations (refer note 46(A)(ii)).

*/ ** Plan asset of Rs.345.80 lacs (including Rs.197.83 lacs pertaining to Shipping Division classified as held for sale and discontinued operations) (March 31, 2016: Rs.427.84 lacs and April 01, 2015: Rs.294.53 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) Gratuity

In case of Fertiliser division, 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.

The Scheme is funded with insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees.

In case of Shipping Division, Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 to 30 days salary (last drawn salary) for each completed year of service. The Scheme is funded with insurance companies in the form of a qualifying insurance policies except in the case of crew employees of the division. The fund has the form of a trust and it is governed by the Board of Trustees.

b) Post Retirement medical benefit plan

The fertiliser division of 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 Company. 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, 2017.

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, 2017:

(Rs. in Lacs)

Particulars	April 1, 2016	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	Sub-total included in OCI	Settlement/ Transfer In	Contributions by employer	March 31, 2017
		Cost charged to statement of profit and loss				Remeasurement gains/ (losses) in OCI							
(A) Gratuity plan*/ ** :													
Defined benefit obligation	(2495.56)	(295.77)	(193.62)	(489.40)	303.53	-	-	-	(178.50)	(178.50)	-	-	(2859.92)
Fair value of plan assets	2238.48	-	188.14	188.14	(228.61)	48.19	-	-	-	48.19	-	5.99	2252.19
Benefit (liability)	**(257.08)**			**(301.26)**	**74.92**					**(130.31)**	**-**	**5.99**	**(607.73)**
(B) Post retirement medical benefits plan:													
Defined benefit obligation	(267.96)	(10.77)	(21.44)	(32.20)	8.06	-	-		(5.51)	(5.51)		-	(297.61)
Fair value of plan assets	-	-		-	-	-	-	-	-	-	-	-	-
Benefit (liability)	**(267.96)**			**(32.20)**						**(5.51)**		**-**	**(297.61)**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2016:

(Rs. in Lacs)

Particulars	April 1, 2015	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, 2016
		Cost charged to statement of profit and loss				Remeasurement gains/ (losses) in OCI							
(A) Gratuity plan*/ ** :													
Defined benefit obligation	(2347.23)	(173.65)	(187.14)	(360.79)	152.88		-	-	60.57	60.57	(0.99)	-	(2495.56)
Fair value of plan assets	2017.03	-	161.68	161.68	(141.70)	(36.46)	-	-	-	(36.46)		237.93	2238.48
Benefit (liability)	**(330.20)**			**(199.11)**	**11.18**					**24.11**	**(0.99)**	**237.93**	**(257.08)**
(B) Post retirement medical benefits plan:													
Defined benefit obligation	(232.18)	(9.81)	(18.57)	(28.38)	7.67	-	-	-	(15.07)	(15.07)	-	-	(267.96)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability)	**(232.18)**			**(28.38)**	**7.67**					**(15.07)**	**-**	**-**	**(267.96)**

* Rs.15.82 lacs (Previous year : Rs.31.88 lacs) included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company {refer note 46(A)(ii)}.

** including past service cost of Rs.104.70 lacs (Previous year : Nil) in respect of fertiliser division of the Company.

The Gratuity expense for the previous year, disclosed above, excludes Rs.28.88 lacs in respect of textile division of the Company. The same is included in discontinued operations in the statement of profit and loss {refer note 46(A)(i)}.

Provident Fund:
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017 and March 31, 2016:

(Rs. in Lacs)

Particulars	2016 - 17			2015 - 16		
	Defined benefit obligation	Fair value of plan assets	Net benefit asset	Defined benefit obligation	Fair value of plan assets	Net benefit asset
Opening Balance	**(10401.35)**	**10829.20**	**427.84**	**(9307.97)**	**9602.50**	**294.53**
Service cost	(346.05)	-	(346.05)	(333.46)	-	(333.46)
Net interest expense	(832.11)	866.33	34.22	(744.63)	768.20	23.57
Benefits paid	1453.97	(1453.97)	-	794.14	(794.14)	-
Return on plan assets (excluding amounts included in net interest expense)	-	112.23	112.23	-	84.66	84.66
Actuarial changes arising from changes in financial assumptions	(1.48)	-	(1.48)	-	-	-
Experience adjustments	(227.01)	-	(227.01)	25.09	-	25.09
Settlement/ Transfer In	(21.95)	21.95	-	(64.88)	64.88	-
Contributions by plan participant/ employees	(771.60)	771.60	-	(769.63)	769.63	-
Contributions by employer	-	346.05	346.05	-	333.46	333.46
Closing Balance	**(11147.58)**	**11493.38**	**345.80**	**(10401.35)**	**10829.20**	**427.84**

The Company expects to contribute Rs.195.42 lacs (Previous year : Rs.246.80 lacs) and Rs.422.49 lacs (Previous year : Rs.346.16 lacs) to gratuity trust and provident fund respectively in the next financial year in respect of continuing operation of the Company.

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, 2017	As at March 31, 2016
	%	%
Discount rate:		
Gratuity plan	7.60	8.00
Provident Fund	7.60 to 8.00	8.00
Post retirement medical benefits	7.60	8.00
Future salary increase:		
Gratuity plan	7.00 to 7.50	7.00 to 7.50
Medical cost escalation rate:		
Post retirement medical benefits cost increase	3.00	3.00
Life expectation for:		
Post retirement medical benefits		
Male	17.25	17.25
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is shown below:

Gratuity plan:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	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 lacs)	(124.77)	134.01	136.36	(127.38)

Provident Fund:

Particulars	Year ended March 31, 2017	
Assumption	Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	(1.56)	1.64

Post retirement medical benefits plan:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	Medical cost escalation rate		Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	23.76	(22.94)	(22.08)	23.18

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in 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, 2016 is shown below:

Gratuity plan:

Particulars	Year ended March 31, 2016		Year ended March 31, 2016	
Assumption	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 lacs)	(110.25)	118.59	121.62	(113.91)

Provident Fund:

Particulars	Year ended March 31, 2016	
Assumption	Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	(0.17)	0.17

Post retirement medical benefits plan:

Particulars	Year ended March 31, 2016		Year ended March 31, 2016	
Assumption	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 lacs)	(17.90)	20.08	19.04	(18.05)

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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 21.73 years (Previous year : 21.73 years).

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	2016-17	2015-16	2016-17	2015-16
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

Maturity Profile of Defined benefit obligation: (Rs. in Lacs)

Particulars	Within the next 12 months	Between 2 and 5 years	Between 5 and 10 years	Beyond 10 Years
As at March 31, 2017				
Gratuity Fund	227.40	617.89	674.88	1339.75
Provident Fund	1872.00	1358.00	2239.00	5678.58
Post retirement medical benefits plan	9.29	46.45	63.74	178.13
As at March 31, 2016				
Gratuity Fund	234.01	466.02	486.41	1309.12
Provident Fund	1112.00	1903.00	2025.00	5361.35
Post retirement medical benefits plan	8.85	43.27	59.50	156.34

Contribution to Defined Contribution Plans : (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Provident Fund / Pension Fund*/ **	134.88	262.02
Superannuation Fund***	113.23	117.27
National Pension Scheme****	19.44	18.12

* Provident fund in respect of textile division of the Company and Pension fund in respect of all divisions of the Company.

** Rs.5.66 lacs (Previous year : Rs.37.44 lacs) included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company {refer note 46(A)(ii)}. Further, an amount of Rs.94.39 lacs towards Provident fund and Pension fund in respect of textile division included in discontinued operations in the statement of profit and loss for the year ended March 31, 2016 {refer note 46(A)(i)}.

*** Rs.14.31 lacs (Previous year : Rs.17.19 lacs) included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company {refer note 46(A)(ii)}.

**** In respect of Fertiliser division of the Company.

32. Subsidies

(a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per the New Pricing Scheme (NPS– Stage III) and New Investment Policy 2008 (for the period from April 1, 2015 to May 31, 2015), New Urea Policy 2015 (from June 01, 2015 onwards) and 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 is inclusive of Rs.647.54 lacs (Previous year : Rs.968.69 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

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

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

(d) Subsidy on City Compost has been accounted as notified by the Government of India.

(e) The Textile division of the Company was eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Company had availed interest concession of Rs.42.19 lacs during the previous year upto the date of sale of the division and reduced the same from interest expense. The amount is recognised in discontinued operations in the statement of profit and loss {refer note 46(A)(i)}.

33. Leases

(a) The lease payment made during the year amounts to Rs.91.92 lacs (Previous year : Rs.92.08 lacs), out of which Rs.54.01 lacs (Previous year : Rs.41.21 lacs) has been adjusted against principle and Rs.37.91 lacs (Previous year : Rs.50.87 lacs) has been shown as interest expense. The interest rate on finance leases is around 27.34% p.a. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no sub-leases.

The break up of minimum lease payment outstanding as at March 31, 2017 is as follows:

(Rs. in Lacs)

Period	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Minimum lease payments	Present value of minimum lease payments	Finance lease charges	Minimum lease payments	Present value of minimum lease payments	Finance lease charges	Minimum lease payments	Present value of minimum lease payments	Finance lease charges
Payable within one year	91.70	70.77	20.93	91.92	54.01	37.91	91.97	41.21	50.76
Payable after one year but not more than five years	38.67	36.17	2.50	130.37	106.94	23.43	222.16	160.94	61.22
Payable after more than five years	-	-		-	-	-	-	-	-

(b) The Company has entered into Operating Lease Agreements for the premises which are non- cancellable. The lease payments recognized in the statement of profit and loss during the year amounts to Rs.1,032.02 lacs {(Previous year : Rs.987.63 lacs including Rs.308.09 lacs (Previous year : Rs.301.22 lacs)} in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company (refer note 46(A)(ii)}. The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements and there are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2017 is as follows:

(Rs. in Lacs)

Period	Minimum Lease Payments		
	As at March 31, 2017 *	As at March 31, 2016	As at April 1, 2015
Payable within one year*	786.87	979.72	975.75
Payable after one year but not more than five years	2327.97	3372.49	2833.47
Payable after more than five years	49.36	377.05	231.13

* included Rs.47.60 lacs in respect of Shipping Division of the Company classified as held for sale and discontinued operations.

(c) The lease payments, other than cases covered in point no. (b) above i.e. non - cancellable leases, recognized in the statement of profit and loss during the year amounts to Rs.2,238.10 lacs (Previous year : Rs.1,838.66 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements.

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

(Rs. in Lacs)

Particulars	2016-17	2015-16	As at April 1, 2015
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.28.86 lacs (March 31, 2016 : Rs.15.18 lacs and April 01, 2015 : Nil)}	146.74	114.10	22.75
The interest due on unpaid principal amount remaining as at the end of each accounting year.	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-

(Rs. in Lacs

Particulars	2016-17	2015-16	As at April 1, 2015
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 CSR expenditure are as follows: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Gross amount required to be spent by the Company during the year	937.80	845.39
b) Amount spent during the year on the following in cash :		
(i) Construction/ acquisition of any asset	-	-
(ii) For purposes other than (i) above	945.83	905.86

36. Share based payments

Employees Stock Option Scheme (ESOS)

The shareholders of the 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 Company had approved the revised CFCL Employees Stock Option Scheme, 2010 (ESOS) on September 15, 2015 in compliance with the ESOP Regulations. As per ESOS, 4,162,000 Stock Options can be issued to Managing Director and other specified categories of employees of the 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-10	22-Jan-11	10-May-11	17-Oct-11	11-May-12
Number of options granted	28,50,000	3,00,000	2,20,000	1,00,000	2,70,000
Method of settlement (cash / equity)	Equity	Equity	Equity	Equity	Equity
Exercise period*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting
Vesting conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

Vesting Schedule :

Vesting Date	All tranches
1 year from the date of grant	15%
2 years from the date of grant	15%
3 years from the date of grant	20%
4 years from the date of grant	25%
5 years from the date of grant	25%

Movement in options have been summarized below :

Particulars	2016-17	2015-16
	No. of options	No. of options
Outstanding at the beginning of the year	2,677,400	2,802,800
Granted during the year	-	-
Forfeited during the year	50,000	76,900
Exercised during the year	5,500	-
Expired during the year	81,500	48,500
Outstanding at the end of the year	2,540,400	2,677,400
Exercisable at the end of the year	2,495,400	2,534,900
Weighted average remaining contractual life (in years)	2.29	3.29
Weighted average Exercise price (in Rs.)	74.76	74.76

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

Tranche	Weighted Avg. 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	1,922,500	2.15	73.50
2.	32.86	76.85	247,900	2.37	76.85
3.	38.44	82.90	140,000	2.56	82.90
4.	45.06	101.10	50,000	2.84	101.10
5.	34.97	69.40	180,000	3.27	69.40

The expense recognised for ESOS during the year is shown in the following table: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Expense arising from equity-settled share-based payment transactions	8.83	53.42
Total expense arising from share-based payment transactions	**8.83**	**53.42**

Stock Options granted

The weighted average fair value of stock options granted is Rs.32.54 (Previous year Rs. 28.40). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted average share price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the options granted (vesting and exercise period) in years	2.15	2.37	2.56	2.84	3.27
Average risk-free interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected dividend yield	3.45%	3.45%	3.45%	3.45%	3.45%

The expected volatility was determined based on historical volatility data. For calculating volatility, the Company has considered the daily volatility of the stock prices of the Company on National Stock Exchange 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.3,000.00 lacs by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing or acquiring shares of the Company. Trust is holding 2,247,902 equity shares (Previous year : 2,253,402 equity shares) of the Company which were purchased from the open market, out of interest free loan provided by the Company till March 31, 2017.

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

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. The Company has, during the year, accounted for income tax credit of Rs.52.75 lacs (Previous year : Rs.661.14 lacs) against income tax paid on profits by its subsidiary - M/s India Steamship Pte. Ltd. Singapore in proportion to the dividend received from the said subsidiary. The income tax credit is available in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore.

40. **Income Tax Expense**

The major components of income tax expense are:

Profit or loss section (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Continuing operation		
Current income tax:		
Current income tax charge	16480.44	15115.66
Less: Capitalisation of current tax (refer note 28)	(92.39)	-
Adjustments in respect of current income tax of earlier years	(62.04)	(321.06)
Deferred tax:		
Relating to origination and reversal of temporary differences	1792.82	471.71
Add: Capitalisation of deferred tax (refer note 28)	92.39	-
Income tax expense reported in the statement of profit and loss for continuing operations (i)	**18211.22**	**15266.31**
(ii) Discontinued operations		
Current income tax:		
Current income tax charge	472.46	4062.98
Deferred tax:		
Relating to origination and reversal of temporary differences	(7997.25)	(2784.52)
Income tax expense reported in the statement of profit and loss for discontinued operations (ii)	**(7524.79)**	**1278.46**
Total income tax expense reported in the statement of profit and loss (i + ii)	**10686.43**	**16544.77**

Other Comprehensive income (OCI) section

Deferred tax related to items recognised in OCI: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net (gain)/ loss on re-measurement of defined benefit plans	(47.00)	3.13
Net (gain)/ loss on translation of foreign operation	(42.66)	206.91
Income tax charged/ (credited) to OCI	**(89.66)**	**210.04**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Accounting profit before tax from continuing operation	61650.49	10704.05
Profit/ (loss) before tax from discontinued operations	(8453.97)	4726.51
Accounting profit before income tax	**53196.52**	**15430.56**
At India's statutory income tax rate of 34.608% (Previous year : 34.608%)	18410.25	5340.21
Adjustments in respect of current income tax of earlier years	(62.04)	(321.06)
	18348.21	**5019.15**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Fair value loss on investment at fair value through profit or loss	-	13575.04
Fair value gain on investment at fair value through profit or loss	(280.62)	(72.82)
CSR expenditure	171.25	167.94
Employee share based payment expense	3.05	18.49
Weighted deduction u/s 35AD of Income Tax Act, 1961	(45.70)	(32.10)
Deduction u/s 32AC of Income Tax Act, 1961	(836.29)	-
Difference in tax rate on dividend income from specified foreign companies	(597.30)	(876.87)
Dividend income from specified foreign subsidiary company to the extent of dividend distribution tax on dividend distributed to shareholders of the Company as per the provisions of Section 115-O of the Income Tax Act,1961	(233.66)	(542.39)
Income tax credit availed in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore	(52.75)	(661.14)
Reversal of deferred tax asset recognised in earlier years on long term capital loss realised against the long term capital gain on sale of textile division (discontinued operation)	-	1,182.96
Reversal of deferred tax liabilities recognised in earlier years on textile division (discontinued operation)	-	(210.73)
Realisation of short term capital loss to reduce the current tax expense	(998.42)	-
Realisation of long term capital loss to reduce the current tax expense	(184.81)	-
Gain on reduction of share capital of a subsidiary company	(66.93)	-
Deferred tax asset recognised on unused short term capital loss to be realised against the short term capital gain on sale of ships	(4604.43)	-
Tax on book profit earned on sale of textile division (discontinued operation)	-	(1319.67)
Income tax related to earlier years	62.04	321.06
Other non-deductible expenses	2.79	(24.15)
At the effective income tax rate of 20.09% (Previous year : 107.22%)	**10686.43**	**16544.77**
Income tax expense reported in the statement of profit and loss	18211.22	15266.31
Income tax attributable to a discontinued operations	(7524.79)	1278.46
	10686.43	**16544.77**

Deferred tax

Deferred tax relates to the following:

(Rs. in Lacs)

Particulars	Balance Sheet			Statement of profit and loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Year ended March 31, 2017	Year ended March 31, 2016
Deferred income tax liabilities					
Property, plant and equipment (including other intangible assets)	24961.45	25714.30	29472.68	(752.85)	(3758.38)
Derivatives at fair value through profit or loss	-	-	2.01	-	(2.01)
Effects of expenditure allowed under Income Tax Act, 1961 but to be charged in the statement of profit and loss in subsequent year	-	-	20.59	-	(20.59)
Total deferred income tax liabilities	**24961.45**	**25714.30**	**29495.28**	**(752.85)**	**(3780.98)**
Deferred income tax assets					
Effects of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable in subsequent year	724.94	36.32	-	688.62	36.32

(Rs. in Lacs)

Particulars	Balance Sheet			Statement of profit and loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Year ended March 31, 2017	Year ended March 31, 2016
Derivatives at fair value through profit or loss	22.62	124.32	-	(101.70)	124.32
Allowance for doubtful debts and advances	346.69	292.16	163.58	54.53	128.58
Leave encashment	882.25	787.37	797.00	94.88	(9.63)
Gratuity	166.45	55.62	158.70	110.83	(103.08)
Carry forward of long term capital loss	-	-	1182.96	-	(1182.96)
Carry forward of short term capital loss	4604.43	-	461.74	4604.43	(461.74)
Re-measurement gain/ (loss) on defined benefit plans	43.87	(3.13)	-	47.00	(3.13)
Exchange differences on translation of foreign operation	(164.24)	(206.89)	-	42.65	(206.89)
Deferred tax income				**6294.09**	**2102.77**
Total deferred income tax assets	**6627.01**	**1085.77**	**2763.98**		
Net deferred tax liabilities	**18334.44**	**24628.53**	**26731.30**		

Reconciliation of deferred tax liabilities (net): (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	24628.53	26731.30
Tax (income)/ expense during the year recognised in profit or loss	(6112.04)	(2312.81)
Tax (income)/ expense during the year recognised in OCI	(89.66)	210.04
Tax (income) during the year recognized in 'Capital-work-in-progress' (refer note 28)	(92.39)	-
Closing balance	**18334.44**	**24628.53**

During the year ended March 31, 2017 and March 31, 2016, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

The Company has long term/ short term capital losses, to the tune of Rs.54,264.58 lacs (March 31, 2016: Rs.31,392.75 lacs and April 01, 2015: Rs.31,392.75 lacs) that are available for offsetting for six to eight years against future taxable profits (long term/ short term) of the Company.

Deferred tax assets have not been recognised in respect of above losses in the year 2016-17 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

41. Fair values

Set out below, the class of the carrying amounts and fair value of the Company's financial instruments as at March 31, 2017, March 31, 2016 and April 01, 2015:

(Rs. in Lacs)

Particulars	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets						
Investments:						
Preference shares	118.73	2307.89	37949.92	118.73	2307.89	37949.92
Equity instruments	2.00	2.00	2.00	2.00	2.00	2.00
Government securities	0.26	0.29	0.29	0.26	0.29	0.29
Bonds & debentures	0.22	0.22	0.22	0.22	0.22	0.22
Others:						
Employee loans	123.61	161.16	226.71	123.61	161.16	226.71
Security deposits	348.75	458.09	419.92	348.75	458.09	419.92
Foreign currency option contracts	503.60	1127.52	-	503.60	1127.52	-

(Rs. in Lacs)

Particulars	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Total financial assets	**1097.17**	**4057.17**	**38599.06**	**1097.17**	**4057.17**	**38599.06**
Financial Liabilities						
Borrowings						
Floating rate borrowings	107386.19	102981.85	103936.11	107386.19	102981.85	103936.11
Finance lease obligation	106.94	160.95	202.15	106.94	160.95	202.15
Others:						
Other payables	190.25	-	-	190.25	-	-
Derivative financial liabilities	5700.89	5447.21	3398.85	5700.89	5447.21	3398.85
Security deposits	-	0.30	0.40	-	0.30	0.40
Total financial liabilities	**113384.27**	**108590.31**	**107537.51**	**113384.27**	**108590.31**	**107537.51**

The management assessed that fair value of cash and cash equivalents, short term bank deposits, trade receivables, other current financial assets (except foreign currency option contracts), trade payables and other current financial liabilities (except derivative financial liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) Floating rate borrowings / Finance lease obligation - The fair values of the Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017 and March 31, 2016 are as shown below:

Particulars	Valuation techniques	Significant unobservable inputs	Range (weighted average) p.a.	Sensitivity of the inputs to fair value
As on March 31, 2017				
Investment in preference shares of CFCL Ventures Limited	Income and market approach	Earnings growth rate	15.00%	Increase (decrease) in growth rate by 0.50% would result in increase (decrease) in fair value by Rs.244.87 lacs and (Rs.118.73 lacs) respectively.
		Weighted average cost of capital (WACC)	13.00% - 13.50%	Increase (decrease) in WACC by 0.50% would result in decrease (increase) in fair value by Rs.118.73 lacs and (Rs.385.85 lacs) respectively.
As on March 31, 2016				
Investment in preference shares of Upper Ganges Sugar & Industries Limited	Present value technique	Risk adjusted discount rate	9.72%	Increase (decrease) in risk adjusted discount rate by 0.50% would result in decrease (increase) in fair value by Rs.34.49 lacs and Rs.(35.21 lacs) respectively.
Investment in preference shares of CFCL Technologies Limited	Income and market approach	Earnings growth rate	15.00%	Increase (decrease) in growth rate by 0.50% would result in increase (decrease) in fair value by Rs.244.87 lacs and (Rs.118.73 lacs) respectively.
		WACC	13.00% - 13.50%	Increase (decrease) in WACC by 0.50% would result in decrease (increase) in fair value by Rs.118.73 lacs and (Rs.385.85 lacs) respectively.

42. **Fair value measurements**

(i) **Financial instruments by category**

(Rs. in Lacs)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments-									
-Preference shares	118.73	-	-	2307.89	-	-	37949.92	-	-
-Equity shares	2.00	-	-	2.00	-	-	2.00	-	-
-Government Securities	-	-	0.26	-	-	0.29	-	-	0.29
-Bonds & Debentures	-	-	0.22	-	-	0.22	-	-	0.22
Loans	-	-	155.88	-	-	2,196.96	-	-	2,477.61
Security deposits	-	-	409.92	-	-	515.42	-	-	735.71
Trade receivables	-	-	302314.64	-	-	383695.92	-	-	302118.32
Cash and cash equivalents	-	-	8529.03	-	-	1301.72	-	-	282.71
Bank balances other than above	-	-	1879.93	-	-	1788.01	-	-	1667.67
Derivative financial assets	503.60	-	-	1127.52	-	-	-	-	-
Other receivables	-	-	12133.00	-	-	12300.74	-	-	1587.62
Total financial assets	**624.33**	**-**	**325422.88**	**3437.41**	**-**	**401799.28**	**37951.92**	**-**	**308870.15**
Financial liabilities									
Borrowings - Floating Rate	-	-	107386.19	-	-	102981.85	-	-	103936.11
Finance lease obligation	-	-	106.94	-	-	160.95	-	-	202.15
Borrowings - Fixed Rate	-	-	307758.94	-	-	377516.32	-	-	286517.14
Trade payables	-	-	22735.56	-	-	44699.98	-	-	18699.84
Derivative financial liabilities	5700.89	-	-	5447.21	-	-	3398.85	-	-
Payable for capital goods	-	-	18012.58	-	-	489.71	-	-	1457.97
Others	-	-	13242.38	-	-	12219.98	-	-	9735.75
Total financial liabilities	**5700.89**	**-**	**469242.59**	**5447.21**	**-**	**538068.79**	**3398.85**	**-**	**420548.96**

(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, 2017:

(Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign currency option contracts	31.03.2017	503.60	-	503.60	-
Investment in preference shares	31.12.2016	118.73	-	-	118.73
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2017	2.00	-	-	2.00
Government securities	31.03.2017	0.26	-	0.26	-
Bonds & debentures	31.03.2017	0.22	-	0.22	-
Employee loans	31.03.2017	123.61	-	123.61	-
Security deposits	31.03.2017	348.75	-	348.75	-

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

Quantitative disclosures, fair value measurement hierarchy for liabilities as at March 31, 2017: (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liabilities	31.03.2017	5700.89	-	5700.89	-
Liabilities for which fair values are disclosed (refer note 41)					
Floating rate borrowings	31.03.2017	107386.19	-	107386.19	-
Finance lease obligation	31.03.2017	106.94	-	106.94	-
Other payables	31.03.2017	190.25	-	190.25	-

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

Quantitative disclosures, fair value measurement hierarchy for assets as at March 31, 2016: (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Foreign currency option contracts	31.03.2016	1127.52	-	1127.52	-
Ships (refer note 3)	31.03.2016	71560.81	-	71560.81	-
Investment in preference shares	31.03.2016	2307.89	-	-	2307.89
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2016	2.00	-	-	2.00
Government securities	31.03.2016	0.29	-	0.29	-
Bonds & debentures	31.03.2016	0.22	-	0.22	-
Employee loans	31.03.2016	161.16	-	161.16	-
Security deposits	31.03.2016	458.09	-	458.09	-

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

Quantitative disclosures, fair value measurement hierarchy for liabilities as at March 31, 2016: (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liabilities	31.03.2016	5447.21	-	5447.21	-
Liabilities for which fair values are disclosed (refer note 41)					
Floating rate borrowings	31.03.2016	102981.85	-	102981.85	-
Finance lease obligation	31.03.2016	160.95	-	160.95	-
Security deposits	31.03.2016	0.30	-	0.30	-

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

Quantitative disclosures, fair value measurement hierarchy for assets as at April 1, 2015 (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Ships (refer note 3)	01.04.2015	97507.80	-	97507.80	-
Investment in preference shares	01.04.2015	37949.92	-	-	37949.92
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	01.04.2015	2.00	-	-	2.00
Government securities	01.04.2015	0.29	-	0.29	-
Bonds & debentures	01.04.2015	0.22	-	0.22	-
Employee loans	01.04.2015	226.71	-	226.71	-
Security deposits	01.04.2015	419.92	-	419.92	-

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

Quantitative disclosures, fair value measurement hierarchy for liabilities as at April 01, 2015 (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liabilities	01.04.2015	3398.85	-	3398.85	-
Liabilities for which fair values are disclosed (refer note 41)					
Floating rate borrowings	01.04.2015	103936.11	-	103936.11	-
Finance lease obligation	01.04.2015	202.15	-	202.15	-
Security deposits	01.04.2015	0.40	-	0.40	-

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

43. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the 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 policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of Directors 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 and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations, provisions and other non-financial assets and liabilities of foreign operation.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lacs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2017		
USD Borrowings	+50	(129.02)
USD Borrowings	-50	129.02
March 31, 2016		
USD Borrowings	+50	(227.22)
USD Borrowings	-50	227.22

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.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended: (Rs. in Lacs)

Particulars	Change in foreign currency rate	Effect on profit before tax March 31, 2017	Effect on profit before tax March 31, 2016
USD	+5%	(4610.29)	(2316.95)
	-5%	6796.77	3079.83
SGD	+5%	20.85	(1.45)
	-5%	(20.85)	1.45
AUD	+5%	(0.65)	1.83
	-5%	0.65	(1.83)
EURO	+5%	(0.03)	(1.53)
	-5%	0.03	1.53
AED	+5%	(0.05)	(0.18)
	-5%	0.05	0.18
KW	+5%	(0.38)	0.38
	-5%	0.38	(0.38)
MYR	+5%	(0.05)	(0.17)
	-5%	0.05	0.17
GBP	+5%	(0.10)	(0.34)
	-5%	0.10	0.34
NOK	+5%	(0.03)	(0.06)
	-5%	0.03	0.06
CAD	+5%	(0.02)	-
	-5%	0.02	-
JPY	+5%	-	(37.76)
	-5%	-	37.76
NZD	+5%	-	(0.09)
	-5%	-	0.09
YUAN (CNY)	+5%	(0.71)	1.74
	-5%	0.71	(1.74)

c) **Commodity price risk**

The Company's operating activities require the ongoing purchase of natural gas, other imported fertilisers and bunker for ships.

(i) Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula, the cost of natural gas is pass through if the consumption of natural gas is within the permissible norms for manufacture of Urea.

(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 import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) In respect of shipping business of the Company, the business is exposed to the volatility inherent in the prices of bunker, which are governed to some extent in line with crude oil prices. On the other hand, the shipping business revenue is dependent majorly on demand-supply of petroleum products and / or demand-supply of oil tankers. The market balance is difficult to predict and therefore, the division, when performing cargo contracts is exposed to bunker price fluctuations. Although, the division may enter into some hedging transactions to partially mitigate the risk of bunker price fluctuations, such hedging may not adequately cover its exposure to these fluctuation and there is no assurance that resulting rate will be sufficient to cover possible increase in the prices of bunker.

(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. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

(iii) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. 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 Lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
As at March 31, 2017						
Borrowings	307758.94	-	6486.80	32936.14	69312.01	416493.89
Finance lease obligation	70.77	36.17	-	-	-	106.94
Other financial liabilities	18942.77	0.50	-	-	-	18943.27
Trade and other payables	40557.89	190.25	-	-	-	40748.14
	367330.37	**226.92**	**6486.80**	**32936.14**	**69312.01**	**476292.24**
As at March 31, 2016						
Borrowings	410097.70	13971.80	11016.96	29726.40	16676.06	481488.92
Finance lease obligation	54.01	70.77	36.17	-	-	160.95
Other financial liabilities	17666.90	0.30	-	-	-	17667.20
Trade and other payables	45189.69	-	-	-	-	45189.69
	473008.30	**14042.87**	**11053.13**	**29726.40**	**16676.06**	**544506.76**
As at April 01, 2015						
Borrowings	313502.31	30734.97	13180.01	31411.10	2696.61	391525.00
Finance lease obligation	41.20	54.01	70.77	36.17	-	202.15
Other financial liabilities	12312.92	821.68	-	-	-	13134.60
Trade and other payables	20157.81	-	-	-	-	20157.81
	346014.24	**31610.66**	**13250.78**	**31447.27**	**2696.61**	**425019.56**

44. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

The capital structure of the Company is as follows: (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	41620.79	41620.79	41620.79
Other equity	211903.41	178987.76	189031.11
Total	**253524.20**	**220608.55**	**230651.90**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

45. Distribution made and proposed (Rs. in Lacs)

Particulars	March 31, 2017	March 31, 2016
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2016 Rs.1.90 per share (March 31, 2015: Rs.1.90 per share)	7908.01	7908.01
Dividend distribution tax (DDT) on final dividend	1609.89	1609.89
Total	**9517.90**	**9517.90**
Proposed dividend on equity shares:		
Final dividend for the year ended on March 31, 2017 Rs.1.90 per share (March 31, 2016: Rs.1.90 per share)	7908.00	7908.05
DDT on final dividend	1609.89	1609.89
Total	**9517.89**	**9517.94**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2017 and March 31, 2016.

46 (A) Discontinued operations

The segment wise break up of the discontinued operations as shown on the face of statement of profit and loss is as under:

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Profit/ (loss) before tax		
(i) Textile division	-	3813.19
(ii) Shipping Division	(8453.97)	913.32
Total	**(8453.97)**	**4726.51**
(b) Income Tax expense/ (credit)		
(i) Textile division	-	972.24
(ii) Shipping Division	(7524.79)	306.22
Total	**(7524.79)**	**1278.46**
(c) Profit/ (loss) after tax		
(i) Textile division	-	2840.95
(ii) Shipping Division	(929.18)	607.10
Total	**(929.18)**	**3448.05**

(i) Textile division

The Board of Directors of the Company at its meeting held on March 14, 2015, inter alia, had approved the transfer of its textile business i.e. Birla Textile Mills (non core business) to Sutlej Textiles and Industries Limited as a going concern on slump sale basis. The Company had received a sum of Rs.500.00 lacs as an advance for the said sale till March 31, 2015. The associated assets and liabilities of the textile business were consequently presented as held for sale in the financial statements as at April 01, 2015.

The sale was completed on September 30, 2015, on which date control of the textile business was passed on to the acquirer and has been reported as a 'discontinued operation'. The textile business represented the Company's operating segment until April 01, 2015. The proceeds of sale exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of the business as held for sale.

The financial information relating to the discontinued operation for the period upto the date of disposal is set out below.

(a) Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months period ended September 30, 2015:

(Rs. in Lacs)

Particulars	For the 6 months ended September 30, 2015
Revenue	19697.57
Less: Expenses	18226.72
Less: Finance costs	89.32
Profit before tax	**1381.53**
Tax expense	478.12
Profit after tax	**903.41**
Profit on sale of textile business after income tax {see (b) below}	1937.54
Profit from discontinued operation	2840.95

The net cash flows attributable to the discontinued operation are as below- (Rs. in Lacs)

Particulars	For the 6 months ended September 30, 2015
Operating activities	992.73
Investing activities	21854.34
Financing activities	(1997.92)
Net cash inflows	**20849.15**

(b) Details of the sale of textile business (Rs. in Lacs)

Particulars	Amount
Consideration received	23257.75
Less : Carrying amount of net assets sold	20826.09
Profit on sale before income tax	**2431.66**
Income tax expense on profit	494.12
Profit on sale after income tax	**1937.54**

(c) The carrying amounts of the major categories of assets and liabilities of the discontinued operation as at April 01, 2015 and September 30, 2015 are as follows-

(Rs. in Lacs)

Particulars	As at September 30, 2015	As at April 01, 2015
Property, plant and equipment	8561.93	8252.95
Capital work in progress	245.03	423.76
Other intangible assets	3.60	4.38
Inventories	6263.80	9406.24
Trade receivables	1980.40	2574.97
Cash and cash equivalents	257.55	186.68
Others assets	6507.98	960.02
Total assets	23820.29	21809.00
Borrowings -Rupee term loan * (secured)	-	1908.60
Borrowings - Short term (unsecured)	118.53	1395.87
Trade payables	1372.30	948.18
Other liabilities	1503.37	1416.57
Total liabilities	2994.20	5669.22
Net assets	20826.09	16139.78

* Rupee term loan from banks of Nil (April 01, 2015 : Rs.1,908.60 lacs including current maturities of Rs.1,908.60 lacs) carried interest rate in the range of 11.10%-12.75% p.a. These loans were secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of Shipping Division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings. The said loan was transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations.

(ii) Shipping Division

As at March 31, 2017, the management of the Company was actively seeking a buyer for the sale of all the 4 (four) ships of the Shipping Division. Subsequent to the year end, the Company has entered into agreements for sale of all the ships existing as on March 31, 2017 and the ships are scheduled to be delivered to the concerned buyers between June 01, 2017 to September 15, 2017. Therefore, the associated assets and liabilities of the Shipping Division were consequently presented as held for sale in financial statements for the year ended March 31, 2017. The division is classified as 'discontinued operations' as per Ind AS 105. The previous year figures have also been re-stated accordingly. The disposal is consistent with the Company's long term policy to focus its activities on the Fertiliser and other Agri inputs business.

The aggregate net consideration to be received on the proposed sale of all the ships is lower than the carrying value of these ships as on the reporting date. Thus, the Company has recognized an impairment loss of Rs.2,160.34 lacs (net of deferred tax of Rs.8,184.61 lacs) as a result of proposed sale transactions of these ships. The loss is recognised in discontinued operations in the statement of profit and loss.

The shipping business represented the Company's operating segment until March 31, 2016. Being a discontinued operation, that segment is no longer presented in the segment note.

The financial information relating to the discontinued operations is set out below.

Financial performance and cash flow information

The financial performance and cash flow information are as follows: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	29644.58	75215.85
Less: Expenses	21791.14	52785.19
Less: Finance costs	1763.91	3187.31
Less: Depreciation and amortisation expense	4198.55	5509.92
Less: Loss on ships mandatorily measured at fair value {refer note 51(b)}	-	11417.33
Less: Impairment loss on ships {refer note 51(a) for Rs.1,402.78 lacs}	10344.95	1402.78
Profit / (loss) before tax	(8453.97)	913.32
Tax expense / (credit)	(7524.79)	306.22
Profit / (loss) from discontinued operation	(929.18)	607.10

The net cash flows attributable to the discontinued operations are as below:

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operating activities	9171.38	23210.13
Investing activities	14462.56	(1379.12)
Financing activities	(23388.35)	(21831.29)
Net cash inflows / (outflows)	245.59	(0.28)

The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows:

(Rs. in Lacs)

Particulars	As at March 31, 2017
Property, plant and equipment (Ships) **	56275.98
Inventories	1064.59
Trade receivables (net of allowance for doubtful debts of Rs.41.13 lacs)	2705.31
Cash and cash equivalents	252.56
Other bank balances	0.15
Others assets (net of allowance for doubtful advances of Rs.193.12 lacs)	924.68
Total assets classified as held for sale	**61223.27**
Borrowings *	48980.40
Trade payables	2119.43
Other liabilities	534.35
Total liabilities directly associated with assets classified as held for sale	**51634.18**
Net assets	**9589.09**

* refer note 11A of the financial statements for nature of security, terms and repayment schedule.

**** Information of Property, plant and equipment classified as 'Assets held for sale**

Particulars	Rs. in Lacs
Net book value transfer from property, plant and equipment (refer note 3)	80263.42
Carrying amount of fair valuation loss (refer note 3)	(11703.48)
Impairment loss {refer note above}	(10344.95)
Foreign currency translation reserve	(1939.01)
As at March 31, 2017	**56275.98**

Write-down of property, plant and equipment and intangible assets

Immediately before the classification of Shipping Division as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and intangible assets and a write-down of Rs.127.73 lacs was recognised on March 31, 2017 to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the statement of profit and loss.

Allowance for doubtful debts and advances

Immediately before the classification of Shipping Division as a discontinued operation, the recoverable amount was estimated for trade and other receivables and an allowance of Rs.215.85 lacs was recognised on March 31, 2017 to reduce the carrying amount of these assets in the disposal group to their net realisable value. This was recognised in discontinued operations in the statement of profit and loss.

46 (B) Assets classified as held for sale (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Property, plant and equipment classified as held for sale :			
- Plant and equipment *	143.24	10.00	292.40
- Ships **	-	14759.41	-
(b) Assets of discontinued operations {refer note 46(A) above}:			-
- Textile division	-	-	21809.00
- Shipping Division	61223.27	-	-
Total	**61366.51**	**14769.41**	**22101.40**

* net of loss of Rs.17.68 lacs (Previous year : Nil) for write down of the asset of property, plant and equipment.

** **Information of a Ship classified as 'Assets held for sale'**

Particulars	Rs. in Lacs
At April 01, 2015	-
Net book value transfer from property, plant and equipment (refer note 3)	15981.61
Revaluation loss for the year {refer note 51(a)}	(1402.78)
Foreign currency translation reserve	180.58
As at March 31, 2016	**14759.41**

47. Disclosure required under Section 186 (4) of the Companies Act, 2013

(a) Particulars of loans given: (Rs. in Lacs)

Sr. No.	Name of the Loanee	Loan given during the Financial Year		Loan repaid during the Financial Year		Outstanding Balance as at		Purpose
		2016-17	2015-16	2016-17	2015-16	March 31,2017	March31,2016	
1.	India Steamship International FZE, UAE	-	1944.40	2015.80	-	-	1987.80	Business purpose
2.	India Steamship Pte Limited, Singapore	-	1329.80	-	1329.80	-	-	Business purpose

(b) Particulars of guarantee given: (Rs. in Lacs)

Sr. No.	Name of the Entity	Guarantee given during the financial year*		Outstanding Balance as at		Purpose
		2016-17	2015-16	March 31, 2017	March 31, 2016	
1.	ISGN Corporation, USA	11025.18	14577.20	11025.18	14577.20	To secure the working capital loan availed from JP Morgan Chase bank N.A

* Tenure of guarantee being extended from time to time.

(c) Particulars of investments made: (Rs. in Lacs)

Sr. No.	Name of the Investee	Investment made during the financial year		Outstanding balance as at	
		2016-17	2015-16	March 31, 2017	March 31, 2016
1.	CFCL Technologies Limited, Cayman Islands	-	3372.72	-	118.92
2.	India Steamship International FZE, UAE	-	3.06	3.06	3.06
3.	Investment made in corporate bonds	343134.42	130299.37	-	-

The details of Investment of the Company are given in note no. 5A.

48. List of subsidiaries and joint venture with ownership % and place of business :

Name of the investees	Principal Place of Business	Proportion of Ownership as at 31.03.2017	Proportion of Ownership as at 31.03.2016	Proportion of Ownership as at 01.04.2015	Method used to account for the investment
Subsidiaries					
Chambal Infrastructure Ventures Limited	India	100.00%	100.00%	100.00%	Deemed cost
India Steamship Pte Limited	Singapore	100.00%	100.00%	100.00%	Deemed cost
India Steamship Limited	India	100.00%	100.00%	100.00%	Deemed cost
India Steamship International FZE, UAE	UAE	100.00%	100.00%	-	Deemed cost
CFCL Technologies Limited (till 19.12.2016)	Cayman Islands	-	72.27%	72.27%	Deemed cost/ Fair Value
CFCL Ventures Limited (w.e.f. 20.12.2016) (CVL) *	Cayman Islands	72.27%	-	-	Deemed cost/ Fair Value
Subsidiaries of CVL					
ISGN Corporation, USA ('ISGN')	U.S.A	100.00%	100.00%	100.00%	
ISG Novasoft Technologies Limited	India	100.00%	100.00%	100.00%	
Inuva Info Management Private Limited	India	71.00%	71.00%	71.00%	
Step-down Subsidiary of ISGN					
ISGN Solutions, Inc, USA (till 18.05.2016)	U.S.A	-	100.00%	100.00%	
ISGN Fulfillment Services, Inc. (Pennsylvania) (till 18.05.2016)	U.S.A	-	100.00%	100.00%	
ISGN Fulfillment Agency, LLC (till 18.05.2016)	U.S.A	-	100.00%	100.00%	
Joint venture					
Indo Maroc Phosphore S.A, (IMACID) Morocco	Morocco	33.33%	33.33%	33.33%	Deemed cost

* In case of equity investment at deemed cost, whereas investment in preference shares at fair value.

49. First - time adoption of Indian Accounting Standards (Ind AS)

These are the Company's first financial statements prepared in accordance with Ind AS. The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 01, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(a) Optional exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (PPE) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities in case there is no change in the functional currency. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'. The Company has two divisions namely Fertiliser & other Agri-inputs and Shipping Division. Shipping Division of the Company operates under the primary economic environment where USD is its functional currency.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets of its Fertiliser & other Agri-inputs Division at their previous GAAP carrying value, in case of ships of Shipping Division at fair value due to change in functional currency from INR to USD; and on rest of other PPE of the Shipping Division, Ind AS 16 has been applied retrospectively.

(iii) Cumulative translation difference

A first-time adopter need not comply with the requirements of Ind AS 21 to recognise cumulative translation differences on foreign operations (i.e.cumulative translation differences that existed at the date of transition to Ind AS). If a first-time adopter uses this exemption:

a) The cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS;

b) The gain or loss on a subsequent disposal of any foreign operation must exclude translation differences that arose before the date of transition to Ind AS and shall include later translation differences.

The exemption applies to all cumulative translation differences arising from the translation of foreign operation. Accordingly, the Company has elected to apply this exemption and cumulative currency translation differences for its foreign operation is deemed to be zero by transfering it to opening retained earnings at its transition date.

(iv) Share based payment

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments, that vested before date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. The Company has elected not to apply Ind AS 102 'Share-based payment' to equity share options which got vested before April 01, 2015 (transition date).

(v) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

(vi) Investment in subsidiaries and joint venture

As per Ind AS 27, investment in subsidiaries and joint venture needs to be accounted into the books either at cost or at value determined in accordance with Ind AS 109. If a first time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure its investment at one of the following amounts in its separate opening balance sheet:
- Cost determined in accordance with the Ind AS 27; or
- Deemed cost

Deemed cost shall be either:

(a) the fair value at the entity's date of transition to Ind AS; or

(b) the carrying value as per the previous GAAP at the date of transition.

A first time adopter may choose either (a) or (b) above to measure its investment in each subsidiary and joint venture.

The Company has chosen to measure its investment in joint venture and subsidiary companies namely (i) CFCL Technologies Limited; and (ii) CFCL Infrastructure Ventures Limited at fair value on the date of transition to Ind AS.

Further, Company has decided to carry its investment in CFCL Technologies Limited (debt instrument) at value determined in accordance with Ind AS 109. Rest of the investments are carried at cost (previous GAAP carrying amounts).

(vii) Investment in debt instrument (preference shares)

The Company has decided to carry its investment in Upper Ganges Sugar & Industries Limited (debt instrument) at value determined in accordance with Ind AS 109 at fair value through profit or loss.

(b) Ind AS mandatory exceptions applied

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
-Investment in equity instruments carried at FVTPL or FVTOCI;
-Investment in debt instruments carried at FVTPL; and
-Impairment of financial assets based on expected credit loss model.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities, derecognised as a result of past transactions, was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109, prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Reconciliation of total equity as at March 31, 2016 and April 01, 2015 (Rs. in Lacs)

Particulars	Footnotes	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		232334.04	231554.96
Adjustments :-			
Fair valuation of ships of Shipping Division (net of exchange variation gain of Rs.52,780.66 lacs on translation of ships at closing exchange rate on the date of transition)	i	(46565.10)	(44807.12)
Capitalisation of ship special survey expense of Shipping Division	ii	1180.27	-
Depreciation reversal on fair valuation of ships of Shipping Division	i	2241.42	-
Depreciation on capitalisation of spares	iii	(2026.26)	(1604.09)
Depreciation on reversal of capitalisation of exchange variation on borrowings	xi	25.63	-
Investments measured at fair value	iv	9076.01	18472.09
Borrowings - transaction cost adjustment	v	655.83	1071.74
Reversal of lease rental equalisation	vi	401.50	404.06
Exchange differences on other assets and liabilities of Shipping Division (foreign operation) other than ships on translation at closing exchange rate on the date of transition	vii	105.94	105.94
Foreign currency translation reserve on translation of foreign operation	viii	597.85	-
Fair valuation of derivatives	ix	(359.26)	5.80
Proposed dividend (including dividend distribution tax)	x	9475.14	9475.14
Reversal of capitalisation of exchange variation on borrowings	xi	(321.98)	-
De-consolidation of CFCL Employees Welfare Trust	xii	(1571.30)	-
Dividend on treasury shares held by CFCL Employees Welfare Trust	xiii	42.74	-
Others	xiv	102.08	(0.92)
Deferred tax asset recognized on short term capital loss	xvii	-	461.74
Tax effects on adjustments	xvii	15214.00	15512.56
Total adjustments		**(11725.49)**	**(903.06)**
Total equity as per Ind AS		**220608.55**	**230651.90**

(d) Reconciliation of the total comprehensive income for the year ended March 31, 2016 (Rs. in Lacs)

Particulars	Footnotes	March 31, 2016
Profit after tax as per previous GAAP		8629.75
Adjustments :-		
Revaluation loss of ships of Shipping Division	i	(1757.98)
Capitalisation of ship special survey expense of Shipping Division	ii	1180.27
Fair value loss on investment at fair value through profit or loss	iv	(9606.50)
Fair value gain on investment at fair value through profit or loss	iv	210.42
Reversal of capitalisation of exchange variation on borrowings	xi	(321.98)
Depreciation impact on:		
- fair valuation of ships of Shipping Division	i	2241.42
- capitalisation of spares	iii	(422.17)
- reversal of capitalisation of exchange variation on borrowings	xi	25.63
Mark-to-market accounting on forward contracts / options	ix	(365.05)
Transaction cost amortisation at effective interest rate	v	(415.91)
Re-measurement of post employment benefits obligation	xv	(9.04)
Employee share based payments	xvi	(53.42)
Straight lining of lease rentals	vi	(2.56)
Reversal of deferred tax asset on short term capital loss	xvii	(461.74)
Others	xiv	103.18
Deferred tax on above adjustments (net)	xvii	(88.53)
Total adjustments		**(9743.96)**
Net (loss) under Ind AS (after tax)		**(1114.21)**
Other comprehensive Income		396.85
Total comprehensive income as per Ind AS		**(717.36)**

Footnotes to the reconciliation of equity as at April 01, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

i. Property, plant and equipment (PPE)

The Company has carried out fair valuation of Property, plant and equipment (ships) of Shipping Division on account of change in functional currency of the division from INR to USD. Accordingly on the date of transition to Ind AS, a decrease of Rs.44,807.12 lacs (net of exchange variation gain of Rs.52,780.66 lacs on translation of ships at closing exchange rate on the date of transition) was recognised in PPE on account of such fair valuation. This amount has been recognised in 'Retained earnings'.

Further, the Company has adopted the policy of fair valuation of ships going forward and on account of the same, the Company has recorded a fair valuation loss of Rs.1,757.98 lacs during the financial year 2015-16 and the same has been charged to the statement of profit and loss. Retained earnings as on April 01, 2015 and March 31, 2016 were impacted negatively by Rs.44,807.12 lacs and Rs.46,565.10 lacs respectively.

The above transition has resulted in decrease in depreciation expense by Rs.2,241.42 lacs in the statement of profit and loss for the year ended March 31, 2016 with a corresponding increase in 'Retained earnings'.

ii. Capitalisation of ship special survey expense

In the previous GAAP, ship special survey expenses were charged to revenue expense in the year in which incurred. Under Ind AS, the cost of major inspection is capitalised and depreciated separately over the period to the next major inspection. Accordingly, the Company has capitalised ship special survey expenses of Rs.1,180.27 lacs with a corresponding credit to the statement of profit and loss for the year ended March 31, 2016.

iii. Depreciation of property, plant and equipment

The Company has capitalised certain critical/ capital spares aggregating to Rs.2,909.51 lacs falling under the definition of Property, plant and equipment (PPE) at the date of transition to Ind AS, which were recognized as 'Inventory' under the previous GAAP. Accordingly, an amount of Rs.1,604.09 lacs being depreciation till the date of transition has been recognised in opening 'Retained earnings'.

Consequent to the above capitalisation of spares as well as further capitalisation during the year 2015-16, the depreciation expense of Rs.422.17 lacs has been recognised in the statement of profit and loss for the year ended March 31, 2016 with a corresponding decrease in 'Retained earnings'. Thus, the cumulative impact on Retained earnings was (negative) Rs.2,026.26 lacs as on March 31, 2016.

iv. Fair valuation of investments

Under the previous GAAP, investment in equity shares and debt securities were classified as long-term investments based on the intended holding period. Long-term investments were carried at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, these investments are required to be measured either at fair value or carried at previous GAAP values.

The Company has carried out fair valuation of its investment in Joint venture (Indo Maroc Phosphore S.A. (IMACID)), investment in subsidiary company namely CFCL Infrastructure Ventures Limited and investment in Upper Ganges Sugar & Industries Limited on the date of transition to Ind AS. Accordingly, an amount of Rs.18,472.09 lacs (net) has been recognised as fair value gain into the value of 'Investments' with a corresponding increase in 'Retained earnings'.

Subsequent changes in fair value of investment in CFCL Technologies Limited, a subsidiary of the Company and Upper Ganges Sugar and Industries Limited as at March 31, 2016, fair value loss of Rs.9,606.50 lacs and fair value gain of Rs. 210.42 lacs respectively has been recognized in the statement of profit and loss for the year ended March 31, 2016.

v. Borrowings- transaction cost adjustment

Under previous GAAP, the transaction costs on borrowings were charged to the statement of profit and loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method.

Accordingly, borrowings as at April 01, 2015 and March 31, 2016 have been reduced by Rs.1,071.74 lacs and Rs.655.83 lacs respectively with a corresponding adjustment to 'Retained earnings'. The profit for the year ended March 31, 2016 was reduced by Rs.415.91 lacs as a result of the additional interest expense.

vi. Straightlining of lease rentals

As per the previous GAAP, lease agreement with periodic increase in lease rentals were required to be straight lined and charged equally into the statement of profit and loss. As per Ind AS 17 'Leases', if the payments to the lessor are structured to increase in line with the expected general inflationary trend to compensate towards inflationary cost increase, lease rentals need not to be straight lined, instead it should be charged off to the statement of profit and loss as per the agreement. Accordingly the Company has credited to the Retained earnings, an amount of Rs.404.06 lacs as at April 01, 2015 and Rs.401.50 lacs as at March 31, 2016 created as lease equalisation reserve under the previous GAAP. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 was reduced by Rs.2.56 lacs as a result of the additional rent expense.

vii. Cumulative foreign currency translation reserve

The Company elected to reset the cumulative translation difference to zero generated on account of change in functional currency of Shipping Division from INR to USD on the date of transition to Ind AS. Accordingly, an amount of Rs.52,780.66 lacs on translation of ships, which is adjusted against the fair value of ships as explained in footnote (i) above, and Rs.105.94 lacs on translation of other assets and liabilities of Shipping Division has been credited into 'Retained earnings' as on April 01, 2015 (transition date).

viii. Foreign currency translation reserve on translation of foreign operation

Under Ind AS, the functional currency of the Shipping Division is assessed as USD being a foreign operation. As per rules, foreign currency translation differences arising on translation of foreign operation from functional currency to presentation currency is recognized as a component of Other Comprehensive Income. Accordingly, an amount of Rs.597.85 lacs has been credited into foreign currency translation reserve account as part of 'Statement of Changes in Equity' as on March 31, 2016.

ix. Derivative instruments

Under previous GAAP, premium on forward exchange contract was amortised over the period of the forward contract and derivatives, other than the forward exchange contract, taken against the existing underlying liabilities, which were Mark-to-market (MTM) and only losses were provided whereas gains were ignored as per the principles of prudence.

As per Ind AS 109, all the derivative instruments are mark-to-market and there is no amortisation of premium cost. Accordingly, the Company has recognized Mark-to-market loss / (gain) on the derivative instruments and reversed the amortisation of premium. Thus, an amount of Rs.5.80 lacs recognized as MTM gain as on April 01, 2015 and MTM loss of Rs.359.26 lacs as on March 31, 2016,were adjusted with 'Retained earnings'.

x. Proposed dividend and dividend distribution tax

Under previous GAAP, proposed dividend including dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In case of the Company, the declaration of dividend occurs after the year end. Therefore, the liability of Rs.9,475.14 lacs (net of dividend on treasury shares (CFCL Employees Welfare Trust) of Rs.42.80 lacs) for the year ended March 31, 2015 recorded for dividend, has been de-recognised against 'Retained earnings' on April 01, 2015. The proposed dividend including DDT for the year ended March 31, 2016 of Rs.9,475.14 lacs (net of dividend on treasury shares (CFCL Employees Welfare Trust) of Rs.42.80 lacs) recognized under previous GAAP was reduced from 'Other payables' and with a corresponding impact in the 'Retained earnings.

xi. Exchange variation on long term borrowings

Under the previous GAAP, the exchange (gain)/ loss on long term borrowings taken for the acquisition of property, plant and equipment were capitalised as part of the cost of assets. Under Ind AS, Company has elected not to adopt the option of accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP and thus exchange (gain)/ loss on translation/ settlement of long term borrowings are charged off to the statement of profit and loss.

An amount of Rs.321.98 lacs has been charged to the statement of profit and loss with a corresponding adjustment to PPE and capital work in progress as applicable. Further, consequent to above adjustment, depreciation for the financial year 2015-16 was lower by Rs.25.63 lacs.

xii. De-consolidation of CFCL Employees Welfare Trust ('Trust') under previous GAAP

In pursuance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has discontinued the consolidation of accounts of Trust with the accounts of the Company. Under Ind AS, the trust is treated as an extension of the Company's business. Company's shares purchased by the Trust from the open market, has been treated as treasury shares. Accordingly, the treasury shares are shown as a separate item in the 'Statement of Change in Equity' on the date of transition.

xiii. Dividend paid to Trust and Losses of Trust

Since the equity shares held by the Trust has been accounted for as treasury shares, accordingly the dividend received by the Trust on the equity shares of the Company held by the Trust, has been added back to 'Retained earnings' of the Company.

xiv. Others

Represents exchange variation related to a foreign operation in currencies other than USD.

xv. Re-measurement of post employment benefits

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liabilities and the return on plan assets excluding amounts included in net interest on the net defined benefit liabilities are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

Thus, the employee benefits cost is increased by Rs.9.04 lacs and re-measurement gain on defined benefit plans has been recognized in the OCI, net of tax.

xvi. Employee share based payments

Under previous GAAP, the Company recognised only the intrinsic value for the Employee Stock Option scheme as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of Rs.53.42 lacs has been recognised in statement of profit and loss for the year ended March 31, 2016. Share options totalling Rs.200.90 lacs which were granted before and yet to vest at April 01, 2015, have been recognised as a separate component in the 'Statement of Change in Equity' on the date of transition.

xvii. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has not resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP, except for the recognition of deferred tax asset on short term capital loss of Rs.461.74 lacs, recognised on the basis of reasonable certainty as on the date of transition to Ind AS.

The aforesaid deferred tax created above has been realised during the financial year 2015-16 against the short term capital gain earned on sale of mutual funds.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained Earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs.15,512.56 lacs (March 31, 2016 : Rs.15,214.00 lacs).

xviii. Other Comprehensive Income

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to Total Comprehensive Income as per Ind AS.

xix. Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows, except that unpaid dividend is now not part of the cash and cash equivalents.

50. Details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 are provided in the table below:-

(Rs. in Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.66	0.69	3.35
(+) Permitted receipts	-	17.02	17.02
(-) Permitted payments	-	(14.29)	(14.29)
(-) Amount deposited in Banks	(2.66)	(0.01)	(2.67)
Closing cash in hand as on 30.12.2016	-	**3.41**	**3.41**

51. (a) During the year ended March 31, 2016, the Company has entered into an agreement for sale of a ship - Ratna Puja in March 2016 and the ship was delivered to the buyer in April 2016. Thus, the Company has made a provision for revaluation/ impairment loss of Rs.1,402.78 lacs as a result of sale transaction of the aforesaid ship and the same has been recognised in discontinued operations in the statement of profit and loss (refer note 46(A)(ii)).

(b) During the year ended March 31, 2016, the Company has carried out the fair valuation of remaining ships and on account of the same, the Company has recognized a fair valuation/ revaluation loss of Rs.11,417.33 lacs and the same has been recognised in discontinued operations in the statement of profit and loss (refer note 46(A)(ii)).

52. With effect from April 01, 2016, the Company has re-assessed and made upward revision in the useful lives of plant and equipment of Fertiliser and other Agri-inputs division of the Company. According to the management, the revised useful lives of the plant and equipment properly reflect the period over which the same is expected to be used. In view of this change, depreciation for the year ended March 31, 2017 is lower by Rs.2,320.99 lacs.

53. The Company is in the process of setting up a new Urea plant namely Gadepan III ('Project') under the New Investment Policy 2012 (amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Project has been awarded on a Lumpsum Turnkey (LSTK) basis. The milestone based payments are being made to the LSTK contractors for the purpose of accomplishment of the Project. The entire amount paid to LSTK contractors for the Project on the basis of achievement of milestones of Rs.148,681.38 lacs as at March 31, 2017 (March 31, 2016 : Rs.49,935.08 lacs and April 01, 2015 : Nil) is included under 'Capital work-in-progress'.

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) Fair valuation of property, plant and equipment of Shipping Division

The property, plant and equipment (PPE) of shipping division of the Company has been measured at fair value on account of change in functional currency of the Shipping Division on the date of transition to Ind AS with changes in fair value being recognized in the statement of profit and loss. The Company engaged an independent valuer to assess fair value of ships as at April 01, 2015, March 31, 2016 and March 31, 2017. Ships were valued by reference to active market prices, significantly adjusted for difference in the type and utility of the specific ship, present international market scenario, age and remaining life of the specific ship.

c) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 36 to the financial statements.

d) 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 has Rs.54,264.58 lacs (March 31, 2016: Rs.31,392.75 lacs and April 01, 2015: Rs.31,392.75 lacs) of carried forward tax losses on long term / short term capital losses. These losses majorly relate to the loss on voluntary liquidation of a subsidiary of the Company and merger of a subsidiary of the Company with its wholly owned subsidiary and will expire in 6 to 8 years and may be used to offset taxable income arising in the future. At present, the Company does not have any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Company was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.15,177.32 lacs (March 31, 2016: Rs.7,242.94 lacs and April 01, 2015 : Rs.7,242.94 lacs). Further details on taxes are disclosed in note 40 to the financial statements.

e) 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 obligations are given in note 31 to the financial statements.

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow method. The inputs to these models are taken from observable markets whereever 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 42.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place: New Delhi
Date : May 20, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Chambal Fertilisers and Chemicals Limited ("the Company"), its subsidiaries (collectively referred to as "the Group") and joint venture comprising the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended. 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 of the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; the 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 the 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 financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the 'Other matter' paragraph, 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 purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 and taken on record by the Board of Directors of the Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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 and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group and joint venture – Refer Note 27(A) & 37(a) to the consolidated financial statements;

   ii. The Group and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries incorporated in India.

   iv. The Company (including Shipping Division of the Company) and its subsidiary incorporated in India, have provided requisite disclosures in Note 55 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company (including Shipping Division of the Company) and its subsidiaries incorporated in India and as produced to us by the Management of the Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of certain subsidiaries and Shipping Division of the Company, whose financial statements include total assets of Rs.74,837.13 lacs and net assets of Rs.(83,228.27) lacs as at March 31, 2017, total revenues of Rs.55,411.91 lacs (including Rs.37,675.68 lacs recognised in discontinued operations in the consolidated statement of profit and loss – Refer note 50(A)(ii) & (iii)) and net cash inflows of Rs.1,353.79 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditors' reports have been furnished to us. The consolidated financial statements also include the Group's share of net profit of Rs.271.59 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements and, other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Shipping Division and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, Shipping Division and joint venture, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Chambal Fertilisers and Chemicals Limited

In conjunction with our audit of the consolidated financial statements of Chambal Fertilisers and Chemicals Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Chambal Fertilisers and Chemicals Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are 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 (the "Guidance Note"). 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

Our responsibility is to express an opinion on the Company's and its subsidiaries', which are companies incorporated in India internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 paragraph "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, insofar as it relates to 4 subsidiary companies, which are companies incorporated in India and Shipping division, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India and Shipping division.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta
Partner
Membership Number: 87921

Place : New Delhi
Date : May 20, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	109569.72	171387.54	203492.11
Capital work-in-progress	29 & 54	170587.91	62923.49	9146.49
Goodwill	4	3390.14	4722.92	31276.63
Other intangible assets	4	3242.49	3181.55	4163.26
Intangible assets under development		631.88	970.80	539.31
Investment in a joint venture	37(a)	17355.22	18916.20	17689.89
Financial assets:	5			
i. Investments	5A	2.48	2,191.67	1989.49
ii. Loans	5B	123.61	161.16	226.71
iii. Others financial assets	5C	828.97	643.58	785.97
Deferred tax assets (net)	46	35.19	39.45	-
Income tax assets (net)		5667.74	9608.80	5153.71
Other non-current assets	6	7291.55	12029.72	4780.37
Total non-current assets		**318726.90**	**286776.88**	**279243.94**
Current assets				
Inventories	7	84935.25	86839.16	57490.31
Financial assets:	8			
i. Trade receivables	8A	303619.88	386119.56	307831.09
ii. Cash and cash equivalents	8B	10944.07	2608.40	4905.50
iii. Bank balances other than (ii) above	8C	2269.66	2818.96	2276.04
iv. Loans	8D	32.27	48.00	63.22
v. Others financial assets	8E	12833.43	13598.10	2445.49
Income tax assets (net)		2247.40	0.11	10501.30
Other current assets	9	8738.51	6362.16	6717.90
Assets classified as held for sale	50(B)	61366.51	27196.35	22101.40
Total current assets		**486986.98**	**525590.80**	**414332.25**
Total Assets		**805713.88**	**812367.68**	**693576.19**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	41620.79	41620.79	41620.79
Other equity	10A	170732.77	145068.67	133602.71
Equity attributable to equity holders of the Parent Company		**212353.56**	**186689.46**	**175223.50**
Non-controlling interests		**(8256.85)**	**(7686.83)**	**-**
Total Equity		**204096.71**	**179002.63**	**175223.50**
Liabilities				
Non-current liabilities				
Financial liabilities	11			
i. Borrowings	11A	143198.38	107286.65	110918.23
ii. Other financial liabilities	11B	190.25	12.14	826.91
Provisions	12	523.56	449.45	323.16
Deferred tax liabilities (net)	46	18334.44	24628.53	26795.30
Other non current liabilities	13	249.76	212.39	-
Total non-current liabilities		**162496.39**	**132589.16**	**138863.60**
Current liabilities				
Financial Liabilities	14			
i. Borrowings	14A	318589.73	392071.52	300385.94
ii. Trade payables	14B	24057.41	44932.68	22037.52
iii. Other financial liabilities	14C	36857.97	50676.70	41659.75
Other current liabilities	15	4651.34	4273.62	6038.24
Provisions	16	2745.40	2546.82	2925.66
Income tax liabilities (net)		584.75	1523.67	772.76
Liabilities directly associated with assets classified as held for sale	50(A)	51634.18	4750.88	5669.22
Total current liabilities		**439120.78**	**500775.89**	**379489.09**
Total Liabilities		**601617.17**	**633365.05**	**518352.69**
Total Equity and Liabilities		**805713.88**	**812367.68**	**693576.19**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
Continuing operations			
Revenue from operations	17	757361.52	902794.64
Other income	18	13700.10	7655.66
Total Income		**771061.62**	**910450.30**
Expenses			
Cost of materials consumed	19	152944.71	203211.20
Purchase of traded goods		322770.98	407783.89
(Increase) / decrease in inventories of work-in-process, finished goods and traded goods	20	260.95	(29849.84)
Excise duty on sale of goods		2016.85	1999.67
Employee benefits expense	21	14188.26	16681.19
Finance costs	22	25395.13	26586.20
Depreciation and amortisation expense	3 & 4	9220.21	11125.39
Freight to charter-in ship		1701.19	2648.83
Other expenses	23	185861.19	224711.23
Total Expenses		714359.47	864897.76
Profit before share of profit of a joint venture, exceptional items and tax from continuing operations		**56702.15**	**45552.54**
Share of profit of a joint venture	37(a)	271.59	4126.20
Profit before exceptional items and tax from continuing operations		**56973.74**	**49678.74**
Exceptional items	24	410.88	6874.37
Profit before tax from continuing operations		**56562.86**	**42804.37**
Tax expense:			
(1) Current tax	44, 45 & 46	16731.50	15998.74
(2) Tax related to earlier years		(69.65)	(321.06)
(3) Deferred tax charge	45	1889.93	367.86
Income tax expense		**18551.78**	**16045.54**
Profit for the year from continuing operations		**38011.08**	**26758.83**
Discontinued operations			
(Loss) before tax for the year from discontinued operations	50	(9602.42)	(10753.95)
Tax expense/ (credit) of discontinued operations	46	(7487.69)	1270.20
(Loss) for the year from discontinued operations		**(2114.73)**	**(12024.15)**
Profit for the year		**35896.35**	**14734.68**
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to profit or loss:			
- Re-measurement (loss) on defined benefit plans		(110.22)	(2.94)
- Income tax (expense) /credit relating to above item		47.00	(3.13)
Net OCI that will not be re-classified to profit or loss		**(63.22)**	**(6.07)**
B. Items that will be re-classified to profit or loss:			
- Exchange differences on translation of foreign operations		(525.62)	(2,093.35)
- Income tax (expense) /credit relating to above item		42.67	(206.91)
Net OCI that will be re-classified to profit or loss		(482.95)	(2300.26)
OCI for the year, net of tax		**(546.17)**	**(2306.33)**
Total Comprehensive Income for the year		**35350.18**	**12428.35**
Profit for the year attributable to :		**35896.35**	**14734.68**
Equity holders of the Parent Company		36213.89	22096.22
Non-controlling interests		(317.54)	(7361.54)
Other comprehensive income for the year attributable to:		**(546.17)**	**(2306.33)**
Equity holders of the Parent Company		(293.70)	(1981.04)
Non-controlling interests		(252.47)	(325.29)
Total Comprehensive income for the year attributable to:		**35350.18**	**12428.35**
Equity holders of the Parent Company		35920.20	20115.18
Non-controlling interests		(570.02)	(7686.83)
Earnings per share attributable to equity holders of the Parent			
Earnings per equity share (for continuing operations): Basic and Diluted (in Rs.)	25	9.15	6.97
Earnings per equity share (for discontinued operations): Basic and Diluted (in Rs.)	25	(0.45)	(1.66)
Earnings per equity share (for continuing and discontinued operations): Basic and Diluted (in Rs.)	25	8.70	5.31

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
A.	**Cash flow from operating activities :**			
	Profit before tax from continuing operations		56562.86	42804.37
	(Loss) before tax from discontinued operations	**50(A)**	(9602.42)	(10753.95)
	Profit before tax		**46960.44**	**32050.42**
	Adjustments for :			
	Depreciation, impairment and amortisation	**3 & 4**	13578.49	16949.77
	Goodwill on consolidation written off	**23**	358.72	-
	Impairment loss on goodwill on consolidation	**4**	-	20557.36
	Impairment loss on ships	**50(A)(ii)**	10344.95	1402.78
	Capital expenditure / advance written off	**24**	410.88	-
	Loss on disposal of property, plant and equipment (net)		183.32	178.42
	Loss on ships mandatorily measured at fair value		-	11417.33
	Mark to market gain on derivative transactions		(1112.41)	(1219.78)
	Fair value gain on financial instrument at fair value through profit or loss	**18**	(810.84)	(210.42)
	Gain on sale of non current investments	**18**	(534.00)	-
	(Profit) from sale of current investments	**18**	(2884.94)	(3641.18)
	Fair value change of share warrants net gain	**18**	(0.14)	(56.90)
	Un-realised foreign exchange variation (gain) / loss		(8175.08)	3593.41
	Realised foreign exchange variation (gain) / loss		1086.44	853.48
	Allowance for doubtful debts and advances (net)		209.43	402.28
	Liabilities no longer required written back		(257.11)	(139.67)
	Catalyst charges written off	**23**	699.70	630.85
	Irrecoverable balances written off	**23**	336.59	24.65
	Share of profit of a joint venture	**37(a)**	(271.59)	(4126.20)
	Employee share based payment expense/ (reversal) of employee share based payment expense (net)	**21**	(787.99)	592.42
	Interest expense		26614.22	29332.73
	Interest (income)		(2021.00)	(2089.59)
	Gain on sale of discontinued operations		(69.56)	(3813.19)
	Dividend (income)	**18**	-	(0.20)
	Operating profit before working capital changes		**83858.52**	**102688.77**
	Movement in working capital :			
	Decrease/ (increase) in trade receivables		79259.45	(81104.97)
	(Increase) in other financial assets		(217.61)	(10818.01)
	(Increase) in other assets		(2230.19)	(506.90)
	(Increase) in inventories		(473.25)	(29569.19)
	(Decrease)/ increase in trade creditors, other liabilities and provisions		(15425.59)	30136.21
	Cash generated from operations		**144771.34**	**10825.91**
	Direct taxes paid (net of refunds)		(16821.53)	(13477.67)
	Net cash flow from/ (used in) operating activities		**127949.81**	**(2651.76)**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment & intangible		(103236.22)	(63955.73)
	Proceeds from sale of property, plant and equipment & intangible		15317.05	103.05
	Fixed deposits (placed) / matured (Net) (having original maturity of more than three months)		598.15	(464.98)
	Proceeds from sale of non-current investments		3534.00	8.24

(Rs. in Lacs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
	Distribution received from joint venture	**37(a)**	2101.46	1932.95
	Proceeds from sale of current investments		2884.94	3641.18
	Net proceeds from sale of discontinued operation (textile business)	**50(A)(i)**	-	22757.45
	Net proceeds from sale of discontinued operation (KPO business of software)	**50(A)(iii)**	7708.23	-
	Interest received		2029.51	2062.65
	Dividend received	**18**	-	0.20
	Net cash flow (used in) investing activities		**(69062.88)**	**(33914.99)**
C.	**Cash flow from financing activities**			
	Proceeds from long term borrowings		90722.13	21563.36
	Repayment of long term borrowings		(32856.57)	(30263.22)
	Proceeds from buyer's credit		242719.32	269535.22
	Repayment of buyer's credit		(368563.28)	(212235.78)
	Net proceeds from short term borrowings		59926.41	28175.32
	Proceeds/ (repayment) of line of credit facility		(3724.41)	686.40
	Proceeds from issue of shares (including securities premium)		-	1438.79
	Payment of transaction costs related to borrowings		(734.94)	(4884.26)
	Realised mark to market gain on derivative transaction		1112.41	-
	Interest paid		(29388.54)	(28979.48)
	Dividend paid		(7865.19)	(7865.30)
	Tax on dividend paid		(1335.00)	(971.62)
	Net cash from/ (used in) financing activities		**(49987.66)**	**36199.43**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**8899.27**	**(367.32)**
	Foreign currency translation difference		(1267.87)	(837.91)
	Cash and cash equivalents at the beginning of the year (net of escrow accounts of Nil {April 01, 2015 : Rs.135.04 lacs)}		3565.23	4770.46
	Cash and cash equivalents at the end of the year		**11196.63**	**3565.23**
	Components of cash and cash equivalents:			
	Balances with banks :			
	- on current accounts		2893.06	1515.15
	- on cash credit accounts		43.25	86.28
	- on saving accounts		-	3.94
	- Deposits with original maturity of less than three months		8000.00	1000.00
	Cheques on hand		3.76	-
	Cash on hand		4.00	3.03
	Cash and cash equivalents of continuing operations	**8B**	**10944.07**	**2608.40**
	Add: Cash at bank and on hand attributable to discontinued operations (net of escrow accounts of Nil (March 31, 2016 : Rs.92.46 lacs))	**50(A)(ii) & 50(A)(iii)**	252.56	956.83
	Total cash and cash equivalents		**11196.63**	**3565.23**

Note: Cash flow from operating activities for the year ended on March 31, 2017 is after considering corporate social responsibility expenditure of Rs.945.83 lacs (Previous year : Rs.905.86 lacs).

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A : Equity share capital

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

	(Rs. in Lacs)
At April 01, 2015	41620.79
At March 31, 2016	41620.79
At March 31, 2017	**41620.79**

B : Other equity

For the year ended March 31, 2017 (Rs. in Lacs)

Particulars	Attributable to the equity holders of the Parent Company												Non-controlling interests	Total
	Reserves and Surplus										Items of Other Comprehensive Income	Total other equity		
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operations			
As at April 01, 2016	(1744.15)	(14.11)	20.95	641.59	25.00	38,504.61	425.00	3850.00	3373.92	101964.15	(1978.29)	145068.67	(7686.83)	137381.84
Profit / (loss) for the year	-	-	-	-	-	-	-	-	-	36213.89	-	36213.89	(317.54)	35896.35
Other comprehensive income (net of tax):														
- Re-measurement gain/ (loss) on defined benefit plans	-	-	-	-	-	-	-	-	-	(68.70)	-	(68.70)	5.48	(63.22)
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(224.99)	(224.99)	(257.96)	(482.95)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36145.19**	**(224.99)**	**35920.20**	**(570.02)**	**35350.18**
Cash dividends (including dividend distribution tax) (refer note 49)	-	-	-	-	-	-	-	-	-	(9517.90)	-	(9517.90)	-	(9517.90)
(Reversal) of employee share based payment expense (net) (refer note 36)*	-	-	-	-	-	-	-	-	(822.25)	0.00	-	(822.25)	-	(822.25)
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-	-	-
Any other credit (refer note below)	-	-	-	-	-	-	-	-	-	84.05	-	84.05	-	84.05
As at March 31, 2017	**(1744.15)**	**(14.11)**	**20.95**	**641.59**	**25.00**	**43504.61**	**425.00**	**3850.00**	**2551.67**	**123675.49**	**(2203.28)**	**170732.77**	**(8256.85)**	**162475.92**

* including foreign currency translation difference (gain) of Rs. 34.27 lacs.

For the year ended March 31, 2016 (Rs. in Lacs)

Particulars	Attributable to the equity holders of the Parent Company												Non-controlling interests	Total
	Reserves and Surplus										Items of Other Comprehensive Income	Total other equity		
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operations			
As at April 01, 2015	(1744.15)	(14.11)	20.95	641.59	25.00	38504.61	425.00	3850.00	2643.73	89250.09	-	133602.71	-	133602.71
Profit / (loss) for the year	-	-	-	-	-	-	-	-	-	22096.22	-	22096.22	(7361.54)	14734.68
Other comprehensive income (net of tax):														
-Re-measurement gain/ (loss) on defined benefit plans	-	-	-	-	-	-	-	-	-	(2.75)	-	(2.75)	(3.32)	(6.07)
-Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(1978.29)	(1978.29)	(321.97)	(2300.26)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22093.47**	**(1978.29)**	**20115.18**	**(7686.83)**	**12428.35**
Cash dividends (including dividend distribution tax) (refer note 49)	-	-	-	-	-	-	-	-	-	(9517.90)	-	(9517.90)	-	(9517.90)
Employee share based payment expense (refer note 36)*	-	-	-	-	-	-	-	-	730.19	-	-	730.19	-	730.19
Any other credit (refer note below)	-	-	-	-	-	-	-	-	-	138.49	-	138.49	-	138.49
As at March 31, 2016	**(1744.15)**	**(14.11)**	**20.95**	**641.59**	**25.00**	**38504.61**	**425.00**	**3850.00**	**3373.92**	**101964.15**	**(1978.29)**	**145068.67**	**(7686.83)**	**137381.84**

* including foreign currency translation difference (loss) of Rs. 137.78 lacs.

Note: Any other credit in retained earnings represents (a) dividend on treasury shares; and (b) savings of dividend distribution tax on equity dividend.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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, 2017. 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 one of the largest manufacturer of Urea in private sector in India and also deals in other fertilisers and Agri inputs ('Fertiliser Division'). Apart from that, the Group is also engaged in Shipping business and Software business. The Group operates its Shipping business through two overseas subsidiaries and Shipping Division of the Parent Company. Shipping Division of the Parent Company has been reported as discontinued operations in the consolidated financial statements (refer note 50(A)(ii)). It also has a joint venture for manufacture of Phosphoric Acid in Morocco. Further, the Parent Company is in the process of setting up a new Urea plant under the New Investment Policy 2012 (amended) of the Government of India at its existing plant location at Gadepan District, Kota (Rajasthan).

These consolidated financial statements were authorised for issuance by the Board of Directors of the Parent Company in their meeting held on May 20, 2017.

2. Significant Accounting Policies

2.1 Basis of preparation

The Consolidated Financial Statements (CFS) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Group has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements of the Group for all periods covered therein upto and including the year ended March 31, 2016 were prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

These financial statements for the year ended March 31, 2017 are the first financial statements of the Group prepared in accordance with Ind AS. Refer note 51 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

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;
- Property, plant and equipment of Shipping Division of the Parent Company; and
- Investment in debt instrument (i.e. preference shares)

The consolidated financial statements of the Group are presented in Indian Rupee (Rs.) and all values are rounded to the nearest lacs (Rs. 00,000.00), except when otherwise indicated.

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, except for joint venture namely Indo Maroc Phosphore S.A., (IMACID) where the audited accounts were drawn up as at December 31, 2016.

Further, during the year, one of the subsidiary of the Parent Company namely CFCL Ventures Limited along with its downstream subsidiaries has prepared its accounts for the period of 15 months i.e. January 01, 2016 to March 31, 2017 (comparative being 12 months i.e. from January 1, 2015 to December 31, 2015 & adjustments have been made for the period subsequent to that date for significant transactions, if any) so as to align its reporting period with that of the Parent Company.

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 AS12 Income Taxes' applies to temporary differences that arise from the elimination of profits or losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The accumulated loss attributable to non-controlling interests in excess of their equity on the date of transition to Ind AS has been restricted to zero in accordance with Ind AS 101.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

2.3 Summary of significant Accounting Policies

i) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The joint venture is following a calendar year for preparing its annual accounts. Accordingly, the financial statements of the joint venture are drawn up as at December 31, 2016. The same has been considered for the purpose of equity accounting in the consolidated financial statements.

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

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 Rupee (Rs.), which is Parent Company's functional and presentation currency, except in case of Shipping Division of the Parent Company which has determined United States Dollars-'(USD)' as its functional currency and therefore categorised as a foreign operation.

The functional currency of the Shipping Division of the Parent Company is determined to be USD since it primarily generates and expends cash in USD. The following factors have been considered to determine USD as the functional currency of the Shipping Division:

1. the contracts and billing for deployment of ships are in USD i.e. the currency that mainly influences sales prices for services;
2. the major operating expenses (port dues, bunkers, major portion of salaries of crew members and insurance cost) are denominated and settled in USD; and
3. the borrowings of the Shipping Division have been drawn and settled in USD;

(b) Initial recognition

Transactions in foreign currencies are initially recorded by the Group' entities at their respective functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(c) Conversion

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

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss (also refer note 2.3(xvi) below).

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

(e) Translation of a foreign operations

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

(i) assets and liabilities for each balance sheet presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of profit and loss presented (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 a foreign operation, the associated exchange differences relating to that particular foreign operation are re-classified to profit or loss, as part of the gain or loss on disposal.

Goodwill arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate in effect at the balance sheet date.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, namely, April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation 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

The Group uses derivative financial instruments, such as forward currency contracts, options and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or 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, 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 measurement, such as assets held for disposal in discontinued operation.

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 agreeing to the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

vi) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 50. All other notes to the financial statements mainly include amounts for continuing operation, unless otherwise mentioned.

vii) Property, plant and equipment

On transition to Ind AS i.e. April 01, 2015, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE, except for the PPE pertaining to Shipping Division of the Parent Company which has been measured at fair value at the date of transition to Ind AS on account of change in the functional currency of Shipping Division and regarded that fair value as deemed cost at the date of transition.

PPE are stated at cost, except the PPE of the Shipping Division, net of accumulated depreciation and accumulated impairment losses, if any. Ships of Shipping Division are measured at fair value and for other items of PPE of the Shipping Division, Ind AS- 16 has been applied retrospectively. 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.

Ships of Shipping Division are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. Any gain or loss on the fair valuation is recognized in the statement of profit and loss.

Ship special survey expenses are being capitalised and depreciated over the life of next special survey.

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

viii) Depreciation on PPE

Depreciation on PPE is calculated using the straight-line method as per the useful lives of the assets estimated by the management which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013, other than the cases as mentioned in para (i) to (x) 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 Fertiliser Division of the Parent Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Major plant and equipment of Fertiliser Division	On technically assessed useful lives of 30 years.
(iii)	Components (plant and equipment) of Fertiliser Division	Over their useful lives ranging from 18 to 25 years.
(iv)	- Major inspection of plant and equipment of Fertiliser Division - Major overhauling of plant and equipment of Fertiliser Division	Over the period of 10 years to the next major inspection. Over the remaining useful life of related plant and equipment or useful life of overhauling ranging from 8 to 25 years, whichever is lower.
(v)	Certain plant and equipment of Fertiliser Division	On technically assessed remaining useful lives of such assets ranging from 1 to 2 years.
(vi)	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.
(vii)	Ships of Shipping Division	25 years based on the technical evaluation, as the ships are double hull crude oil/ product tankers. The life is estimated to be 25 years, as such kind of ships are allowed for acquisition without technical clearance and further charter-in of such ships are permitted subject to CAP2 (condition assessment program) rating provided the life is below 25 years. The amount of depreciation is calculated after considering gain/ loss on fair valuation of each ship at the beginning of the year.
(viii)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(ix)	Railway siding	25 years based on technical evaluation that the railway siding is currently in use.
(x)	PPE of Software business	-Computers and accessories – 3 years -Furniture and fixtures – 5 years -Vehicles – 5 years

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

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

ix) Intangible Assets

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

Software

Management of the Group assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of five years on straight line basis.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

In case of subsidiary company

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, is again recognized immediately in net profit in the consolidated statement of profit and loss. Goodwill is measured at cost less accumulated impairment losses.

In respect of business combinations that occurred prior to January 1, 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles.

b. Other intangible assets

Other intangible assets comprise of intellectual property rights, software and internally developed software platforms.

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

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated statement of profit and loss as incurred. Development activities involve a plan or design for the production of new or substantially improved software products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the subsidiary company intends to and has sufficient resources to complete development and to use the asset. The capitalized expenditure includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and is classified as internally developed software platforms. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of profit and loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for both internally developed software platforms and acquired software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

x) Impairment of non-financial assets

a. PPE and Intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

b. Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGU 's or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of profit and loss and is not reversed in the subsequent period.

xi) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Finance leases, which effectively transfer to the Group substantially, all the risks and rewards incidental to the ownership of the leased item, 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. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 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 sole payments of principal and interest.

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 other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

For the purposes of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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 from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xiii) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiv) Dividend to equity holders of the Parent Company

The Group recognises a liability to make dividend distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xv) Inventories

Inventories are valued as follows:

Bunkers remaining on board*	Lower of cost and net realisable value. Cost is determined on weighted average basis.
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 of Finished goods includes excise duty. 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

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

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xvii) Revenue Recognition

Revenue is recognised 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 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 criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue, including subsidy, in respect of sale of products is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and rebates. The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. The Group collects sales tax and value added tax ("VAT") on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Subsidy on Urea including freight have been accounted on the basis of notified concession prices as under:

(i) the New Pricing Scheme – Stage III and New Investment Policy 2008 for the period from April 1, 2015 to May 31, 2015;

(ii) New Urea Policy 2015 from June 1, 2015 onwards; and

(iii) Uniform Freight Policy

The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

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

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

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

(b) Income from operations of ships

In respect of voyage charter, revenue is recognized on proportionate number of days of respective voyage. In case of time charter (including cost plus charter), revenue is recognized on time proportion basis. Bunker is recognized on actual quantity consumed. Dispatch money / demurrage is considered as part of freight.

(c) Income from operations of Software business

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

Revenue from software services is derived upto March 31, 2016, from business process outsourcing (BPO) / knowledge process outsourcing (KPO) services as well. These services are provided either on time and material, fixed-price fixed-time frame 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 time and material 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. The Group also generates upfront, non-refundable revenues from process transition activities. Revenue and costs attributable to such process transition activities are deferred where such activities do not represent the culmination of a separate earnings process. Such revenue and related costs are recognized ratably over the period in which the related services are performed.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. When the Group receives advances for its services, such amounts are reflected as advance received from customers until all conditions for revenue recognition are met. The Group presents revenues net of service taxes and value added taxes, but gross of certain reimbursements in its consolidated statement of profit and loss.

'Unbilled revenue' represents value of services rendered in excess of amounts billed to the customer as at the balance sheet date.

'Unearned revenue' represents the amounts billed to the customer in excess of value of services rendered as at the balance sheet date.

(d) **Interest income**

Interest income from debt instruments measured at amortised cost, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(e) **Dividend**

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

(f) **Insurance Claims**

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

xviii) Government grants and subsidies

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

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

xix) Retirement and other employee benefits

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

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

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

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

(d) Retirement benefit in the form of post-retirement medical benefits is a defined benefit obligation in case of Fertiliser Division of the 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.

(f) The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. 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.

(g) Long Service Awards: Long service awards are other long-term benefits accruing to all eligible employees of the Fertiliser Division 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.

(h) Settlement allowance: Settlement allowance are other long-term benefits accruing to the eligible employees of the Fertiliser Division 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (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.

xx) Income Taxes

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

xxi) 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 makers review the performance of the Group according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Segment accounting policies

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

xxii) 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.

xxiii) **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.

xxiv) Share-based payments

Parent Company

Share-based compensation benefits are provided to employees via the Parent Company's Employee stock Option Scheme. The fair value of options granted under the Employee stock Option Scheme of the Parent Company is recognised as an employee benefits expense with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Subsidiary Company

Employee stock compensation costs for stock options are recognized as employee benefit expenses in accordance with the guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India (ICAI), based on the grant date fair value of the options granted to employees. The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton valuation model on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behavior of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

xxv) Treasury shares

The Group has created CFCL Employees Welfare Trust ('Trust') for providing share-based payment to its employees. The Group uses Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust has bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

xxvi) 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.

Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 01, 2017.

(i) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

(ii) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the financial statements will be given in due course.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and equipment	Factory equipment	Office equipment	Furniture and fittings	Vehicles	Ships	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT													
Deemed Cost / Fair valuation													
As at April 01, 2015	**433.27**	**429.76**	**9433.85**	**167.95**	**118.67**	**377.88**	**92300.17**	**797.40**	**873.44**	**560.88**	**491.05**	**97507.80**	**203492.12**
Additions	-	-	239.41	-	-	15.80	1192.90	67.06	401.42	26.90	1020.54	1325.92	4289.95
Deletions	-	-	(4.56)	-	-	-	(65.96)	(2.96)	(30.69)	(30.13)	(54.22)	-	(188.52)
Discontinued operations {refer note (50(A)(iii)}	-	-	-	(102.90)	-	-	-	-	(235.69)	-	(0.01)	-	(338.60)
Adjustments	-	-	-	-	-	-	74.63	-	-	-	-	(16913.06)	(16838.43)
Foreign currency translation difference	-	-	0.02	2.36	-	-	-	-	5.08	22.72	3.70	5,664.72	5698.60
As at March 31, 2016	**433.27**	**429.76**	**9668.72**	**67.41**	**118.67**	**393.68**	**93501.74**	**861.50**	**1013.56**	**580.37**	**1461.06**	**87585.38**	**196115.12**
Additions	-	-	269.13	13.90	-	-	15502.92	448.01	292.94	43.36	164.37	1.72	16736.35
Deletions	-	-	(36.71)	-	-	(0.48)	(770.68)	(3.34)	(13.45)	(2.10)	(110.72)	-	(937.48)
Discontinued operations {refer note 50(A)(ii)}	-	-	-	-	-	-	-	-	-	-	-	(88683.69)	(88683.69)
Foreign currency translation difference	-	-	(0.01)	0.94	-	-	-	-	(3.18)	(8.38)	(0.30)	1096.59	1085.66
As at March 31, 2017	**433.27**	**429.76**	**9901.13**	**82.25**	**118.67**	**393.20**	**108233.98**	**1306.17**	**1289.87**	**613.25**	**1514.41**	**-**	**124315.96**
Depreciation and impairment													
As at April 01, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year {refer footnote (9) below}	-	5.84	329.06	37.93	34.54	28.40	7481.60	74.24	520.80	118.12	314.78	5342.62	14287.93
Deletions	-	-	-	-	-	-	(5.16)	(0.63)	(7.41)	(0.07)	(27.84)	-	(41.11)
Discontinued operations {refer note (50(A)(iii)}	-	-	-	(32.92)	-	-	-	-	(165.22)	-	(0.01)	-	(198.15)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	(931.45)	(931.45)
Foreign currency translation difference	-	-	-	0.29	-	-	-	-	(4.38)	0.85	0.20	54.64	51.60
As at March 31, 2016	**-**	**5.84**	**329.06**	**5.30**	**34.54**	**28.40**	**7476.44**	**73.61**	**343.79**	**118.90**	**287.13**	**4465.81**	**13168.82**
Charge for the year {refer footnote (9) below}	-	5.84	335.20	15.22	34.54	18.21	5034.63	74.70	293.93	257.76	319.55	3898.54	10288.12
Impairment {refer note 50(A)(ii)}	-	-	-	-	-	-	-	-	50.80	-	-	-	50.80
Deletions	-	-	(0.80)	-	-	-	(303.73)	(0.95)	(2.90)	1.33	(59.45)	-	(366.50)
Discontinued operation (refer note 50(A)(ii)	-	-	-	-	-	-	-	-	-	-	-	(8420.27)	(8420.27)
Foreign currency translation difference	-	-	-	1.03	-	-	-	-	(21.87)	(9.50)	(0.30)	55.92	25.28
As at March 31, 2017	**-**	**11.68**	**663.46**	**21.55**	**69.08**	**46.61**	**12207.34**	**147.36**	**663.75**	**368.49**	**546.93**	**-**	**14746.25**
Revaluation													
As at April 01, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the year {refer note 52(b)}	-	-	-	-	-	-	-	-	-	-	-	11417.33	11417.33
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	141.43	141.43
As at March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11558.76**	**11558.76**
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operation (refer note 50(A)(ii)	-	-	-	-	-	-	-	-	-	-	-	(11703.48)	(11703.48)
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	144.72	144.72
As at March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value													
As at March 31, 2016	**433.27**	**423.92**	**9339.66**	**62.11**	**84.13**	**365.28**	**86025.30**	**787.89**	**669.77**	**461.47**	**1173.93**	**71560.81**	**171387.54**
As at March 31, 2017	**433.27**	**418.08**	**9237.67**	**60.70**	**49.59**	**346.59**	**96026.64**	**1158.81**	**626.12**	**244.76**	**967.48**	**-**	**109569.72**

Footnotes:

1. Freehold land having carrying value Rs.0.89 lac (March 31, 2016 : Rs.0.89 lac and April 01, 2015 : Rs.0.89 lac), Leasehold land having carrying value of Rs. 32.04 lacs (March 31, 2016 : Rs.32.49 lacs and April 01, 2015 : Rs. 32.93 lacs) and Buildings having carrying value of Rs.390.98 lacs (March 31, 2016 : Rs.397.46 lacs and April 01, 2015 : Rs.403.93 lacs) are yet to be registered in the Company's name.
2. The carrying value of Buildings includes Rs.0.29 lac (March 31, 2016 : Rs.0.30 lac and April 01, 2015 : Rs.0.31 lac) representing undivided share in assets jointly owned with others.
3. Adjustment to plant and equipment in the previous year included machinery having a carrying value of Rs.148.34 lacs transferred from 'Assets held for sale ' during the previous year.
4. Adjustment from plant and equipment in the previous year included cenvat credit of Rs.0.35 lac related to earlier years but availed during the previous year.
5. Adjustment from plant and equipment in the previous year included Rs.73.36 lacs being liabilities written back during the previous year.
6. Deletions from plant and equipment during the year includes equipment having gross block of Rs.347.77 lacs (Previous year : Nil) and accumulated depreciation of Rs.186.85 lacs (Previous year : Nil) transferred to 'Assets held for sale' refer note 50(B).
7. **Fair value measurement of Ships**

   The Parent Company's ships are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment/ revaluation losses. The fair value measurements of the ships as at April 01, 2015 (date of transition to Ind AS) were performed by Messrs UBA Insurance Surveyors And Loss Assessors LLP, independent valuer not related to the Parent Company, who have appropriate qualification and relevant valuation experience in the fair value measurement of ships in relevant locations. Fair value of the ships was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the type and utility of the specific ship, present international market scenario, age and remaining life of the specific ship. All resulting fair value estimates for ships are included in level 2.

   Had the ships been measured on a historical basis, their carrying amount would have been as follows:

	(Rs. in Lacs)
Cost (As at April 01,2015)	201873.92
Accumulated depreciation	(59559.03)
Net carrying amount	**142314.89**

8. Adjustment from ships during the previous year included one (1) ship having gross block of Rs.16,913.06 lacs and accumulated depreciation of Rs.931.45 lacs transferred to 'Assets held for sale' refer note 50(B).
9. Depreciation charge for the year includes an amount of Rs.4,173.29 lacs (Previous year : Rs.5,593.89 lacs) related to discontinued operations of the Group, which comprises (a) Rs.4,159.71 lacs (Previous year : Rs.5,473.63 lacs) in respect of Shipping Division of the Parent Company; and (b) Rs.13.58 lacs (Previous year : Rs.120.26 lacs) in respect of KPO business of subsidiaries . The amount is recognised in discontinued operations in the consolidated statement of profit and loss {refer note 50(A) (ii) & (iii)}.

(Rs. in Lacs)

Particulars	Goodwill (acquired)	Goodwill on consolidation	Total Goodwill	Software	Internally developed software platforms	Total other intangible assets
NOTE 4 : OTHER INTANGIBLE ASSETS						
Cost						
As at April 01, 2015	8652.62	22624.01	31276.63	1465.00	2698.26	4163.26
Purchase	-	-	-	76.64	1575.38	1652.02
Deletions	-	-	-	-	-	-
Discontinued operations {refer note (50)(A)(iii)}	(4573.55)	(2100.05)	(6673.60)	(78.51)	(1262.11)	(1340.62)
Foreign currency translation difference	285.12	1036.25	1321.37	47.39	143.34	190.73
As at March 31, 2016	**4364.20**	**21560.20**	**25924.40**	**1510.52**	**3154.87**	**4665.40**
Purchase	-	-	-	645.97	3011.78	3657.75
Deletions	(919.46)	(358.72)	(1278.18)	(4.76)	(1352.71)	(1357.47)
Foreign currency translation difference	(54.60)	(418.20)	(472.80)	(13.55)	(119.04)	(132.59)
As at March 31, 2017	**3390.14**	**20783.28**	**24173.42**	**2138.18**	**4694.90**	**6833.08**
Amortization and impairment						
As at April 01, 2015	-	-	-	-	-	-
Charge for the year {refer footnote (i) below}	-	-	-	829.65	1832.19	2661.84
Impairment loss {refer footnote (ii) below}	-	20557.36	20557.36	-	-	-
Deletions	-	-	-	-	-	-
Discontinued operations {refer note (50)(A)(iii)}	-	-	-	(78.51)	(1124.49)	(1203.00)
Foreign currency translation difference	-	644.12	644.12	2.75	22.26	25.01
As at March 31, 2016	**-**	**21201.48**	**21201.48**	**753.89**	**729.96**	**1483.85**
Charge for the year {refer footnote (i) below}	-	-	-	737.78	2424.85	3162.63
Impairment loss {refer note 50(A)(ii)}	-	-	-	76.93	-	76.93
Deletions	-	-	-	(4.76)	(1049.49)	(1054.25)
Foreign currency translation difference	-	(418.19)	(418.19)	(17.08)	(61.49)	(78.57)
As at March 31, 2017	**-**	**20783.29**	**20783.29**	**1546.76**	**2043.83**	**3590.58**
Net book value						
As at March 31, 2016	**4364.20**	**358.73**	**4722.92**	**756.63**	**2424.91**	**3181.55**
As at March 31, 2017	**3390.14**	**-**	**3390.14**	**591.42**	**2651.07**	**3242.49**

Footnotes:

(i) Amortization expense for the year includes an amount of Rs.57.26 lacs (Previous year : Rs.230.49 lacs) related to discontinued operations of the Group, which comprises (a) Rs.38.85 lacs (Previous year : Rs.36.29 lacs) in respect of Shipping Division of the Parent Company; and (b) Rs.18.41 lacs (Previous year : Rs.194.20 lacs) in respect of KPO business of subsidiaries. The amount is recognised in discontinued operations in the consolidated statement of profit and loss {refer note 50(A)(ii) & (iii)}.

(ii) Based on the fair valuation done by an independent valuer during the previous year, the difference between the carrying amount and estimated recoverable amount of goodwill on consolidation has been impaired in these consolidated financial statements. The amount of Rs.6,874.37 lacs has been shown under 'Exceptional item' in note 24 to the consolidated financial statements. Further, an amount of impairment loss of Rs.13,682.99 lacs has been recognised in discontinued operations in the consolidated statement of profit and loss {refer note 50(A)(ii)}.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 5 : FINANCIAL ASSETS			
Note 5A : Non-current investments			
A. Investment carried at fair value through profit or loss Equity instruments (quoted)			
- Nil (March 31, 2016 : Nil and April 01, 2015 : 350) ordinary shares in StanCorp Financial Group, Inc., USA	-	-	8.24
Equity instruments (unquoted)			
- 20,000 (March 31, 2016: 20,000 and April 01, 2015 : 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	2.00	2.00	2.00
Preference shares (unquoted)			
- Nil (March 31, 2016 : 30,00,000 and April 01, 2015 : 30,00,000) 12% Non convertible cumulative redeemable preference shares of Rs.100 each fully paid up of Upper Ganges Sugar & Industries Limited	-	2189.16	1978.74
B. Investment carried at amortised cost			
Government securities (unquoted)			
- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities.)	0.06	0.09	0.09
- Indira Vikas Patra	0.20	0.20	0.20
Bonds & debentures (unquoted)			
- 218 (March 31, 2016 : 218 and April 01, 2015 : 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd. of Rs.100 each fully paid up	0.22	0.22	0.22
	2.48	**2191.67**	**1989.49**
Aggregate amount of unquoted investments	2.48	2191.67	1981.25
Aggregate amount of quoted investment {Market value : Nil (March 31, 2016 : Nil and April 01, 2015 : Rs.7.95 lacs)}	-	-	8.24
Reconciliation of fair value:	**(Rs. in lacs)**		
Investment in preference shares of Upper Ganges Sugar & Industries Limited (debt instrument) measured at fair value through profit or loss			
As at April 01, 2015 (as per previous GAAP)	3000.00		
Less: Level 3 fair valuation loss on fair valuation carried out as at April 01, 2015	(1021.26)		
As at April 01, 2015 (as per Ind AS)	**1978.74**		
Add: Level 3 fair valuation gain	210.42		
As at March 31, 2016	**2189.16**		
Add: Level 3 fair valuation gain till the date of sale	810.84		
Add: Gain on sale of investment	534.00		
Less: Sale of investment	(3534.00)		
As at March 31, 2017	-		

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5B : Non current loans			
Loans to employees:			
a) Secured, considered good	100.29	136.02	188.43
b) Unsecured, considered good	23.32	25.14	38.28
	123.61	**161.16**	**226.71**
Included in Loans to employees			
Dues from director of the Parent Company	2.15	-	2.15
Note 5C : Other non current financial assets			
(Unsecured, considered good)			
Security deposits	827.01	642.03	784.27
Deposit with banks having maturity more than 12 months (refer note 8C)	1.96	1.55	1.70
	828.97	**643.58**	**785.97**

NOTE 6 : OTHER NON CURRENT ASSETS

(Unsecured and considered good, except to the extent stated)			
Capital advances	222.50	4628.36	1677.95
Advances other than capital advances			
Balances with statutory/ government authorities	388.09	897.12	702.22
(Considered doubtful: Rs.84.47 lacs (March 31, 2016 : Rs.47.98 lacs and April 01, 2015 : Rs.47.88 lacs))			
Catalysts in use (valued based on life technically assessed)	1632.45	1019.58	1430.09
Prepaid expenses	954.67	926.71	1017.99
Deferred transaction cost on borrowings	4178.31	4605.93	-
	7376.02	**12077.70**	**4828.25**
Less: Allowance for doubtful advances	84.47	47.98	47.88
	7291.55	**12029.72**	**4780.37**

NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Raw materials {including in transit- Rs.26.17 lacs (March 31, 2016 : Rs.481.82 lacs and April 01, 2015 : Rs.22.96 lacs)}	762.96	1678.39	1830.70
Naphtha	-	-	526.80
Work-in-process	844.23	740.26	1070.81
Finished goods {including in transit- Rs.5,291.56 lacs (March 31, 2016 : Rs.5,320.97 lacs and April 01, 2015 : Rs.2,217.31 lacs)}	20551.37	13592.95	4589.79
Traded goods {including in transit- Rs.8,036.76 lacs (March 31, 2016 : Rs.10,621.25 lacs and April 01, 2015 : Rs.2,592.31 lacs)}	55095.86	62419.20	41241.97
Stores and spares {including in transit- Rs.12.34 lacs (March 31, 2016 : Rs.19.79 lacs and April 01, 2015 : Rs.30.63 lacs)}	6825.95	7817.61	7233.78
Loose tools	8.57	7.01	16.13
Catalysts in use (valued based on life technically assessed)	513.19	411.06	630.80
Packing materials	333.12	172.68	349.53
	84935.25	**86839.16**	**57490.31**

During the year ended March 31, 2017, an amount of Rs.436.66 lacs (Previous year : Rs.44.90 lacs) was recognised as an expense by the Parent Company for inventories carried at net realisable value.

(Rs. in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 8 : CURRENT FINANCIAL ASSETS			
Note 8A : Trade receivables			
Secured, considered good	7128.17	6805.51	3324.20
Unsecured, considered good {including subsidy receivable from Government of India- Rs.264,317.82 lacs (March 31, 2016 : Rs.309,353.98 lacs and April 01, 2015 : Rs.267,264.61 lacs)}	296491.71	379314.05	304506.89
Unsecured, considered doubtful {including subsidy receivable from Government of India- Rs.46.98 lacs (March 31, 2016 : Rs.2.70 lacs and April 01, 2015 : Nil)}	733.22	1255.07	2219.93
	304353.10	**387374.63**	**310051.02**
Less: Allowance for doubtful debts	733.22	1255.07	2219.93
	303619.88	**386119.56**	**307831.09**
Trade receivables from marketing customers of Parent Company are non-interest bearing and are generally on average term of 56 days.			
Note 8B : Cash and cash equivalents			
Balances with banks:			
On current accounts	2893.06	1515.15	4528.97
On cash credit accounts	43.25	86.28	61.04
On saving accounts	-	3.94	2.88
On escrow accounts*	-	-	135.04
Deposits with original maturity of less than three months	8000.00	1000.00	-
Cheques on hand	3.76	-	171.83
Cash on hand	4.00	3.03	5.74
	10944.07	**2608.40**	**4905.50**
* Represented gross amount received from the lenders, pending dispursement to the borrowers			
Note 8C : Bank balances other than 8B above			
On unpaid dividend / preference share redemption amount / fixed deposit accounts	1218.66	1169.25	1091.46
Deposits with remaining maturity for less than 12 months	1051.00	1649.71	1184.58
Deposits with remaining maturity for more than 12 months *	1.96	1.55	1.70
	2271.62	**2820.51**	**2277.74**
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	1.96	1.55	1.70
	2269.66	**2818.96**	**2276.04**
* Fixed deposit receipts of Rs.1.96 lacs (March 31, 2016 : Rs.1.55 lacs and April 01, 2015 : Rs.1.55 lacs) are pledged with sales tax authorities.			
Note 8D : Current loans			
Loans to employees:			
a) Secured, considered good	28.35	35.70	47.50
b) Unsecured, considered good	3.92	12.30	15.72
	32.27	48.00	63.22
Included in Loans to employees			
i. Dues from director of the Parent Company	-	2.15	-
ii. Dues from officer of the Parent Company	-	1.15	0.29

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 8E : Other current financial assets			
(Unsecured and considered good, except to the extent stated)			
Derivatives			
Foreign currency option contracts	503.60	1127.52	-
Others			
Receivable from gas pool operator	10038.64	10612.90	-
Receivable from a joint venture (refer note 31(c))	11.49	27.90	33.79
Security deposits	61.17	221.12	590.67
(Considered doubtful Nil (March 31, 2016 : Rs.26.14 lacs and April 01, 2015 : Rs.26.14 lacs))			
Fertilisers Companies Govt. of India bonds (at lower of cost and market value)	0.10	0.10	0.10
Insurance and other claims receivable	-	379.00	502.95
Interest receivable on loans, deposits and others	248.54	62.09	35.15
Unbilled Revenue	331.22	383.33	403.12
Escrow receivable *	584.98	-	-
Other receivables	1053.69	810.28	905.85
	12833.43	**13624.24**	**2471.63**
Less: Allowance for doubtful advances	-	26.14	26.14
	12833.43	**13598.10**	**2445.49**

* Escrow receivable represents a part of the purchase consideration in respect of the sale of KPO business, held in an escrow account with a bank. The amount will be received by the subsidiary company in November 2017, subject to satisfaction of the conditions provided in the Share Purchase Agreement.

NOTE 9 : OTHER CURRENT ASSETS

(Unsecured and considered good, except to the extent stated)

Advance to suppliers {Considered doubtful Rs.14.19 lacs (March 31, 2016 : Rs.62.68 lacs and April 01, 2015 : Rs.62.68 lacs)}	1072.61	1757.12	1267.04
Balances with statutory/ government authorities	5328.38	2769.24	3548.42
{Considered doubtful Rs.137.84 lacs (March 31, 2016 : Rs.275.09 lacs and April 01, 2015 : Rs.275.09 lacs)}			
Interest receivable - others	72.36	-	-
Prepaid expenses	2123.90	1992.07	1978.27
Other receivables	293.29	181.50	261.94
	8890.54	**6699.93**	**7055.67**
Less: Allowance for doubtful advances	152.03	337.77	337.77
	8738.51	**6362.16**	**6717.90**

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31,2016	As at April 1, 2015
NOTE 10 : SHARE CAPITAL			
Authorised :			
440,000,000 (March 31, 2016 : 440,000,000 and April 01, 2015 : 440,000,000) equity shares of Rs.10 each	44000.00	44000.00	44000.00
210,000,000 (March 31, 2016 : 210,000,000 and April 01, 2015 : 210,000,000) redeemable preference shares of Rs.10 each	21000.00	21000.00	21000.00
	65000.00	**65000.00**	**65000.00**
Issued, subscribed and paid up :			
416,207,852 (March 31, 2016 : 416,207,852 and April 01, 2015 : 416,207,852) equity shares of Rs.10 each, fully paid up	41620.79	41620.79	41620.79
	41620.79	**41620.79**	**41620.79**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting periods

There is no movement in the equity shares outstanding at the beginning and at the end of the reporting periods.

b) Terms / rights attached to equity shares

The Parent Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari passu with each other in all respects. The Parent Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after payment of all liabilities.

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

Name	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	52,924,679	12.72	51,158,209	12.29	51,074,209	12.27
SIL Investments Limited	31,813,455	7.64	31,813,455	7.64	31,813,455	7.64
Life Insurance Corporation of India	21,926,814	5.27	26,589,034	6.39	27,910,373	6.71

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

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31,2016	As at April 1, 2015
Note 10A : Other equity			
(a) Securities Premium	641.59	641.59	641.59
(b) Retained Earnings	123675.49	101964.15	89250.09
(c) General Reserve	43504.61	38504.61	38504.61
(d) Treasury shares	(1744.15)	(1744.15)	(1744.15)
(e) Loss on treasury shares acquired	(14.11)	(14.11)	(14.11)
(f) Capital Reserve	20.95	20.95	20.95
(g) Capital Redemption Reserve	25.00	25.00	25.00
(h) Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	425.00	425.00	425.00
(i) Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	3850.00	3850.00	3850.00
(j) Share option outstanding account {refer (i) below}	2551.67	3373.92	2643.73
(k) Exchange differences on translation of foreign operations	(2203.28)	(1978.29)	-
Total	**170732.77**	**145068.67**	**133602.71**

(i) Share option outstanding account (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance (A)	3373.92	2643.73
Add: Employee share based payment expense/ (reversal) of employee share based payment expense (net) (refer note 36(i) & (ii))	(787.98)	592.41
Foreign currency translation difference	(34.27)	137.78
Net change during the year (B)	**(822.25)**	**730.19**
Closing balance (A+B)	**2551.67**	**3373.92**

Nature and purpose of other reserves

(a) Securities Premium

Securities Premium represents amount received on issue of shares in excess of the par value.

(b) Retained Earnings

Retained earnings comprises of prior year's undistributed earnings after taxes.

(c) General Reserve

This 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.

(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.

(f) Capital reserve

Capital reserve represents the amount on account of forfeiture of equity shares of the Parent Company.

(g) Capital redemption reserve

Capital redemption reserve represents reserve created on redemption of preference shares.

(h) & (i) Tonnage tax reserve and tonnage tax reserve (utilised) under Section 115VT of the Income Tax Act, 1961

These reserves were created till the time '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.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 11 : FINANCIAL LIABILITIES			
Note 11A: Non current borrowings			
Secured loans:			
Term loans :			
- Foreign currency loans from banks	76686.73	91317.93	93722.82
- Foreign currency loans from financial institution	30699.46	11663.92	10213.29
Finance lease obligations	106.94	164.01	236.30
	107493.13	**103145.86**	**104172.41**
Unsecured loans:			
Redeemable preference shares	35776.02	36495.89	33403.87
	143269.15	**139641.75**	**137576.28**
Less : Current maturities of long term borrowings shown under "other current financial liabilities" (refer note 14C)	70.77	32355.10	26658.05
Non-current borrowings (as per balance sheet)	**143198.38**	**107286.65**	**110918.23**

(A) Details of borrowings and transaction costs (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Foreign currency loans from banks			
Foreign currency loans from banks	77654.85	92245.86	94787.44
Less: Transaction costs	968.12	927.93	1064.62
Carrying value of foreign currency loans from banks	**76686.73**	**91317.93**	**93722.82**
(ii) Foreign currency loans from financial institution			
Foreign currency loans from financial institution	31080.10	11726.75	10220.41
Less: Transaction costs	380.64	62.83	7.12
Carrying value of foreign currency loans from financial institution	**30699.46**	**11663.92**	**10213.29**

(B) Nature of security, terms and repayment schedule (continuing operations):

i Foreign currency term loan from banks of USD Nil (March 31, 2016 : Rs.4,373.16 lacs including current maturities of Rs.4,373.16 lacs and April 01, 2015: Rs.14,501.16 lacs including current maturities of Rs.10,375.83 lacs) carried interest rate in the range of 3/6 months LIBOR plus 2.75%-4.50% p.a. These loans were secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of movable fixed assets of the Parent Company, both present and future (save and except assets of Shipping Division of Parent Company), 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 banks of USD 1,197.36 lacs (Rs.77,654.85 lacs including current maturities of Nil) (March 31, 2016 : Rs.16,430.56 lacs including current maturities of Nil and April 01, 2015 : Nil including current maturities of Nil) carry interest @ 3 months LIBOR plus 2.821% p.a. These loans are repayable in 13 half yearly instalments starting from September 30, 2019. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Parent Company, both present and future (save and except assets of Shipping Division of Parent Company), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii Foreign currency term loans from financial institution of USD 479.22 lacs (Rs.31,080.10 lacs including current maturities of Nil) (March 31, 2016 : Rs.4,832.52 lacs including current maturities of Nil and April 01, 2015 : Nil including current maturities of Nil) carry interest @ 3 months LIBOR plus 3.096% p.a. The said term loan is repayable in 17 equal half yearly instalments starting from September 30, 2019. The loan is secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Parent Company, both present and future (save and except assets of Shipping Division of Parent Company), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iv Finance lease obligation of Rs. 106.94 lacs (including current maturities of Rs. 70.77 lacs) (March 31, 2016 : Rs. 160.95 lacs including current maturities of Rs. 54.01 lacs and April 01, 2015 : Rs.202.15 lacs including current maturities of Rs. 41.21 lacs) is payable in 17 monthly instalments of Rs. 6.77 lacs each (i.e. lease obligation including interest) starting from April 2017 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

In the books of subsidiary, there were various finance lease obligation amounting to Nil (March 31, 2016 : Rs. 3.06 lacs including current maturities of Rs. 3.06 lacs and April 01, 2015 : Rs.34.14 lacs including current maturities of Rs. 31.24 lacs). The finance lease obligation was fully repaid during the year. The rate of interest carried from 5.99% to 15.31% p.a. These obligations were secured by assets acquired under the facility.

(C) Nature of security, terms and repayment schedule (discontinued operations):

i Foreign currency term loan from a bank of USD Nil (March 31, 2016: Rs.13,252.00 lacs including current maturities of Rs.13,252.00 lacs and April 01, 2015: Rs.15,001.20 lacs including current maturities of Rs.2,500.20 lacs carried interest @ 3 months LIBOR plus 1.125% p.a.). The loan was secured by first priority mortgage on the Parent Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

ii Foreign currency term loan from a bank of USD 290 lacs (Rs.18,807.95 lacs including current maturities of Rs.2,594.20 lacs) (March 31, 2016 : Rs.21,865.80 lacs including current maturities of Rs.3,313.00 lacs and April 01, 2015 : Rs.23,126.85 lacs including current maturities of Rs 2,500.20 lacs) carries interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 11 quarterly instalments of USD 10.00 lacs each (Rs.648.55 lacs) starting from June 09, 2017 and the last instalment of USD 180.00 lacs (Rs.11,673.90 lacs) payable on March 09, 2020. The loan is secured by first priority mortgage on the Parent Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 50(A)(ii)

iii Foreign currency term loan from banks of USD 421.94 lacs (Rs.27,364.94 lacs including current maturities of Rs.8,189.16 lacs) (March 31, 2016 : Rs.36,324.33 lacs including current maturities of Rs.8,366.56 lacs and April 01, 2015 : Rs.42,158.22 lacs including current maturities of Rs.7,892.43 lacs) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranche of the aforesaid term loan amounting to USD 130 lacs (Rs.8,431.15 lacs) is repayable in 13 equal quarterly instalment starting from April 21, 2017. Another tranche of the aforesaid term loan amounting to USD 130 lacs (Rs.8,431.15 lacs) is repayable in 13 equal quarterly instalment starting from June 03, 2017. Another tranche of the aforesaid term loan amounting to USD 161.94 lacs (Rs.10,502.64 lacs) is repayable in 14 equal quarterly instalments starting from April 18, 2017. This loan is secured by first priority mortgage on the Parent Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 50(A)(ii)}.

iv Foreign currency term loans from financial institution of USD 44.59 lacs (Rs.2,891.75 lacs including current maturities of Rs.2,891.75 lacs) (March 31, 2016 : Rs.6,894.23 lacs including current maturities of Rs.3,940.18 lacs and April 01, 2015 : Rs.10,220.42 lacs including current maturities of Rs.3,716.51 lacs) carry interest @ of 6 months LIBOR plus 4.50% p.a. The said term loan is repayable in 3 equal quarterly instalments starting from April 03, 2017. The loan is secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Parent Company, both present and future (save and except assets of Shipping Division of Parent Company), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings. During the financial year 2016-17, the said loan has been transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations {refer note 50(A)(ii)}.

(D) Redeemable preference shares

In respect of redeemable preference shares issued by one of the 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 Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 11B : Other non current financial liabilities			
Earnest money / security deposits	-	12.14	5.63
Payable for capital goods	190.25	-	-
Derivative financial liability	-	-	821.28
	190.25	**12.14**	**826.91**
NOTE 12 : LONG TERM PROVISIONS			
Provision for employee benefits			
- Gratuity (refer note 32)	235.24	190.34	99.19
- Post retirement medical benefits (refer note 32)	288.32	259.11	223.97
	523.56	**449.45**	**323.16**
NOTE 13 : OTHER NON CURRENT LIABILITIES			
Other employee benefit obligations	249.76	212.39	-
	249.76	**212.39**	**-**
NOTE 14 : FINANCIAL LIABILITIES			
Note 14A : Current borrowings			
Secured loans:			
From banks:			
- Rupee loans	51736.04	-	23500.00
- Cash credit facilities	22433.11	59244.17	41172.98
- Foreign currency loans	66228.27	228199.02	145022.43
- Line of credit facility *	10830.79	14555.20	13868.80
Unsecured loans:			
Commercial papers	110000.00	65000.00	30000.00
From banks:			
- Foreign currency loans	57361.52	25073.13	46821.73
	318589.73	**392071.52**	**300385.94**

i Rupee loan of Rs.51,736.04 lacs (March 31, 2016 : Nil and April 01, 2015 : Nil) from a bank has been under Special Banking Arrangement against the subsidy on Urea receivable from Government of India. The bank has charged interest @ 8.00% p.a.(including 6.25% p.a. paid by Government of India directly to bank). Accordingly, Rs.108.88 lacs (@ 1.75% p.a.) (Previous year : Nil) has been charged as interest expense in the consolidated statement of profit and loss. The loan is secured by hypothecation of subsidy receivables upto Rs.51,736.04 lacs (March 31, 2016 : Nil and April 01, 2015 : Nil) from Government of India.

ii Rupee loans of Nil (March 31, 2016 : Nil and April 01, 2015 : Rs.23,500.00 lacs) carried interest in the range of 10.10% - 10.25% p.a., Cash credit facilities carrying interest in the range of 9.00% - 12.40% p.a. and Foreign currency loans of Rs.18,053.01 lacs (March 31, 2016 : Rs.37,165.16 lacs and April 01, 2015 : Rs.13,323.75 lacs) carrying interest in the range of 1.25% - 1.42% p.a., 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 & future (except assets of Shipping Division of Parent Company). These loans are further secured by second charge on the immovable properties (except assets of Shipping Division of Parent Company) of the Parent Company.

iii Foreign currency loans of Rs.48,175.26 lacs (March 31, 2016 : Rs.191,033.86 lacs and April 01,2015 : Rs.131,698.68 lacs) carrying interest @ 1.15% - 1.60% p.a. are secured by second charge on the Parent Company's current assets (except assets of Shipping Division of the Parent Company), both present and future."

iv Unsecured foreign currency loans of Rs 57,361.52 lacs (March 31, 2016 : Rs.25,073.13 lacs and April 01, 2015 : Rs.46,821.73 lacs) carry interest in the range of 1.20% - 1.67% p.a.

v * The line of credit facility availed by a step-down subsidiary of the Parent Company is secured by way of pledge and secured by collateral interest in all rights, title, interest in, (i) all accounts; (ii) all general intangibles; (iii) all cash or cash equivalents; (iv) all deposit accounts with any bank or other financial institution; and (v) all accessories to, substitutions for and replacements proceeds, insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any general intangibles at any time evidencing or relating to any of the foregoing but excluding deposit, escrow or similar accounts of the borrowers held for the benefit of third parties in the ordinary course of business of the borrowers. Line of credit facility carry interest rate in the range of 0.313% to 0.625% p.a., plus 2.75% p.a. Eurodollar loan along with 0.50% as monthly commitment fees of the loan amount.

vi Unsecured commercial papers of Rs.110,000.00 lacs (March 31, 2016 : Rs. 65,000.00 lacs and April 1, 2015 : Rs. 30,000.00 lacs) carry interest in the range of 6.34% - 6.50% p.a.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 14B : Trade payables			
Trade payables:			
Outstanding dues to Micro and Small Enterprises (refer note 39)	117.88	98.92	22.75
Outstanding dues to other than Micro and Small Enterprises	23939.53	44833.76	22014.77
	24057.41	**44932.68**	**22037.52**
Note 14C : Other financial liabilities			
Current maturity of long term borrowings (refer note 11A)	70.77	32355.10	26658.05
Interest accrued but not due on borrowings	274.70	712.72	783.61
Earnest money / security deposits	10068.26	8653.96	6314.39
Accrued employee liabilities	1769.36	1855.47	1701.52
Unclaimed statutory liabilities (as referred in Section 124(1) of the Companies Act, 2013):*			
-Unpaid dividend	1218.66	1169.25	1091.46
- Unpaid matured deposit	-	-	1.34
- Unpaid interest on above	-	-	0.67
Payable for capital goods {includes Rs.28.86 lacs (March 31, 2016 : Rs. 15.18 lacs and April 01, 2015 : Nil) dues to Micro and Small Enterprises (refer note 39)}	17822.33	489.71	1457.97
Derivative financial liabilities	5633.49	5439.95	2577.57
Book overdraft	-	-	881.70
Escrow liability #	-	-	135.04
Warrants**	0.40	0.54	56.43
	36857.97	**50676.70**	**41659.75**

* Amount payable to Investor Education and Protection Fund is Nil (March 31, 2016 : Nil and April 01, 2015 : Rs. 0.09 lac, since paid on due date).

Escrow liability represented gross amounts received from the lenders, pending disbursement to the borrowers.

** In consideration of the equipment loans and revolving line of credits (LOC) availed in the previous years from Triple Point Capital ('TPC'), one of the subsidiary of the Parent Company has also entered into warrant agreements with TPC. The agreement provides for warrant coverage of USD 100,000 with a conversion option into 10,882 Series B preference shares of the subsidiary company at a conversion price of USD 9.1892 per share for equipment loan and of USD 400,000 with a conversion option of 43,529 Series B Preference shares of the subsidiary company at a conversion price of USD 9.1892 per share and 47,213 Series C Preference shares of the subsidiary company at a conversion price of USD 12.7083 per share for the LOC. These warrants are accounted as derivative instruments. The fair value of the stock purchase warrants were USD 610 (equivalent to Rs.0.40 lac), USD 813 (equivalent to Rs.0.54 lac) and USD 89,517 (equivalent to Rs.56.43 lacs) as of March 31, 2017, March 31, 2016 and April 01, 2015 respectively.

Terms and conditions of the above financial liabilities:

- Trade and other payables are non-interest bearing. For maturity profile of trade payables and other financial liabilities, refer note 47.

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
NOTE 15 : OTHER CURRENT LIABILITIES			
Advance from costumer	539.10	714.31	1364.83
Advance received against slump sale transaction {refer note 50 (A)(i)}	-	-	500.00
Unearned revenue	1726.67	504.61	2323.32
Statutory obligations payable	2290.33	2842.69	1049.58
Other employee benefit obligations	55.35	112.13	-
Other liabilities :			
- Dues to related parties {refer note 31(a)}	27.00	27.00	18.00
- Others	12.89	72.88	782.51
	4651.34	4273.62	6038.24
NOTE 16 : CURRENT PROVISIONS			
Provision for employees benefits:			
- Gratuity (refer note 32)	191.15	139.55	257.56
- Leave encashment	2544.96	2398.42	2390.37
- Post retirement medical benefits (refer note 32)	9.29	8.85	8.21
Other provisions:			
- Wealth tax	-	-	17.99
- Litigation and claims	-	-	251.53
	2745.40	2546.82	2925.66
Movement in provisions as required by Ind AS 37 is as under:			
Provision for litigations and claims			
Balance at the beginning of the year	-	251.53	822.50
Provision made during the year	-	-	115.05
Provision utilised during the year	-	(251.53)	(488.05)
Unutilised provision reversed back during the year	-	-	(107.17)
Foreign currency translation reserve	-	-	(90.80)
Balance at the end of the year	**-**	**-**	**251.53**

This represents provision made for probable liabilities / claims arising out of pending disputes / litigations pertaining to commercial transactions with vendor/ others.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of products (including excise duty):		
Sale of own manufactured products (including subsidy on fertilisers)	350880.10	440150.24
Sale of traded products (including subsidy on fertilisers)	392168.34	438831.14
Sale of services:		
Income from operations of shipping business	2464.66	15700.78
{Including Rs.2,464.66 lacs from charter in ship (Previous year : Rs.15,700.78 lacs)}		
Income from software development	6414.53	3956.87
Income from software licence fees	1918.99	1247.70
Income from maintenance and support services	3480.16	2863.06
Other operating revenues		
Others	34.74	44.85
Revenue from operations (gross)	**757361.52**	**902794.64**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers bonds	0.01	0.01
- Employees loans	5.11	9.30
- Income tax refunds	429.17	-
- Deposits (gross) (Refer note 29)	61.53	141.04
- Payment from customers	697.68	1136.55
- Current investments	726.09	663.51
- Others	101.35	138.76
Dividend income on long term investment	-	0.20
Rent received	226.55	8.27
Mark to market gain on derivative transaction	1190.47	-
Insurance claims received	551.44	672.98
Liabilities no longer required written back	171.17	139.67
Allowance for doubtful debts and advances written back (net)	6.42	-
Fair value gain on financial instrument at fair value through profit or loss	810.84	210.42
Gain on sale of non current investments	534.00	-
Gain on sale of current investments	2884.94	3641.18
Fair value change of share warrants net gain	0.14	56.90
Sale of scrap {Net of excise duty Nil (Previous year : Rs.0.05 lac)}	139.09	135.14
Gain on foreign exchange variation (net)	4228.24	-
Miscellaneous income	935.86	701.73
	13700.10	**7655.66**
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening inventories	1678.39	1830.70
Add: Purchases	152029.28	203058.89
Less: Closing inventories	762.96	1678.39
	152944.71	**203211.20**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	(Increase)/ Decrease
NOTE 20 : (INCREASE) / DECREASE IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND TRADED GOODS			
Closing inventories			
- Work-in-process	844.23	740.26	(103.97)
- Finished goods	20551.37	13592.95	(6958.42)
- Traded goods	55095.86	62419.20	7323.34
	76491.46	76752.41	260.95
Opening inventories			
- Work-in-process	740.26	1070.81	330.55
- Finished goods	13592.95	4589.79	(9003.16)
- Traded goods	62419.20	41241.97	(21177.23)
	76752.41	46902.57	(29849.84)
(Increase)/ decrease in inventories	**260.95**	**(29849.84)**	

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus *	12486.59	13837.29
Contribution to provident and other funds *	1128.14	1059.71
Gratuity expense (refer note 32)	318.44	199.69
Post retirement medical benefits (refer note 32)	32.20	28.38
Workmen and staff welfare expenses	1010.88	963.70
Employee share based payment expense/ (reversal) of employee share based payment expense (net) (refer note 36)	(787.99)	592.42
	14188.26	**16681.19**
* Refer note 29		
NOTE 22 : FINANCE COSTS		
Interest (including interest on income tax : Rs.5.86 lacs (Previous year : Rs.20.02 lacs)) *	14946.54	11344.22
Bank charges and guarantee commission *	556.60	490.44
Exchange differences regarded as an adjustment to borrowing costs *	9891.99	14751.54
	25395.13	**26586.20**
* Refer note 29		
NOTE 23 : OTHER EXPENSES		
Consumption of stores and spares	2449.91	2044.34
Consumption of packing materials	7611.21	8014.41
Sub contracting expenses	1430.86	1479.10
Power and fuel	95879.77	124952.03
Catalyst charges written off	699.70	630.85
Rent (refer note 35) *	3807.33	2797.70
Rates and taxes	102.48	64.15
Insurance *	1975.53	2117.36
Repairs and maintenance:		
- Plant and equipment	1776.20	1797.88
- Buildings *	448.37	596.38
- Others	1848.83	1519.46
Ships bunker cost	984.31	4240.07
Ships port dues	964.44	4001.13
Directors' sitting fees (including service tax)	23.49	30.81
Travelling and conveyance *	1137.96	1124.53
Communication costs	470.19	243.63
Printing and stationery	50.37	52.35
Legal and professional fees *	1048.22	1165.65
Auditor's remuneration (including Branch Auditors')		
As auditor:		
- Audit fee	125.96	124.91
- Tax audit fee	9.07	9.07
- Limited review fee	22.76	22.61
- Out of pocket expenses	7.69	6.01

(Rs. in Lacs)

Particulars		Year ended March 31, 2017		Year ended March 31, 2016
In other manner:				
- Certification and other services		34.34		30.20
Excise duty on decrease in inventories		43.38		27.26
Freight and forwarding charges		58662.47		61563.44
Other selling expenses		422.45		310.95
Commission and brokerage to other than sole selling agents		36.99		205.82
CSR expenditure (refer note 40)		945.83		905.86
Depletion of loose tools		8.71		14.30
Green belt development/ horticulture expenses		248.99		242.33
Allowance for doubtful advances and debts		-		402.28
Loss on foreign exchange variation (net)		-		2220.63
Loss on disposal of property, plant and equipment (net)		250.32		176.91
Bank charges and guarantee commission (other than financing)		136.06		107.39
Goodwill on consolidation written off (refer note 4)		358.72		-
Irrecoverable balances written off	1006.47		24.65	
Less: Allowance for doubtful debts and advances adjusted out of above	669.88	336.59	0.00	24.65
Miscellaneous expenses *		1501.69		1444.78
		185861.19		**224711.23**

* Refer note 29

NOTE 24 : EXCEPTIONAL ITEMS

Capital expenditure / advance written off {refer note below}	410.88	-
Impairment loss on goodwill on consolidation	-	6874.37
	410.88	**6874.37**

Note:

The subsidiary company of the Parent Company was pursuing since long for various approvals including renewal of Memorandum of Understanding (MoU) with the Government of Odisha for setting up a power project. In view of the in-ordinate delays, the subsidiary company has decided to withdraw the application for extension of MoU and not pursue the power project in Odisha. Accordingly, the subsidiary company has written off an amount of Rs.357.43 lacs towards pre-operative expenses and Rs.53.45 lacs towards capital advances given for purchase of land.

NOTE 25 : EARNINGS PER SHARE (EPS)

(i) Continuing operations

Profit for the year as per consolidated statement of profit and loss	38011.08	26758.83
Add : Loss for the year attributable to non-controlling interests	77.01	2240.81
Profit attributable to equity holders of the Parent Company:	**38088.09**	**28999.64**
Calculation of weighted average number of equity shares of Rs.10 each		
- Number of share 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.)	9.15	6.97
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(ii) Discontinued operations		
(Loss) for the year as per consolidated statement of profit and loss	(2114.73)	(12024.15)
Add : Loss for the year attributable to non-controlling interests	240.53	5120.73
(Loss) attributable to equity holders of the Parent Company:	**(1874.20)**	**(6903.42)**
Calculation of weighted average number of equity shares of Rs. 10 each		
- Number of share at the beginning of the year	416207,852	416207,852
- Total equity shares outstanding at the end of the year	416207,852	416207,852
- Weighted average number of equity shares outstanding during the year	416207,852	416207,852
Basic and Diluted Earnings Per Share (in Rs.)	(0.45)	(1.66)
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
(iii) Continuing and discontinued operations		
Profit for the year as per consolidated statement of profit and loss	35896.35	14734.68
Add : Loss for the year attributable to non-controlling interests	317.54	7361.54
Profit attributable to equity holders of the Parent Company:	**36213.89**	**22096.22**
Calculation of weighted average number of equity shares		
- Number of share 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.)	8.70	5.31
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

26. The Group comprises of the following entities :

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at March 31, 2017	Percentage of Ownership as at March 31,2016	Percentage of Ownership as at April 1, 2015
A. Subsidiaries				
CFCL Technologies Limited ("CTL") (till 19.12.2016) **	Cayman Islands	-	72.27%	72.27%
CFCL Ventures Limited (CVL) **$	Cayman Islands	72.27%	-	-
Chambal Infrastructure Ventures limited	India	100.00%	100.00%	100.00%
India Steamship Pte Limited	Singapore	100.00%	100.00%	100.00%
India Steamship International FZE, UAE	UAE	100.00%	100.00%	-
India Steamship Limited	India	100.00%	100.00%	100.00%
Subsidiaries of CVL				
ISGN Corporation, USA (w.e.f. 20.12.2016) $	U.S.A	100.00%	-	-
ISG Novasoft Technologies Limited, India	India	100.00%	100.00%	100.00%
Inuva Info Management Private Limited, India *	India	71.00%	71.00%	71.00%
Step-down Subsidiaries of ISGN Corporation, USA				
ISGN Solutions Inc, USA (sold on 18.05.2016)	U.S.A	-	100.00%	100.00%
Step-down Subsidiaries of ISGN Solutions				
Richmond Investors, LLC (till 10.07.2015)	U.S.A	-	-	100.00%
Richmond Title Genpar, LLC (till 07.04.2015)	U.S.A	-	-	100.00%
Richmond Title Services, LP (till 08.06.2015)	U.S.A	-	-	100.00%
ISGN Fulfillment Services, Inc. (Pennsylvania) (till 18.05.2016)	U.S.A	-	100.00%	100.00%
Step-down Subsidiaries of ISGN Fulfillment Services, Inc				
ISGN Fulfillment Services, Inc. # (till 12.01.2016)	U.S.A	-	-	100.00%
ISGN Fulfillment Agency, LLC # (till 18.05.2016)	U.S.A	-	100.00%	100.00%
B. Joint venture				
Indo Maroc Phosphore S.A, (IMACID) Morocco	Morocco	33.33%	33.33%	33.33%

* dormant subsidiary
# These entities were license companies, there were no assets and liabilities in these entities.
$ Subsidiaries of CTL till 19.12.2016
** CFCL Technologies Limited, Cayman Islands, a subsidiary of the Parent Company was merged with its wholly owned subsidiary namely CFCL Ventures Limited, Cayman Islands (CVL) effective from December 20, 2016. Thus, CVL became the direct subsidiary of Parent Company.

27A Contingent liabilities (not provided for)

(a) In respect of Parent Company :

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Parent Company *	1236.15	732.32	624.07
ii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30	1.30
iii)	Various labour cases	Amount not ascertainable	Amount not ascertainable	Amount not ascertainable
iv)	Other claims against the Parent Company not acknowledged as debts	12.05	12.05	402.93

* Brief description of liabilities under (i) above :

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1.	**Income Tax :**			
	Demand raised by IT authorities on account of various disallowances for assessment year (AY) 2003-04 including penalties	-	1.28	1.28
	Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties	-	5.87	5.87
	Penalty demand raised by IT authorities on account of disallowance for AY 2008-09	-	123.23	123.23
	Demand raised by IT authorities on account of various disallowances for AY 2009-10 including penalties	505.39	98.50	98.50
	Demand raised by IT authorities on account of various disallowances for AY 2010-11	323.96	70.33	70.33
	Demand raised by IT authorities on account of various disallowances for AY 2011-12	71.15	104.37	104.37
	Demand raised by IT authorities on account of various disallowances for AY 2012-13	154.22	154.22	154.22
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2016-17	-	6.15	1.05
2.	**Sales Tax :**			
	(a) Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006	-	22.18	22.18
	(b) Demand raised by Asstt. Commissioner of Commercial Taxes, Patliputra Circle, Patna for financial year 2013-14	103.15	103.15	-
	(c) Demand raised by sales tax authorities, Uttar Pradesh for financial years 2011-12 and 2012-13	20.23	-	-
	(d) Miscellaneous Rajasthan Sales Tax and Central Sales Tax demand	-	38.47	38.47
3.	**Service Tax :**			
	(a) Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion	-	4.57	4.57
	(b) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June, 2012 (including penalty and interest)	31.22	-	-
	(c) 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 Shipping Division of the Parent Company	26.83	-	-
	Total	**1236.15**	**732.32**	**624.07**

(v) The Parent Company had received a demand of Rs.352.34 lacs (March 31, 2016: Rs.352.34 lacs and April 01, 2015: Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Parent Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Parent Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / Government of India under Subsidy Scheme.

(vi) The Parent Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited, informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by FICC under Subsidy Scheme.

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

(viii) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to August 31,2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Parent Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Parent Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.7,380.36 lacs (March 31, 2016: Rs.7,380.36 lacs and April 01, 2015: Rs.7,380.36 lacs) for non compliance of the provisions of the said Act. The Parent Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered.

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

(b) In respect of Subsidiaries :

Claims lodged / suits filed against Subsidiary of the Parent Company by customers are as given below. In addition, the subsidiary Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the subsidiary Company's results of operations or financial condition.

The details of the cases, the amount of claim (wherever quantifiable) and the subsidiary of the Group involved are as below:

ISG Novasoft Technologies Limited

Adjustments to taxable income made for the Assessment Year 2007-08 (Financial Year 2006-07), Assessment Year 2008-09 (Financial Year 2007-08), Assessment Year 2009-2010 (Financial Year 2008-09) , Assessment Year 2012-13 (Financial Year 2011-12) and Assessment Year 2013-14 (Financial Year 2012-13) amounting to USD 1.40 million (Rs.905.56 lacs), USD 0.41 million (Rs.265.78 lacs), USD 3.78 million (Rs.2,450.86 lacs), USD 1.88 million (Rs.1,221.75 lacs) and USD 0.90 million (Rs.584.04 lacs) respectively by the Deputy Commissioner of Income-tax on account of differential transfer pricing margin are contested before the Income-tax Appellate Tribunal, Delhi and Bangalore, India. The subsidiary company's management considers these additions to margin as not tenable against the subsidiary company, and therefore no provision for the same has been made.

27B. Contingent assets (not recognised for) in respect of Parent Company: (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Un-utilised cenvat credit	393.40	405.37	297.51

The Shipping Division of the Parent Company have been claiming cenvat credit in the service tax returns. However, the division has not recognised such service tax credit receivable in the financial statements due to uncertainty in utilisation of the same.

28. Capital commitments: (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	352405.55	464048.95	4700.27

29. Capitalisation of expenditure

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

(Rs. in Lacs)

Particulars	2016-17	2015-16
Opening balance	6010.33	5344.02
Add : Expenditure during the year		
Salaries, wages and bonus	320.60	238.25
Contribution to provident and other funds	16.33	9.43
Travelling and conveyance	86.94	16.88
Legal and professional fees	91.79	33.20
Interest **	3233.11	105.49
Other finance costs	35.63	95.94
Bank charges	59.69	120.93
Exchange differences regarded as an adjustment to borrowing costs	-	56.11
Construction of enabling asset - Anicut	3696.06	-
Insurance	584.87	-
Rent	5.70	-
Repairs and Maintenance - Buildings	11.73	-
Miscellaneous expenses	72.16	2.73
Total expenditure	**14224.94**	**6022.98**
Less: Interest income	(267.32)	-
Add: Current tax	92.39	-
Less: Deferred tax	(92.39)	-
Net expenditure	**13957.62**	**6022.98**
Less: Allocated to property, plant and equipment ***	(315.70)	(12.65)
Less: Capital expenditure written off (refer note 24)	(357.43)	-
Capitalisation of expenditure (pending for allocation) *	**13284.49**	**6010.33**

* includes (a) Rs.12,927.47 lacs (March 31, 2016 : Rs.5,652.90 lacs and April 01, 2015 : Rs. 4,986.59 lacs) related to upcoming urea manufacturing plant under the New Investment Policy 2012; and (b) Nil (March 31, 2016 : Rs.357.43 lacs and April 01, 2015 : Rs.357.43 lacs) related to Power projects.

** Interest comprises of:

(i) Rs.2,560.39 lacs (Previous year : Rs.92.84 lacs) on specific borrowings taken for upcoming urea manufacturing plant under the New Investment Policy 2012; and

(ii) Rs.672.72 lacs (Previous year : Rs.12.65 lacs) on general borrowings for other qualifying assets using the weighted average interest rate applicable during the year which is 6.81% p.a.

*** represents interest expense capitalised during the year on qualifying assets.

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 three identifiable reportable segments are viz. Fertilisers and other Agri inputs, Shipping and Software & others. A description of the types of products and services provided by each reportable segment is as follows:

F***ertilisers and other Agri-inputs segment*** includes manufacture and marketing of Urea, Single Super Phosphate (SSP) and purchase and sale of other fertilisers and Agri-inputs.

Shipping segment includes transportation of crude oil and liquid products through vessels owned and/ or hired. The Shipping Division of the Parent Company has been classified as held for sale and discontinued operations on March 31, 2017. Information about this discontinued segment is provided in note 50(A)(ii).

Textile segment includes manufacturing and sale of synthetic and cotton yearn. The division was sold on September 30, 2015. Information about this discontinued segment is provided in note 50(A)(i).

'Software & others segment' includes software business, power & infrastructure activities of the Group. The Knowledge Process Outsourcing (KPO) business of the software division has been classified as held for sale and discontinued operations on March 31, 2016. Information about this discontinued segment is provided in note 50(A)(iii).

(Rs. in Lacs)

Particulars	Fertilisers and other Agri-inputs			Shipping			Textile (Discontinued operations)	Software & others			Total Segment		
	2016-17	2015-16	April 1, 2015	2016-17	2015-16	April 1, 2015	April 1, 2015	2016-17	2015-16	April 1, 2015	2016-17	2015-16	April 1, 2015
Revenue													
External revenue (including other operating revenue)	743083.19	879026.23		2464.66	15700.78			11813.67	8067.63		757361.52	902794.64	
Inter segment revenue	-	-		-	-			-	-		-	-	
Total revenue	**743083.19**	**879026.23**		**2464.66**	**15700.78**			**11813.67**	**8067.63**		**757361.52**	**902794.64**	
Income/ (expense)													
Depreciation and amortisation expense	(6020.38)	(8506.89)		-	-			(3063.15)	(2470.19)		(9083.53)	(10977.08)	
Segment profit/ (loss)	**75548.75**	**62595.10**		**(1285.35)**	**4556.45**			**1514.32**	**(2263.63)**		**75777.73**	**64887.92**	
Total assets	**695758.71**	**645112.29**	**471278.51**	**771.15**	**99886.93**	**113091.42**	**21642.55**	**12140.03**	**24976.97**	**47668.86**	**708669.89**	**769976.19**	**653681.34**
Total liabilities	**47978.00**	**46078.30**	**20170.98**	**27.52**	**15117.29**	**5974.40**	**2292.48**	**3807.08**	**7910.62**	**7837.58**	**51812.60**	**69106.21**	**36275.44**
Other disclosures													
Capital expenditure	121046.68	59651.87		-	1399.35			3010.62	2154.13		124057.30	63205.35	

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Segment profit	**75777.73**	**64887.92**
Reconciliation items:-		
Dividend income	-	0.20
Interest income	2020.94	2089.17
Mark to market gain on derivative transaction	1190.47	-
Fair value gain on financial instrument at fair value through profit or loss	810.84	210.42
Gain on sale of investments	3418.94	3641.18
Other expenses (net of other income)	(984.96)	1458.16
Depreciation and amortisation expense	(136.68)	(148.31)
Finance costs	(25395.13)	(26586.20)
Share of profit of a joint venture	271.59	4,126.20
Exceptional items (refer note 24)	(410.88)	(6874.37)
Profit before tax from continuing operations	**56562.86**	**42804.37**

Reconciliation of assets (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Segment operating assets	**708669.89**	**769976.19**	**653681.34**
Property, plant and equipment	455.27	407.21	400.80
Investment in a joint venture	17355.22	18916.20	17689.89
Non-current investments	2.48	2191.67	1989.49
Bank balances on unpaid dividend accounts	1218.66	1169.25	1091.46
Deposits with banks	661.28	1649.71	575.66
Deferred tax assets (net)	35.19	39.45	-
Income tax assets (net)	7915.12	9608.91	15655.01
Deferred transaction cost on borrowings	4178.31	4605.93	-
Derivative financial assets	503.60	1127.52	-
Prepaid Expenses	2059.86	1859.61	1366.04
Other unallocable assets	1292.49	816.03	1126.50
Assets classified as held for sale {refer note 50(B)}	61366.51	-	-
Total assets	**805713.88**	**812367.68**	**693576.19**

Reconciliation of liabilities (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Segment operating liabilities	**51812.60**	**69106.21**	**36275.44**
Long-term borrowings	143198.38	107286.64	110918.23
Deferred tax liabilities (net)	18334.44	24628.53	26795.30
Short-term borrowings	318589.73	392071.52	301781.81
Current maturities of long term borrowings	70.77	32355.11	28566.65
Unclaimed statutory liabilities	1218.66	1169.25	1093.47
Derivative financial liabilities	5633.49	5439.95	3398.85
Advance received against slump sale transaction	-	-	500.00
Other unallocable liabilities	11124.91	1307.84	9022.94
Liabilities classified as held for sale {refer note 50(A)(ii)}	51634.19	-	-
Total liabilities	**601617.17**	**633365.05**	**518352.69**

Information about geographical areas

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 Lacs)

Particulars	2016-17	2015-16
India	743083.19	879493.97
Outside India	14278.33	23300.67
Total revenue as per consolidated statement of profit and loss	**757361.52**	**902794.64**

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 & intangible assets have not been furnished.

Information about major customers

Revenue from single customer i.e. Government of India amounted to Rs.367,154.43 lacs (Previous year : Rs.466,194.73 lacs) arising from the Fertilisers and other Agri-inputs segment.

31. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during reported periods are:

Related party name and relationship

(a) Key Management personnel

S. No.	Name	Designation
1.	Mr. Saroj Kumar Poddar	Chairman
2.	Mr. Shyam Sunder Bhartia	Non-Executive Director
3.	Mr. Chandra Shekhar Nopany	Non-Executive Director
4.	Mr. Kashi Nath Memani	Independent - Non Executive Director
5.	Ms. Radha Singh	Independent - Non Executive Director
6.	Mr. Marco Philippus Ardeshir Wadia	Independent - Non Executive Director
7.	Mr. Aditya Narayan	Independent - Non Executive Director
8.	Mr. Anil Kapoor	Managing Director
9.	Mr. Abhay Baijal	Chief Financial Officer
10.	Mr. M.S. Rathore	Company Secretary (till April 30, 2015)
11.	Mr. Rajveer Singh	Company Secretary (w.e.f. May 01, 2015)

Transaction with the related parties-

(Rs. in Lacs)

Nature of Transactions	Year ended March 31, 2017		Year ended March 31, 2016	
Remuneration paid *		**575.30**		520.99
Mr. Anil Kapoor	424.47		380.55	
Mr. Abhay Baijal	101.52		93.35	
Mr. M.S. Rathore	-		7.21	
Mr. Rajveer Singh	49.31		39.88	
Interest income on loan given		**0.13**		0.21
Mr. Anil Kapoor	0.12		0.12	
Mr. Rajveer Singh	0.01		0.09	

(Rs. in Lacs)

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Outstanding balances as at the year end		**2.15**		3.30		2.44
Loan receivable						
Mr. Anil Kapoor	2.15		2.15		2.15	
Mr. M.S. Rathore	-		-		0.29	
Mr. Rajveer Singh	-		1.15		-	

* Key management personnel are covered under the Parent Company's Group Gratuity Scheme along with other employees of the Parent Company. The gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance liability for Key management personnel can not be ascertained separately, except for the amount actually paid.

Key Management Personnel - (other than disclosed above) (Rs. in Lacs)

Nature of Transactions	Year ended March 31, 2017		Year ended March 31, 2016	
Director Commission		**30.00**		**30.00**
Mr. Saroj Kumar Poddar	5.00		5.00	
Mr. Chandra Shekhar Nopany	5.00		5.00	
Mr. Kashi Nath Memani	5.00		5.00	
Ms. Radha Singh	5.00		5.00	
Mr. Marco Philippus Ardeshir Wadia	5.00		5.00	
Mr. Aditya Narayan	5.00		5.00	
Sitting fees		**20.45**		**24.70**
Mr. Saroj Kumar Poddar	1.50		2.00	
Mr. Chandra Shekhar Nopany	3.25		3.10	
Mr. Kashi Nath Memani	1.75		3.50	
Ms. Radha Singh	5.10		6.10	
Mr. Marco Philippus Ardeshir Wadia	4.65		5.05	
Mr. Aditya Narayan	4.20		4.95	

(Rs. in Lacs)

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Outstanding payable at the year end		**27.00**		**27.00**		**18.00**
Mr. Saroj Kumar Poddar	4.50		4.50		3.60	
Mr. Chandra Shekhar Nopany	4.50		4.50		3.60	
Mr. Kashi Nath Memani	4.50		4.50		3.60	
Ms. Radha Singh	4.50		4.50		3.60	
Mr. Marco Philippus Ardeshir Wadia	4.50		4.50		3.60	
Mr. Aditya Narayan	4.50		4.50		-	

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

Share Options held by Key Management Personnel under the ESOS to purchase equity shares of the Parent Company from CFCL Employees Welfare Trust have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price (in Rs.)	As at March 31, 2017 Number Outstanding	As at March 31, 2016 Number Outstanding	As at April 1, 2015 Number Outstanding
September 16, 2010	2019- 2023	73.50	283,000	283,000	314,000

No share options have been granted to the members of the Board of Directors (except for Managing Director). For further details on ESOS, refer note 36.

(b) Post Employment Benefit Plans

CFCL Employees Provident Fund
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund
CFCL Employees Group Gratuity Trust
India Steamship Staff Provident Fund
India Steamship Staff Gratuity Insurance Scheme
Transaction with the related parties-

(Rs. in Lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Contribution (accrual basis)		**465.28**		**689.01**
- CFCL Employees Provident Fund	328.37		309.39	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	113.23		117.23	
- CFCL Employees Group Gratuity Trust	6.00		225.00	
- India Steamship Staff Provident Fund	17.68		24.07	
- India Steamship Staff Gratuity Insurance Scheme	-		13.32	

(Rs. in Lacs)

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Trade Payables		**35.80**		**33.15**		**6.81**
- CFCL Employees Provident Fund	27.55		25.33		6.81	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	8.25		7.82		-	

(c) Joint venture

Indo Maroc Phosphore S.A. (IMACID), Morocco (Rs. in Lacs)

Particulars	2016-17		2015-16	
Reimbursement of expenses received	37.08	37.08	31.90	31.90

Nature of Transactions	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Outstanding balances as at the year end		**11.49**		27.90		33.79
Other receivables	11.49		27.90		33.79	

32. Gratuity and other post-employment benefit plans: (Rs. in Lacs)

Particulars	As at March 31, 2017 *	As at March 31, 2016	As at April 1, 2015
Gratuity Plan - (Liability) *	(603.46)	(329.89)	(356.75)
Provident Fund - Asset */ **	345.81	427.85	294.53
Post retirement medical benefits plan - (Liability)	(297.61)	(267.96)	(232.18)

* Rs.177.07 lacs included in 'Liabilities directly associated with assets classified as held for sale' in respect of Shipping Division of the Parent Company classified as held for sale and discontinued operations (refer note 50(A)(ii)).

*/ ** Plan asset of Rs.345.81 lacs (including Rs.197.83 lacs pertaining to Shipping Division of Parent Company classified as held for sale and discontinued operations) (March 31, 2016: Rs.427.85 lacs and April 01, 2015: Rs.294.53 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) Gratuity

(i) In case of Fertiliser division of the Parent Company, the Parent Company has a defined benefit gratuity plan. Benefit is being paid as under-

A) In case of retirement or death while in service of the Parent 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) AIn 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 Shipping Division of the Parent Company, the Parent Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 to 30 days salary (last drawn salary) for each completed year of service. The Scheme is funded with insurance companies in the form of a qualifying insurance policies except in the case of crew employees of the 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, the subsidiary has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days salary (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 foreign defined benefit gratuity plans.

b) Post Retirement medical benefit plan

The Fertiliser Division of 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 are managed by the Parent Company. 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, 2017.

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 Trusts are 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, 2017:

(Rs. in Lacs)

Particulars	As at April 1, 2016	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, 2017
		Cost charged to consolidated statement of profit and loss				Remeasurement gains/(losses) in OCI								
(A) Gratuity plan: */ **														
Defined benefit obligation	(2643.19)	(320.19)	(207.66)	(527.84)	345.70	-	23.47	-	(178.50)	(155.03)	38.57	-	(2.18)	(2943.97)
Fair value of plan assets	2313.30	-	193.59	193.59	(270.78)	49.88	0.44	-	-	50.32	(38.57)	93.03	(0.37)	2340.51
Benefit (liability)	**(329.89)**			**(334.25)**	**74.92**					**(104.71)**	**-**	**93.03**	**(2.55)**	**(603.46)**
(B) Post retirement medical benefits plan:														
Defined benefit obligation	(267.96)	(10.77)	(21.44)	(32.20)	8.06	-			(5.51)	(5.51)		-	-	(297.61)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability)	**(267.96)**			**(32.20)**						**(5.51)**		**-**	**-**	**(297.61)**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2016: (Rs. in Lacs)

(A) Gratuity plan: */ **														
Defined benefit obligation	(2475.48)	(202.67)	(197.78)	(400.45)	186.73	-	(8.70)	-	60.57	51.87	(0.99)	-	(4.87)	(2643.19)
Fair value of plan assets	2118.73	-	168.88	168.88	(175.55)	(35.80)	(3.94)	-	-	(39.74)	-	237.93	3.06	2313.30
Benefit (liability)	**(356.75)**			**(231.57)**	**11.18**					**12.13**	**(0.99)**	**237.93**	**(1.81)**	**(329.89)**
(B) Post retirement medical benefits plan:														
Defined benefit obligation	(232.18)	(9.81)	(18.57)	(28.38)	7.67	-	-	-	(15.07)	(15.07)	-	-	-	(267.96)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability)	**(232.18)**			**(28.38)**	**7.67**					**(15.07)**	**-**	**-**	**-**	**(267.96)**

* Rs.15.82 lacs (Previous year : Rs.31.88 lacs) included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 50(A)(ii)}.

** including past service cost of Rs.104.70 lacs (Previous year : Nil) in respect of Fertiliser Division of the Parent Company.

The Gratuity expense for the previous year, disclosed above, excludes Rs.28.88 lacs in respect of textile division of the Parent Company. The same is included in discontinued operations in the consolidated statement of profit and loss {refer note 50(A)(i)}.

Provident Fund:

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017 and March 31, 2016:

(Rs. in Lacs)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Defined benefit obligation	Fair value of plan assets	Benefit asset	Defined benefit obligation	Fair value of plan assets	Benefit asset
Opening Balance	**(10401.34)**	**10829.19**	**427.85**	**(9307.97)**	**9602.50**	**294.53**
Service cost	(346.05)	-	(346.05)	(333.46)	-	(333.46)
Net interest expense	(832.11)	866.33	34.22	(744.63)	768.20	23.57
Benefits paid	1453.97	(1453.97)	-	794.14	(794.14)	-
Return on plan assets (excluding amounts included in net interest expense)	-	112.23	112.23	-	84.66	84.66
Actuarial changes arising from changes in financial assumptions	(1.48)	-	(1.48)	-	-	-
Experience adjustments	(227.01)	-	(227.01)	25.09	-	25.09
Settlement/ Transfer In	(21.95)	21.95	-	(64.88)	64.88	-
Contributions by plan participant / employees	(771.60)	771.60	-	(769.63)	769.63	-
Contributions by employer	-	346.05	346.05	-	333.46	333.46
Closing Balance	**(11147.57)**	**11493.38**	**345.81**	**(10401.34)**	**10829.19**	**427.85**

The Group expects to contribute Rs.195.42 lacs (Previous year : Rs.246.80 lacs) and Rs.422.49 lacs (Previous year : Rs.346.16 lacs) to gratuity trust and provident fund respectively in the next financial year in respect of continuing operations of the Group.

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

Particulars	March 31, 2017	March 31, 2016
	%	%
Discount rate:		
Gratuity plan	6.30 to 7.60	8.00
Provident Fund	7.60 to 8.00	8.00
Post retirement medical benefits	7.60	8.00
Future salary increase:		
Gratuity plan	7.00 to 7.50	7.00 to 7.50
Medical cost escalation rate:		
Post retirement medical benefits cost increase	3.00	3.00
Life expectation for:		
Post retirement medical benefits		
Male	17.25	17.25
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is shown below:

Gratuity plan of the Group:

Particulars	2016-17		2016-17	
Assumption	**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 lacs)	(125.72)	135.02	137.35	(128.33)

Provident Fund of the Parent Company:

Particulars	2016-17	
Assumption	**Discount rate**	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	(1.56)	1.64

Post retirement medical benefits plan for fertiliser division of the Parent Company:

Particulars	2016-17		2016-17	
Assumption	**Medical cost escalation rate**		**Discount rate**	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	23.76	(22.94)	(22.08)	23.18

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in 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, 2016 is shown below:

Gratuity plan for the Group:

Particulars	2015-16		2015-16	
Assumption	**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 lacs)	(110.25)	118.59	121.62	(113.91)

Provident Fund of the Parent Company:

Particulars	2015-16	
Assumption	**Discount rate**	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in lacs)	(0.17)	0.17

Post retirement medical benefits plan for fertiliser division of the Parent Company: **(Rs. in Lacs)**

Particulars	2015-16		2015-16	
Assumption	**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 lacs)	(17.90)	20.08	19.04	(18.05)

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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 21.73 years (Previous year : 21.73 years).

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	2016-17	2015-16	2016-17	2015-16
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

Maturity Profile of Defined benefit obligation: (Rs. in Lacs)

Particulars	Within the next 12 months	Between 2 and 5 years	Between 5 and 10 years	Beyond 10 Years
March 31, 2017				
Gratuity Fund	**227.40**	**701.95**	**674.88**	**1339.74**
Provident Fund	1872.00	1358.00	2239.00	5678.57
Post retirement medical benefits plan	9.29	46.45	63.74	178.13
March 31, 2016				
Gratuity Fund	234.01	613.65	486.41	1309.12
Provident Fund	1112.00	1903.00	2025.00	5361.34
Post retirement medical benefits plan	8.85	43.27	59.50	156.34

Contribution to Defined Contribution Plans : (Rs. in Lacs)

Particulars	2016-17	2015-16
Provident Fund / Pension Fund*/ **	134.88	262.02
Superannuation Fund***	113.23	117.27
National Pension Scheme****	19.44	18.12

* Provident fund in respect of textile division of the Parent Company and Pension fund in respect of all divisions of the Parent Company.

** Rs.5.66 lacs (Previous year : Rs.37.44 lacs) included in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 50(A)(ii)}. Further, an amount of Rs.94.39 lacs towards Provident fund and Pension fund in respect of textile division included in discontinued operations in the consolidated statement of profit and loss for the year ended March 31, 2016 {refer note 50(A)(i)}.

*** Rs.14.31 lacs (Previous year : Rs.17.19 lacs) included in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company (refer note 50(A)(ii)).

**** In respect of Fertiliser Division of the Parent Company.

33. Rights, preference and restrictions attached to redeemable preference shares

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 (the "Redemption Price").

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. 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.

33. (A) Managerial remuneration paid by one of the subsidiary of the Company to its whole time director for the period January 1, 2016 to March 31, 2017 was in excess of the limits specified under the Companies Act, 2013. Consequently, the subsidiary has sought an approval from the Central Government, which is currently awaited by the subsidiary. The Subsidiary's management believes that the subsidiary is unlikely to face penal action on this matter.

34. Subsidies

(a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per the New Pricing Scheme (NPS– Stage III) and New Investment Policy 2008 (for the period from April 1, 2015 to May 31, 2015), New Urea Policy 2015 (from June 1, 2015 onwards) and 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 is inclusive of Rs.647.54 lacs (Previous year : Rs.968.69 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

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

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

(d) Subsidy on City Compost has been accounted as notified by the Government of India.

(e) The Textile division of the Parent Company was eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Parent Company had availed interest concession of Rs.42.19 lacs during the previous year upto the date of sale of the division and reduced the same from interest expense. The amount is recognised in discontinued operations in the statement of profit and loss {refer note 50(A)(i)}.

35. Leases

(i) Assets taken on Lease

(a) The lease payment made during the year amounts to Rs.95.10 lacs (Previous year : Rs.124.53 lacs), out of which Rs.57.07 lacs (Previous year : Rs.72.29 lacs) has been adjusted against Principle and Rs.38.04 lacs (Previous year : Rs.52.08 lacs) has been shown as interest expense. The interest rate for various leases varies from 5.99% p.a to 27.34% p.a. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no sub-leases.

The break up of minimum lease payment outstanding is as follows: (Rs. in Lacs)

Period	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Minimum lease payments	Present value of minimum lease payments	Finance lease charges	Minimum lease payments	Present value of minimum lease payments	Finance lease charges	Minimum lease payments	Present value of minimum lease payments	Finance lease charges
Payable within one year	91.70	70.77	20.93	95.10	57.07	38.04	124.37	72.29	52.08
Payable after one year but not more than five years	38.67	36.17	2.50	130.37	106.94	23.43	225.34	164.01	61.33
Payable after more than five years	-	-	-	-	-	-	-	-	-

(b) The Group has entered into Operating Lease Agreements for the premises which are non- cancellable. The lease payments recognized in the consolidated statement of profit and loss during the year amounts to Rs.2,128.55 lacs (Previous year : Rs.2,454.13 lacs) {including (i) Rs.308.09 lacs (Previous year : Rs.301.22 lacs) in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company (refer note 50(A)(ii)); and (ii) Rs.261.48 lacs (Previous year : Rs.1,210.97 lacs) in discontinued operations in the consolidated statement of profit and loss in respect of KPO business of subsidiary (refer note 50(A)(iii))}. The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements and there are no sub-leases. The break up of minimum lease payment outstanding is as follows:

(Rs. in Lacs)

Period	Minimum Lease Payments		
	As at March 31, 2017*	As at March 31, 2016	As at April 1, 2015
Payable within one year*	1073.73	2102.06	2039.65
Payable after one year but not more than five years	3437.81	7208.60	6250.39
Payable after more than five years	329.79	1397.44	1870.71

* included Rs.47.60 lacs in respect of Shipping Division of the Parent Company classified as held for sale and discontinued operations.

(c) The lease payments, other than cases covered in point no. (b) above i.e. non - cancellable leases, recognized in the consolidated statement of profit and loss during the year amounts to Rs.2,248.35 lacs (Previous year : Rs.1,855.76 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements.

(ii) Assets given on Lease

The Group has leased out one of its office premises under non cancellable operating lease arrangements for a term of 52 months and is obligated to receive under non-cancellable lease for office premises. Future minimum lease payments receivable are as follows:

(Rs. in Lacs)

Period	Minimum Rentals Receivable		
	As at March 31, 2017	As at March 31, 2016	As at April 1,2015
Receivable within one year	232.23	-	-
Receivable after one year but not more than five years	590.53	-	-
Receivable after more than five years	-	-	-

Rental income for such operating leases recognized in the consolidated statement of profit and loss for the year ended March 31, 2017 is Rs.214.16 lacs (Previous year: Nil).

36. Share based payments

(i) Holding Company

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 the ESOS 41,62,000 Stock Options can be issued to Managing Director and other specified categories of employees of the Parent Company. The options are to be granted at market price. As per 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-10	22-Jan-11	10-May-11	17-Oct-11	11-May-12
Number of options granted	28,50,000	3,00,000	2,20,000	1,00,000	2,70,000
Method of settlement (cash / equity)	Equity	Equity	Equity	Equity	Equity
Exercise period*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting
Vesting conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

Vesting Schedule :

Vesting Date	All tranches
1 year from the date of grant	15%
2 years from the date of grant	15%
3 years from the date of grant	20%
4 years from the date of grant	25%
5 years from the date of grant	25%

Movement in options have been summarized below :

Particulars	2016-17	2015-16
	No. of options	No. of options
Outstanding at the beginning of the year	2,677,400	2,802,800
Granted during the year	-	-
Forfeited during the year	50,000	76,900
Exercised during the year	5,500	-
Expired during the year	81,500	48,500
Outstanding at the end of the year	2,540,400	2,677,400
Exercisable at the end of the year	2,495,400	2,534,900
Weighted average remaining contractual life (in years)	2.29	3.29
Weighted average Exercise price (in Rs.)	74.76	74.76

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

Tranche	Weighted Avg. 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	1,922,500	2.15	73.50
2.	32.86	76.85	247,900	2.37	76.85
3.	38.44	82.90	140,000	2.56	82.90
4.	45.06	101.10	50,000	2.84	101.10
5.	34.97	69.40	180,000	3.27	69.40

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

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Expense arising from equity-settled share-based payment transactions	8.83	53.42
Total expense arising from share-based payment transactions	**8.83**	**53.42**

Stock Options granted

The weighted average fair value of stock options granted is Rs.32.54 (Previous year : Rs.28.40). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted average share price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected volatility	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the options granted (vesting and exercise period) in years	2.15	2.37	2.56	2.84	3.27
Average risk-free interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected dividend yield	3.45%	3.45%	3.45%	3.45%	3.45%

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

In financial year 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing or acquiring equity shares of 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 8, 2010 had approved grant of financial assistance upto Rs.3,000 lacs 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 2,247,902 equity shares (Previous year : 2,253,402 equity shares) of the Parent Company which were purchased from the open market, out of interest free loan provided by the Parent Company till March 31, 2017.

(ii) 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 of its Board of Directors of CTL for granting stock options to certain employees of its subsidiary companies as per Management's discretion. A committee has been constituted to administer the Plan along with the Board and to determine the grant date fair value which would be the exercise price for such options. A total of 60,81,498 ordinary shares were reserved for issuance under the Plan. The fair value of the ordinary shares has been determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan. The fair valuation has been done using the Black-Scholes valuation model. The stock options vest equally over a period of 4 years and the exercise period is 10 years from the date of grant. The stock compensation cost is a component of the fair value of the stock options and the number of options, which is recognised as employee compensation cost over the vesting period, provided that the stock option holders continue to be in employment of the subsidiary company. The employee compensation cost recognised in the consolidated statement of profit and loss is Rs.(796.82 lacs) (Previous Year : Rs.539.00 lacs). During the period ended March 31, 2017, ISGN Corporation has entered into Stock Purchase Agreement (SPA) on January 28, 2016 with Firstsource Group USA, Inc. for sale of its entire shareholding in ISGN Solution Inc. As per the SPA, notice of the termination of employee stock options was delivered to option holders and written confirmation from such option holders consenting to the termination was obtained. Therefore, options given to employees of subsidiaries engaged in knowledge process outsourcing business were forfeited on execution of this SPA.

The following table details the movement of options under the Plan mentioned above:

Particulars	For the period from January 1, 2016 to March 31, 2017		For the year ended December 31, 2015	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at the beginning	3,814,847	1.10	3,799,847	1.12
Options granted	-	-	76,500	1.09
Option forfeited	3,814,847	1.09	61,500	1.09
Options lapsed	-	-	-	-
Options outstanding at the end	**-**	**-**	**3,814,847**	**1.10**
Options exercisable	**-**	**-**	**2,145,919**	**1.10**

The estimated weighted average fair value of options granted during the previous year was in the range of USD 0.64 to USD 0.75. This was calculated by applying the Black-Scholes option pricing model with the following inputs:

Particulars	For the year ended December 31, 2015
Fair value per share (USD)	1.09
Exercise price (USD)	1.09 to 1.26
Average risk-free interest rate	1.25% – 1.47 %
Expected volatility of share price	0.66
Expected life of options granted (in years)	6
Expected dividend yield	Nil
Fair value of the options (USD)	0.64 to 0.75

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding as at December 31, 2015.

Range of exercise price	Shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (USD)
USD 1.09 to USD 1.26	3,814,847	7.77 years	1.09

37. Interest in other entities:

(a) Interest in joint venture

The Group has 33.33% ownership interest in Indo Maroc Phosphore S.A. (IMACID), which is engaged in manufacturing of phosphoric acid. IMACID is registered in Morocco and follows accounting period from January to December. The Group's interest in IMACID is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at : (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current assets, including cash and cash equivalents- Rs.17,353.99 lacs (March 31, 2016 : Rs.37,418.97 lacs and April 01, 2015 : Rs.39,069.63 lacs)	47196.42	53438.50	71219.74
Non-current assets	32815.61	29124.85	29198.70
Current liabilities, including trade payables- Rs.27,259.36 lacs (March 31, 2016 : Rs.22,292.20 lacs and April 01, 2015 : Rs.39,770.94 lacs)	27946.37	24521.10	47348.77
Non-current liabilities	-	1293.64	-
Equity	**52065.66**	**56748.61**	**53069.67**
Proportion of the Group's ownership	**33.33%**	**33.33%**	**33.33%**
Carrying amount of the investment	**17355.22**	**18916.20**	**17689.89**

Reconciliation to carrying amount of the investment in joint venture

Particulars	Rs. in Lacs
Opening carrying amount as on April 01, 2015	**17689.89**
Less: Dividend received from joint venture during the year	(1932.95)
Add: Share of profit of joint venture for the year	4126.20
Less: Exchange differences on translation for the year	(966.94)
Carrying amount of the investment as on March 31, 2016	**18916.20**
Less: Dividend received from joint venture during the year	(2101.46)
Add: Share of profit of joint venture for the year	271.59
Add: Exchange differences on translation for the year	268.89
Carrying amount of the investment as on March 31,2017	17355.22

Summarised statement of profit and loss of the joint venture : (Rs. in Lacs)

Particulars	2016-17	2015-16
Income		
Revenue	140419.38	181253.73
Other income	1248.41	2442.60
Total revenue	**141667.79**	**183696.33**
Expenses:		
Cost of materials consumed	96318.86	129987.22
Changes in inventories of work-in-process and finished goods	1391.79	(2522.12)
Employee benefits expense	5709.28	6469.47
Financial costs	6.39	24.27
Other expenses	38903.25	31846.40
Depreciation and amortisation expense	4266.73	3972.57
Total expenses	**146596.30**	**169777.82**
Profit/ (loss) before exceptional item and tax	**(4928.51)**	**13918.51**
Exceptional item - income	6486.55	1303.04
Profit after exceptional item and before tax	**1558.04**	**15221.55**
Tax expense:		
Current tax	743.26	2842.95
Profit for the year	**814.78**	**12378.60**
Group's share of profit for the year	**271.59**	**4126.20**
Dividend received from joint venture	**2101.46**	**1932.95**

The Group has no contingent liabilities or capital commitments relating to its interest in IMACID as at March 31, 2017, March 31, 2016 and April 01, 2015. The joint venture has no other contingent liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015. The joint venture has capital commitment of Rs.2,238.26 lacs as at March 31, 2017 (March 31, 2016 : Rs.985.95 lacs and April 01, 2015 : Rs. 351.09 lacs).

(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:

Name	Country of incorporation and operation	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
CFCL Ventures Limited	Cayman Islands	27.73%	27.73%	27.73%

Information regarding non-controlling interest **(Rs. in Lacs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accumulated balances of material non-controlling interest			
CFCL Ventures Limited	(8256.85)	(7686.83)	-
(Loss) allocated to material non-controlling interest:			
CFCL Ventures Limited	(570.02)	(7686.83)	-

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss: (Rs. in Lacs)

Particulars	For the period January 1, 2016 to March 31, 2017	For the period January 1, 2015 to December 31, 2015
Income		
Revenue	11813.67	8067.64
Other income	341.34	580.82
Total revenue	**12155.01**	**8648.46**
Expenses:		
Employee benefits expense	3473.01	6221.46
Financial costs	1493.94	1487.15
Other expenses	3736.73	2212.54
Depreciation and amortisation expense	3063.15	2470.19
Total expenses	**11766.83**	**12391.34**
Profit/ (loss) before exceptional item and tax	**388.18**	**(3742.88)**
Exceptional item - expense	-	(6874.37)
Profit/ (loss) after exceptional item and before tax	**388.18**	**(10617.25)**
Tax expense:		
Current tax	342.88	557.00
Deferred tax charge/ (credit)	4.71	(103.84)
Income tax expense	**347.59**	**453.16**
Profit/ (loss) for the year from continuing operations	**40.59**	**(11070.41)**
(Loss) for the year from discontinued operation (net of income tax)	**(1185.55)**	**(15472.20)**
Other Comprehensive Income (net of income tax)	**(1545.18)**	**(329.66)**
Total comprehensive income	**(2690.14)**	**(26872.27)**
(Loss) allocated to non-controlling interest	(317.54)	(7361.54)
OCI allocated to non-controlling interest	(428.54)	(91.43)
Exchange differences on translation of foreign operation allocated to non-controlling interest	176.06	(233.86)
Total comprehensive income allocated to non-controlling interest	**(570.02)**	**(7686.83)**
Dividends paid to non-controlling interest	-	-

Summarised balance sheet: (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015 *
Financial assets and other current assets (current)	4178.08	7236.36	7684.94
Goodwill, other intangible assets and other non-current assets (non-current)	8242.99	17608.21	36872.46
Borrowings, trade and other payables (current)	14926.52	23878.94	22314.56
Interest-bearing borrowings and other non-current liabilities (non-current)	91032.70	92949.10	84013.98
Total equity	**(93538.15)**	**(91983.47)**	**(61771.14)**
Attributable to:			
Non-controlling interest *	(8256.85)	(7686.83)	-

*The accumulated loss attributable to non-controlling interests in excess of their equity on the date of transition to Ind AS i.e. April 1, 2015 has been restricted to zero in accordance with Ind AS 101.

Summarised cash flow information: (Rs. in Lacs)

Particulars	Period ended January 1, 2016 to March 31, 2017	Period ended January 1, 2015 to December 31, 2015
Operating activities	1627.81	(2922.07)
Investing activities	2862.54	(2148.23)
Financing activities	(4000.22)	4095.70
Net increase/ (decrease) in cash and cash equivalents	**490.13**	**(974.60)**

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

(Rs. in Lacs)

Particulars	2016-17	2015-16	April 1, 2015
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.28.86 lacs (March 31, 2016 : Rs.15.18 lacs and April 01, 2015 : Nil)}	146.74	114.10	22.75
The interest due on unpaid principal amount remaining as at the end of each accounting year.	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under Section 23 of the MSMED Act, 2006.	-	-	-

40. The disclosures in respect of CSR expenditure are as follows:- (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Gross amount required to be spent by the Parent Company during the year	937.80	845.39
b) Amount spent during the year on the following in cash:		
(i) Construction/ acquisition of any asset	-	-
(ii) For purposes other than (i) above	945.83	905.86

41. Fair values

Set out below, the class of the carrying amounts and fair value of the Group's financial instruments as at March 31, 2017, March 31, 2016 and April 01, 2015:

(Rs. in Lacs)

Particulars	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets						
Investments:						
Equity instruments	2.00	2.00	10.24	2.00	2.00	10.24
Preference shares	-	2189.16	1978.74	-	2189.16	1978.74
Government securities	0.26	0.29	0.29	0.26	0.29	0.29
Bonds & debentures	0.22	0.22	0.22	0.22	0.22	0.22
Others:						
Employee loans	123.61	161.16	226.71	123.61	161.16	226.71
Security deposits	827.01	642.03	784.27	827.01	642.03	784.27
Foreign currency option contracts	503.60	1127.52	-	503.60	1127.52	-
Total financial assets	**1456.70**	**4122.38**	**3000.47**	**1456.70**	**4122.38**	**3000.47**
Financial Liabilities						
Borrowings						
Floating rate borrowings	107386.19	102981.85	103936.11	107386.19	102981.85	103936.11
Finance lease obligation	106.94	164.01	236.30	106.94	164.01	236.30
Redeemable preference shares	35776.02	36495.89	33403.87	35776.02	36495.89	33403.87
Others:						
Other payables	190.25	-	-	190.25	-	-
Derivative financial liabilities	5633.49	5439.95	3398.85	5633.49	5439.95	3398.85
Security deposits	-	12.14	5.63	-	12.14	5.63
Warrants	0.40	0.54	56.43	0.40	0.54	56.43
Total financial liabilities	**149093.29**	**145094.38**	**141037.19**	**149093.29**	**145094.38**	**141037.19**

The management assessed that fair value of cash and cash equivalents, short term bank deposits, trade receivables, other current financial assets (except foreign currency option contracts), trade payables and other current financial liabilities (except derivative financial liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks/ counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) Floating rate borrowings / Finance lease obligation - The fair values of the Group's 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, 2017 was assessed to be insignificant.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2016 are as shown below:

As on March 31, 2016	Valuation technique	Significant unobserv-able inputs	Range (weighted average) p.a	Sensitivity of the input to fair value
Investment in preference shares of Upper Ganges Sugar & Industries Limited	Present value technique	Risk adjusted discount rate	9.72%	Increase (decrease) in risk adjusted discount rate by 0.50% would result in decrease (increase) in fair value by Rs.34.49 lacs and Rs. (35.21 lacs) respectively.

42. Fair value measurements

(i) Financial instruments by category (Rs. in Lacs)

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
-Preference shares	-	-	-	2189.16	-	-	1978.74	-	-
-Equity shares	2.00	-	-	2.00	-	-	10.24	-	-
-Government Securities	-	-	0.26	-	-	0.29	-	-	0.29
-Bonds & Debentures	-	-	0.22	-	-	0.22	-	-	0.22
Loans	-	-	155.88	-	-	209.16	-	-	289.93
Security deposits	-	-	888.18	-	-	837.01	-	-	1348.80
Trade receivables	-	-	303619.88	-	-	386119.56	-	-	307831.09
Cash and cash equivalents	-	-	10944.07	-	-	2608.40	-	-	4905.50
Bank balances other than above	-	-	2271.62	-	-	2820.51	-	-	2277.74
Derivative financial assets	503.60	-	-	1127.52	-	-	-	-	-
Other receivables	-	-	12268.64	-	-	12275.60	-	-	1880.97
Total financial assets	**505.60**	**-**	**330148.75**	**3318.68**	**-**	**404870.75**	**1988.98**	**-**	**318,534.54**
Financial liabilities									
Borrowings - Floating rate	-	-	107386.19	-	-	102981.85	-	-	103936.11
Finance lease obligation	-	-	106.94	-	-	164.01	-	-	236.30
Borrowings - Fixed rate	-	-	318589.73	-	-	392071.52	-	-	300385.94
Redeemable preference shares	35776.02	-	-	36495.89	-	-	33403.87	-	-
Trade payables	-	-	24057.41	-	-	44932.68	-	-	22,037.52
Derivative financial liabilities	5,633.49	-	-	5439.95	-	-	3398.85	-	-
Payable for capital goods	-	-	18012.58	-	-	489.71	-	-	1457.97
Others	0.40	-	13330.98	0.54	-	12403.54	56.43	-	10915.36
Total financial liabilities	41409.91	-	481483.83	41936.38	-	553043.31	36859.15	-	438969.20

(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, 2017: (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign currency option contracts	31.03.2017	503.60	-	503.60	-
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2017	2.00	-	-	2.00
Government securities	31.03.2017	0.26	-	0.26	-
Bonds & debentures	31.03.2017	0.22	-	0.22	-
Employee loans	31.03.2017	123.61	-	123.61	-
Security deposits	31.03.2017	827.01	-	827.01	-

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

Quantitative disclosures - fair value measurement hierarchy for liabilities as at March 31, 2017: (Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liability	31.03.2017	5633.49	-	5633.49	-
Liabilities for which fair values are disclosed (refer note 41)					
Redeemable preference shares	31.03.2017	35776.02	-	-	35776.02
Warrants	31.03.2017	0.40	-	-	0.40
Floating rate borrowings	31.03.2017	107386.19	-	107386.19	-
Finance lease obligation	31.03.2017	106.94	-	106.94	-
Trade and other payables	31.03.2017	190.25	-	190.25	-

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

Quantitative disclosures - fair value measurement hierarchy for assets as at March 31, 2016: **(Rs. in Lacs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Foreign currency option contracts	31.03.2016	1127.52	-	1127.52	-
Ships (refer note 3)	31.03.2016	71560.81	-	71560.81	-
Investment in preference shares	31.03.2016	2189.16	-	-	2189.16
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2016	2.00	-	-	2.00
Government securities	31.03.2016	0.29	-	0.29	-
Bonds & debentures	31.03.2016	0.22	-	0.22	-
Employee loans	31.03.2016	161.16	-	161.16	-
Security deposits	31.03.2016	642.03	-	642.03	-

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

Quantitative disclosures -fair value measurement hierarchy for liabilities as at March 31, 2016: **(Rs. in Lacs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					**-**
Derivative financial liability	31.03.2016	5439.95	-	5,439.95	-
Liabilities for which fair values are disclosed (refer note 41)					
Redeemable preference shares	31.03.2016	36495.89	-	-	36495.89
Warrants	31.03.2016	0.54	-	-	0.54
Floating rate borrowings	31.03.2016	102981.85	-	102981.85	-
Finance lease obligation	31.03.2016	164.01	-	164.01	-
Security deposits	31.03.2016	12.14	-	12.14	-

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

Quantitative disclosures - fair value measurement hierarchy for assets as at April 01, 2015 **(Rs. in Lacs)**

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Ships (refer note 3)	01.04.2015	97507.80	-	97507.80	-
Investment in preference shares	01.04.2015	1978.74	-	-	1978.74
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	01.04.2015	10.24	8.24	-	2.00
Government securities	01.04.2015	0.29	-	0.29	-
Bonds & debentures	01.04.2015	0.22	-	0.22	-
Employee loans	01.04.2015	226.71	-	226.71	-
Security deposits	01.04.2015	784.27	-	784.27	-

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

Quantitative disclosures - fair value measurement hierarchy for liabilities as at April 01, 2015

(Rs. in Lacs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liability	01.04.2015	3398.85	-	3398.85	-
Liabilities for which fair values are disclosed (refer note 41)					-
Redeemable preference shares	01.04.2015	33403.87	-	-	33403.87
Warrants	01.04.2015	56.43	-	-	56.43
Floating rate borrowings	01.04.2015	103936.11	-	103936.11	-
Finance lease obligation	01.04.2015	236.30	-	236.30	-
Security deposits	01.04.2015	5.63	-	5.63	-

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

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

44. 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.

45. The Parent Company has, during the year, accounted for income tax credit of Rs.52.75 lacs (Previous year : Rs.661.14 lacs) against income tax paid on profits by its subsidiary - M/s India Steamship Pte. Ltd. Singapore in proportion to the dividend received from the said subsidiary. The income tax credit is available in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore.

46. Income Tax Expense

The major components of income tax expense are:

Profit or loss section

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Continuing operations		
Current income tax:		
Current income tax charge	16823.89	15998.74
Less: Capitalisation of current tax (refer note 29)	(92.39)	-
Adjustments in respect of current income tax of earlier years	(69.65)	(321.06)
Deferred tax:		
Relating to origination and reversal of temporary differences	1797.54	367.86
Add: Capitalisation of deferred tax (refer note 29)	92.39	-
Income tax expense reported in the statement of profit and loss for continuing operations (i)	**18551.78**	**16045.54**
(ii) Discontinued operations		
Current Income tax:		
Current income tax charge	509.56	4,054.71
Deferred tax:		
Relating to origination and reversal of temporary differences	(7997.25)	(2784.51)
Income tax expense reported in the statement of profit and loss for discontinued operations (ii)	(7487.69)	1270.20
Total income tax expense reported in the statement of profit and loss (i + ii)	11064.09	17315.74

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI: (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net (gain)/ loss on re-measurement of defined benefit plans	(47.00)	3.13
Net (gain)/ loss on translation of foreign operation	(42.67)	206.91
Income tax charged/ credited to OCI	**(89.67)**	**210.04**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate : (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Accounting profit before tax from continuing operations	**56562.86**	**42804.37**
(Loss) before tax from discontinued operations	(9602.42)	(10753.95)
Accounting profit before income tax	**46960.44**	**32050.42**
At India's statutory income tax rate of 34.608% (Previous year : 34.608%)	16252.07	11092.01
Adjustments in respect of current income tax of earlier years	(69.65)	(321.06)
	16182.42	**10770.95**
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Fair value gain on investment at fair value through profit or loss	(280.62)	(72.82)
CSR expenditure	171.25	167.94
Employee share based payment expense	3.05	18.49
Weighted deduction u/s 35AD of Income Tax Act, 1961	(45.70)	(32.10)
Deduction u/s 32AC of Income Tax Act, 1961	(836.29)	-
Dividend income from specified foreign subsidiary company to the extent of dividend distribution tax on dividend distributed to shareholders of the Parent Company as per the provision of Section 115-O of the Income Tax Act,1961	(233.66)	(542.39)
Income tax credit availed in line with the Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore	(52.75)	(661.14)
Reversal of deferred tax asset recognised in earlier years on long term capital loss realised against the long term capital gain on sale of textile division (discontinued operation)	-	1182.96
Reversal of deferred tax liabilities recognised in earlier years on textile division (discontinued operation)	-	(210.73)
Realisation of short term capital loss to reduce the current tax expense	(998.42)	-
Realisation of long term capital loss to reduce the current tax expense	(184.81)	-
Deferred tax asset recognised on unused short term capital loss to be realised against the short term capital gain on sale of ships of Shipping Division of the Parent Company	(4604.43)	-
Tax on book profit earned on sale of textile division (discontinued operation)	-	(1319.67)
Income tax related to earlier years	69.65	321.06
Share of profit of a joint venture (equity accounted)	(93.99)	(1428.00)
Losses of subsidiary companies for which no deferred tax is recognised	885.60	7496.22
Tax on Foreign subsidiary companies levied as different tax rates	384.69	770.35
Tax effects of dividend income from subsidiary companies/ joint venture, eliminated in the consolidated financial statements	597.30	876.87
Goodwill on consolidation written off	124.15	-
Other non-deductible expenses	(23.35)	(22.24)
At the effective income tax rate of 23.56% (Previous year : 54.03%)	**11064.09**	**17315.74**
Income tax expense reported in the consolidated statement of profit and loss	18551.78	16045.54
Income tax attributable to a discontinued operations	(7487.69)	1270.20
	11064.09	**17315.74**

Deferred tax

Deferred tax relates to the following: (Rs. in Lacs)

Particulars	Consolidated Balance Sheet			Consolidated statement of profit and loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Year ended March 31, 2017	Year ended March 31, 2016
Deferred income tax liabilities					
Property, plant and equipment (including other intangible assets)	24945.34	25778.05	29621.21	(832.72)	(3843.16)
Derivatives at fair value through profit or loss	-	-	2.01	-	(2.01)
Effects of expenditure allowed under Income Tax Act, 1961 but to be charged in the statement of profit and loss in subsequent year	-		20.59	-	(20.59)
Total deferred income tax liabilities	**24945.34**	**25778.05**	**29643.81**	**(832.72)**	**(3865.76)**
Deferred income tax assets					
Effects of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable in subsequent year	740.10	103.10	66.00	637.00	37.10
Derivatives at fair value through profit or loss	22.62	124.32	-	(101.70)	124.32
Allowance for doubtful debts and advances	346.69	292.16	163.58	54.53	128.58
Leave encashment	887.65	798.59	806.51	89.05	(7.92)
Gratuity	164.97	80.82	167.73	84.15	(86.91)
Carry forward of long term capital loss	-	-	1182.96	-	(1182.96)
Carry forward of short term capital loss	4604.43	-	461.74	4604.43	(461.74)
Re-measurement gain/ (loss) on defined benefit plans	43.87	(3.13)	-	47.00	(3.13)
Exchange differences on translation of foreign operations	(164.24)	(206.89)	-	42.65	(206.89)
Foreign currency translation difference	-	-	-	(0.46)	0.39
Deferred tax income	**-**	**-**	**-**	**6289.37**	**2206.61**
Total deferred income tax assets	**6646.09**	**1188.97**	**2848.51**		
Net deferred tax liabilities	**18299.25**	**24589.08**	**26795.30**		

Reflected in the balance sheet as follows: **(Rs. in Lacs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets	(35.19)	(39.45)	-
Deferred tax liabilities	18334.44	24628.53	26795.30
Net deferred tax liabilities	18299.25	24589.08	26795.30

Reconciliation of deferred tax liabilities (net): (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	24589.08	26795.30
Tax (income) during the year recognised in profit or loss	(6107.32)	(2416.65)
Tax (income)/ expense during the year recognised in OCI	(89.66)	210.04
Tax (income) during the year recognized in 'Capital-work-in-progress' (refer note 29)	(92.39)	-
Foreign currency translation difference	(0.46)	0.39
Closing balance	18299.25	24589.08

During the year ended March 31, 2017 and March 31, 2016, the Parent Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Parent Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

The Group has long term/ short term capital losses, to the tune of Rs.54,264.58 lacs (March 31, 2016: Rs.31,392.75 lacs and April 01, 2015: Rs.31,392.75 lacs) that are available for offsetting for six to eight 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 year 2016-17 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

47. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds investments and enters into derivative transactions. The Group is exposed to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The management of these risks is carried out by a finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors 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 and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions and other non-financial assets and liabilities of foreign operation.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lacs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2017		
USD Borrowings	+50	(129.02)
USD Borrowings	-50	129.02
March 31, 2016		
USD Borrowings	+50	(227.22)
USD Borrowings	-50	227.22

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.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended : (Rs. in Lacs)

Particulars	Change in foreign currency rate	Effect on profit before tax for the year ended March 31, 2017	Effect on profit before tax for the year ended March 31, 2016
USD	+5%	(4626.84)	(2316.95)
	-5%	6813.32	3079.83
SGD	+5%	(1.96)	(1.96)
	-5%	1.96	1.96
AUD	+5%	(0.65)	1.83
	-5%	0.65	(1.83)
EURO	+5%	(0.03)	(1.53)
	-5%	0.03	1.53

Particulars	Change in foreign currency rate	Effect on profit before tax for the year ended March 31, 2017	Effect on profit before tax for the year ended March 31, 2016
AED	+5%	0.28	0.05
	-5%	(0.28)	(0.05)
KW	+5%	(0.38)	0.38
	-5%	0.38	(0.38)
MYR	+5%	(0.05)	(0.17)
	-5%	0.05	0.17
GBP	+5%	(0.10)	(0.34)
	-5%	0.10	0.34
NOK	+5%	(0.03)	(0.06)
	-5%	0.03	0.06
CAD	+5%	(0.02)	-
	-5%	0.02	-
NZD	+5%	-	(0.09)
	-5%	-	0.09
JPY	+5%	-	(37.76)
	-5%	-	37.76
YUAN (CNY)	+5%	(0.71)	(1.74)
	-5%	0.71	1.74

c) Commodity price risk

The Group's operating activities require the ongoing purchase of natural gas, other imported fertilisers and bunker for ships.

(i) Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas as under the Urea pricing formula, the cost of natural gas is pass through if the consumption of natural gas is within the permissible norms for manufacture of Urea.

(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 import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) In respect of shipping business of the Parent Company, the business is exposed to the volatility inherent in the prices of bunker, which are governed to some extent in line with Crude Oil prices. On the other hand, the shipping business revenue is dependent majorly on demand-supply of petroleum products and / or demand-supply of oil tankers. The market balance is difficult to predict and therefore, the division, when performing cargo contracts is exposed to bunker price fluctuations. Although, the division may enter into some hedging transactions to partially mitigate the risk of bunker price fluctuations, such hedging may not adequately cover its exposure to these fluctuation and there is no assurance that resulting rate will be sufficient to cover possible increase in the prices of bunker.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Group receivables can be classified into two categories, one is from the customers into the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is Nil. For market receivables from the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group has also taken security deposits from its customers, which mitigate the credit risk to some extent.

b) Financial instruments and cash deposits

In respect of Parent Company, credit risk from balances with banks and financial institutions is managed by the Parent Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. The Parent Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations. In respect of a subsidiary company, credit risk on cash and cash equivalents is limited as the subsidiary company keeps deposits in banks with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. 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 Lacs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 years	> 5 years	Total
As at March 31, 2017						
Borrowings	318589.73	-	6486.80	32936.14	69312.01	427324.67
Redeemable preference shares	-	-	-	-	35776.02	35776.02
Finance lease obligation	70.77	36.17	-	-	-	106.94
Trade and other payables	41879.74	190.25	-	-	-	42069.99
Other financial liabilities	18964.88	-	-	-	-	18964.88
	379505.12	**226.42**	**6486.80**	**32936.14**	**105088.03**	**524242.50**
As at March 31, 2016						
Borrowings	424655.90	13971.80	11016.96	29723.39	16676.06	496044.11
Redeemable preference shares	-	-	-	-	36495.89	36495.89
Finance lease obligations	57.07	70.77	36.17	-	-	164.01
Trade and other payables	45422.39	-	-	-	-	45422.39
Other financial liabilities	17843.74	0.30	-	-	-	17844.04
	487979.10	**14042.87**	**11053.13**	**29723.39**	**53171.95**	**595970.44**
As at April 1, 2015						
Borrowings	327371.11	30734.97	13180.01	31411.47	2696.24	405393.79
Redeemable preference shares	-	-	-	-	33403.87	33403.87
Finance lease obligations	72.29	57.07	70.77	36.17	-	236.30
Trade and other payables	23495.49	-	-	-	-	23495.49
Other financial liabilities	13548.96	821.68	-	-	-	14370.64
	364487.85	**31613.72**	**13250.78**	**31447.64**	**36100.11**	**476900.09**

48. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, security premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital keeping in view the adequate interest and debt service coverage ratio.

The capital structure of the Group is as follows: (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity share capital	41620.79	41620.79	41620.79
Other equity	170732.77	145068.68	133602.71
Total	**212353.56**	**186689.47**	**175223.50**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

49. Distribution made and proposed (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash dividend on equity shares declared and paid:		
Final dividend (for the year ended on March 31, 2016 @ Rs.1.90 per share and March 31, 2015: @ Rs.1.90 per share)	7908.01	7908.01
Dividend distribution tax (DDT) on final dividend	1609.89	1609.89
Total	**9517.90**	**9517.90**

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Proposed dividend on equity shares:		
Final dividend (for the year ended on March 31, 2017 @ Rs.1.90 per share and March 31, 2016: @ Rs.1.90 per share)	7908.00	7908.05
DDT on final dividend	1609.89	1609.89
Total	**9517.89**	**9517.94**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2017 and March 31, 2016.

50. (A) Discontinued operations

The segment wise break up of the discontinued operations of the Group as shown on the face of consolidated statement of profit and loss is as under:

(Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Profit/ (loss) before tax		
(i) Textile Division	-	3813.19
(ii) Shipping Division	(8453.97)	913.32
(iii) Software (KPO) Division	(1148.45)	(15480.46)
Total	**(9602.42)**	**(10753.95)**
(b) Income Tax expense/ (credit)		
(i) Textile Division	-	972.24
(ii) Shipping Division	(7524.79)	306.22
(iii) Software (KPO) Division	37.10	(8.26)
Total	**(7487.69)**	**1270.20**
(c) Profit/ (loss) after tax		
(i) Textile Division	-	2840.95
(ii) Shipping Division	(929.18)	607.10
(iii) Software (KPO) Division	(1185.55)	(15472.20)
Total	**(2114.73)**	**(12024.15)**

Parent Company

(i) Textile business

The Board of Directors of the Parent Company at its meeting held on March 14, 2015, inter alia, had approved the transfer of its textile business i.e. Birla Textile Mills (non core business) to Sutlej Textiles and Industries Limited as a going concern on slump sale basis. The Parent Company had received a sum of Rs.500.00 lacs as an advance for the said sale till March 31, 2015. The associated assets and liabilities of the textile business were consequently presented as held for sale in the financial statements as at April 01, 2015. The sale was completed on September 30, 2015, on which date control of the textile business was passed on to the acquirer and has been reported as a 'discontinued operation'. The textile business represented the Parent Company's operating segment until April 01, 2015. The proceeds of sale exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of the business as held for sale.

The financial information relating to the discontinued operation for the period upto the date of disposal is set out below.

(a) Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months period ended September 30, 2015:

(Rs. in Lacs)

Particulars	For the 6 months ended September 30, 2015
Revenue	19697.57
Less: Expenses	18226.72
Less: Finance costs	89.32
Profit before tax	**1381.53**
Tax expense	478.12
Profit after tax	**903.41**
Profit on sale of textile business after income tax {see (b) below}	1937.54
Profit from discontinued operation	**2840.95**

The net cash flows attributable to the discontinued operation are as below- (Rs. in Lacs)

Particulars	For the 6 months ended September 30, 2015
Operating activities	992.73
Investing activities	21854.34
Financing activities	(1997.92)
Net cash inflows	**20849.15**

(b) Details of the Sale of Textile Business

Particulars	(Rs. in Lacs)
Consideration received	23257.75
Less : Carrying amount of assets sold	20826.09
Profit on sale before income tax	**2431.66**
Income tax expense on profit	494.12
Profit on sale after income tax	**1937.54**

(c) The carrying amounts of the major categories of assets and liabilities of the discontinued operation as at April 01, 2015 and September 30, 2015 are as follows-

(Rs. in Lacs)

Particulars	As at September 30, 2015	As at April 1, 2015
Property, plant and equipment	8561.93	8252.95
Capital work in progress	245.03	423.76
Other intangible assets	3.60	4.38
Inventories	6263.80	9406.24
Trade receivables	1980.40	2574.97
Cash and cash equivalents	257.55	186.68
Others assets	6507.98	960.02
Total assets	**23820.29**	**21809.00**
Borrowings -Rupee term loan * (secured)	-	1908.60
Borrowings - Short term (unsecured)	118.53	1395.87
Trade payables	1372.30	948.18
Other liabilities	1503.37	1416.57
Total liabilities	2994.20	5669.22
Net assets	**20826.09**	**16139.78**

*Rupee term loan from banks of Nil (March 31, 2016 : Nil and April 01, 2015 : Rs.1,908.60 lacs including current maturities of Rs.1,908.60 lacs) carried interest rate in the range of 11.10%-12.75% p.a. These loans were secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Parent Company, both present and future (save and except assets of Shipping Division of Parent Company), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings. The said loan was transferred to 'Liabilities directly associated with assets classified as held for sale' of the discontinued operations.

(ii) Shipping business

As at March 31, 2017, the management of the Parent Company was actively seeking a buyer for the sale of all the 4 (four) ships of the Shipping Division. Subsequent to the year end, the Parent Company has entered into agreements for sale of all the ships existing as on March 31, 2017 and the ships are scheduled to be delivered to the concerned buyers between June 01, 2017 to September 15, 2017. Therefore, the associated assets and liabilities of the Shipping Division were consequently presented as held for sale in financial statements for the year ended March 31, 2017. The division is classified as 'discontinued operations' as per Ind AS 105. The previous year figures have also been re-stated accordingly. The disposal is consistent with the Parent Company's long term policy to focus its activities on the Fertiliser and other Agri inputs business. The aggregate net consideration to be received on the proposed sale of all the ships is lower than the carrying value of these ships as on the reporting date. Thus, the Parent Company has recognized an impairment loss of Rs.2,160.34 lacs (net of deferred tax of Rs.8,184.61 lacs) as a result of proposed sale transactions of these ships. The loss is recognised in discontinued operations in the consolidated statement of profit and loss. The shipping business represented the Parent Company's operating segment until March 31, 2016. Being a discontinued operation, that segment is no longer presented in the segment note.

The financial information relating to the discontinued operation is set out below.

(a) **Financial performance and cash flow information** (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	29644.58	75215.85
Less: Expenses	21791.13	52785.19
Less: Finance costs	1763.91	3187.31
Less: Depreciation and amortisation expense	4198.56	5509.92
Less: Loss on ships mandatorily measured at fair value {refer note 52(b)}	-	11417.33
Less: Impairment loss on ships {refer note 52(a) for Rs.1,402.78 lacs}	10344.95	1402.78
Profit/ (loss) before tax	**(8453.97)**	**913.32**
Tax expense / (credit)	(7524.79)	306.22
Profit/ (loss) from discontinued operations	**(929.18)**	**607.10**

The net cash flows attributable to the discontinued operations are as below- (Rs. in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operating activities	9171.38	23210.13
Investing activities	14462.56	(1379.12)
Financing activities	(23388.35)	(21831.29)
Net cash inflows/ (outflows)	**245.58**	**(0.28)**

(b) **The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows-** (Rs. in Lacs)

Particulars	As at March 31, 2017
Property, plant and equipment (Ships) **	56275.98
Inventories	1064.59
Trade receivables (net of allowance for doubtful debts of Rs.41.13 lacs)	2705.31
Cash and cash equivalents	252.56
Other bank balances	0.15
Others assets (net of allowance for doubtful advances of Rs.193.12 lacs)	924.68
Total assets classified as held for sale	**61223.27**
Borrowings *	48980.40
Trade payables	2119.43
Other liabilities	534.35
Total liabilities directly associated with assets classified as held for sale	**51634.18**
Net assets	**9589.09**

* refer note 11A of the financial statements for nature of security, terms and repayment schedule.

**** Information of Property, plant and equipment classified as 'Assets held for sale'**

Particulars	Rs. in Lacs
Net book value transfer from property, plant and equipment (refer note 3)	80263.42
Carrying amount of fair valuation loss (refer note 3)	(11703.48)
Impairment loss {refer note above}	(10344.95)
Foreign currency translation reserve	(1939.01)
As at March 31, 2017	**56275.98**

Write-down of property, plant and equipment and intangible assets

Immediately before the classification of Shipping Division of the Parent Company as a discontinued operation, the recoverable amount was estimated for certain items of property, plant and equipment and intangible assets and a write-down of Rs.127.73 lacs was recognised on March 31, 2017 to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the consolidated statement of profit and loss.

Allowance for doubtful debts and advances

Immediately before the classification of Shipping Division of the Parent Company as discontinued operation, the recoverable amount was estimated for trade and other receivables and an allowance of Rs.215.85 lacs was recognised on March 31, 2017 to reduce the carrying amount of these assets in the disposal group to their net realisable value. This was recognised in discontinued operations in the consolidated statement of profit and loss.

Subsidiary company

(iii) KPO business of software division

Subsidiaries of the Parent Company had entered into 2 agreements on January 28, 2016, i.e. a stock purchase agreement for the sale of ISGN Solutions Inc. and its subsidiaries for an amount of USD 125.57 lacs (Rs.8,358.82 lacs) and a Slump Sale Agreement for the sale of a portion of ISG Novasoft Technologies Limited for an amount of USD 4.56 lacs (Rs. 306.24 lacs). These agreements have been entered with Firstsource Group USA, Inc and Firstsource Process Management Services Limited respectively for the sale of the Group's Knowledge Process Outsourcing (KPO) business. The net consideration received on the aforesaid sale by the Group is Rs. 7708.23 lacs net of cash and cash equivalent of Rs. 956.83 lacs, being part of the sale consideration retained by the group.

The KPO business has been reported as a 'discontinued operation' and the associated assets and liabilities of the KPO business were consequently presented as held for sale in financial statements for the year ended March 31, 2016.

The above arrangements were concluded effective March 31, 2016. Accordingly, the Group has consolidated the KPO business operations for 3 months i.e. from January 01, 2016 to March 31, 2016.

The financial information relating to the discontinued operation is set out below.

(a) Financial performance and cash flow information (Rs. in Lacs)

Particulars	For the period from January 01, 2016 to March 31, 2016	Year ended December 31, 2015
Revenue	8031.10	14534.94
Less: Expenses	9205.33	15968.21
Less: Finance costs	11.78	49.65
Less: Depreciation and amortisation	31.99	314.54
Less: Impairment loss on goodwill on consolidation {refer footnote (ii) of note 4}	-	13682.99
(Loss) before tax	**(1218.00)**	**(15480.45)**
Tax expense/ (credit)	18.20	(8.26)
(Loss) after tax	**(1236.20)**	**(15472.20)**
Profit on sale of KPO business before tax	69.55	-
Income tax expense on profit	18.90	-
Profit on sale of KPO business after tax	**50.65**	**-**
(Loss) from discontinued operation	**(1185.55)**	**(15472.20)**

The net cash flows attributable to the discontinued operation are as below- (Rs. in Lacs)

Particulars	For the period ended March 31, 2016	Year ended December 31, 2015
Operating activities	(1357.37)	(11713.10)
Investing activities	5772.69	4954.32
Financing activities	(11.38)	6564.73
Net cash inflows/ (outflows)	**4403.94**	**(194.05)**

(b) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows: (Rs. in Lacs)

Particulars	As at March 31, 2016	As at December 31, 2015
Property, plant and equipment *	362.95	144.85
Other intangible assets *	-	141.93
Intangible assets under development	-	16.88
Goodwill *	-	6882.43
Trade receivables	2342.43	2389.57
Cash and cash equivalents (including escrow accounts of Nil (December 31, 2015 : Rs.92.46 lacs))	1028.48	1049.29
Others assets	3034.37	1801.99
Total assets	**6768.23**	**12426.94**
Trade payables	2402.65	2641.39
Other liabilities	1986.91	2109.49
Total liabilities	**4389.56**	**4750.88**
Net assets	**2378.67**	**7676.06**

* Information of Property, plant and equipment, Goodwill and other intangible assets classified as 'Assets held for sale'

(Rs. in Lacs)

Particulars	Property, plant and equipment	Goodwill	Other intangible assets
Net book value transfer from property, plant and equipment and other intangible assets (refer note 3 & 4)	140.45	6673.60	137.62
Foreign currency translation reserve	4.40	208.83	4.31
As at March 31, 2016	**144.85**	**6882.43**	**141.93**

50 (B) Assets classified as held for sale (Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Property, plant and equipment classified as held for sale :			
- Plant and equipment *	143.24	10.00	292.40
-Ships **	-	14759.41	-
(b) Assets of discontinued operations {refer note 50(A) above}:			
- Textile Division	-	-	21809.00
- Shipping Division	61223.27	-	-
- Software (KPO) division	-	12426.94	-
Total	**61366.51**	**27196.35**	**22101.40**

* net of loss of Rs.17.68 lacs (Previous year : Nil) for write down of the asset of property, plant and equipment.

**** Information of a Ship classified as 'Assets held for sale'**

Particulars	Rs. in Lacs
As at April 01, 2015	-
Net book value transfer from property, plant and equipment (refer note 3)	15981.61
Revaluation loss for the year {refer note 52(a)}	(1402.78)
Foreign currency translation reserve	180.58
As at March 31, 2016	**14759.41**

51. First - time adoption of Indian Accounting Standards (Ind AS)

These are the Group's first financial statements prepared in accordance with Ind AS. The significant accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 01, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amount reported previously in financial statements prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

(a) Optional exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

(i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (PPE) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities in case there is no change in the functional currency. This exemption can also be used for intangible assets covered by Ind AS 38-Intangible Assets. Shipping Division of the Parent Company operates under the primary economic environment where USD is its functional currency. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets of its all other divisions at their previous GAAP carrying value, in case of ships of Shipping Division of the Parent Company at fair value due to change in functional currency from INR to USD; and on rest of other PPE of the Shipping Division, Ind AS 16 has been applied retrospectively.

(iii) Cumulative translation difference

A first-time adopter need not comply with the requirements of Ind AS 21 to recognise cumulative translation differences on foreign operations (i.e., cumulative translation differences that existed at the date of transition to Ind AS). If a first-time adopter uses this exemption: a) The cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS; b) The gain or loss on a subsequent disposal of any foreign operation must exclude translation differences that arose before the date of transition to Ind AS and shall include later translation differences. The exemption applies to all cumulative translation differences arising from the translation of foreign operation. Accordingly, the Group has elected to apply this exemption and cumulative currency translation differences for its foreign operations is deemed to be zero by transfering it to opening retained earnings at its transition date.

(iv) Share based payment

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments, that vested before date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. The Group has elected not to apply Ind AS 102 'Share-based payment' to equity share options which got vested before April 01, 2015 (transition date).

(v) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

(vi) Investment in debt instrument (preference shares)

The Group has decided to carry its investment in Upper Ganges Sugar & Industries Limited (debt instrument) at value determined in accordance with Ind AS 109 at fair value through profit or loss.

(b) Ind AS mandatory exceptions applied

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: -Investment in equity instruments carried at FVTPL or FVTOCI; -Investment in debt instruments carried at FVTPL; and -Impairment of financial assets based on expected credit loss model.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities, derecognised as a result of past transactions, was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109, prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Reconciliation of total equity as at March 31, 2016 and April 01, 2015 (Rs. in Lacs)

Particulars	Footnotes	As at March 31, 2016	As at April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		237122.14	230588.39
Adjustments :-			
Fair valuation of ships of Shipping Division of Parent Company (net of exchange variation gain of Rs.52,780.66 lacs on translation of ships at closing exchange rate on the date of transition)	i	(46565.10)	(44807.12)
Capitalisation of ship special survey expense of Shipping Division of Parent Company	ii	1180.27	-
Depreciation reversal on fair valuation of ships of Shipping Division of Parent Company	i	2241.42	-
Depreciation on capitalisation of spares	iii	(2026.26)	(1604.09)
Depreciation on reversal of capitalisation of exchange variation on borrowings	xi	25.63	-
Investment in debt instrument measured at fair value	iv	(811.06)	(1021.26)
Borrowings - transaction cost adjustment	v	655.83	1071.74

(Rs. in Lacs)

Particulars	Footnotes	As at March 31, 2016	As at April 1, 2015
Reversal of lease rental equalisation	vi	401.50	404.06
Exchange differences on other assets and liabilities of Shipping Division of Parent Company (foreign operation) other than ships on translation at closing exchange rate on the date of transition	vii	105.94	105.94
Foreign currency translation reserve on translation of foreign operation	viii	597.85	-
Fair valuation of derivatives	ix	(359.26)	5.80
Proposed dividend (including dividend distribution tax)	x	9475.14	9475.14
Reversal of capitalisation of exchange variation on borrowings	xi	(321.98)	-
De-consolidation of CFCL Employees Welfare Trust	xii	(1571.30)	-
Dividend on treasury shares held by CFCL Employees Welfare Trust	xiii	42.74	-
Deferred tax asset recognized on short term capital loss	xvii	-	461.74
Recognition of warrants measured at fair value	xviii	-	(56.43)
Redeemable preference shares classified as financial liabilities	xix	(36495.89)	(33403.87)
Dividend from a joint venture accounted using equity method		-	(1508.23)
Others	xiv	91.02	(0.87)
Tax effects on adjustments	xvii	15214.00	15512.56
Total adjustments		**(58119.51)**	**(55364.89)**
Total equity as per Ind AS		**179002.63**	**175223.50**

(d) Reconciliation of the total comprehensive income for the year ended March 31, 2016 (Rs. in Lacs)

Particulars	Footnotes	Year ended March 31, 2016
Profit after tax as per previous GAAP (before adjustment for minority interest)		14844.71
Adjustments :-		
Revaluation loss of ships of Shipping Division of Parent Company	i	(1757.98)
Capitalisation of ship special survey expense of Shipping Division of Parent Company	ii	1180.27
Fair value gain on investment at fair value through profit or loss	iv	210.42
Reversal of capitalisation of exchange variation on borrowings	xi	(321.98)
Depreciation impact on:		
- fair valuation of ships of Shipping Division of Parent Company	i	2241.42
- capitalisation of spares	iii	(422.17)
- reversal of capitalisation of exchange variation on borrowings	xi	25.63
Mark-to-market accounting on forward contracts / options	ix	(365.05)
Transaction cost amortisation at effective interest rate	v	(415.91)
Re-measurement of post employment benefits obligation	xv	2.94
Employee share based payments	xvi	(53.42)
Straight lining of lease rentals	vi	(2.56)
Reversal of deferred tax asset on short term capital loss	xvii	(461.74)
Fair value change of share warrants net gain	xviii	56.90
Others	xiv	61.73
Deferred tax on above adjustments (net)	xvii	(88.53)
Total adjustments		**(110.03)**
Net profit under Ind AS (after tax)		**14734.68**
Other comprehensive income	xx	(2306.33)
Total comprehensive income as per Ind AS		**12428.35**

Footnotes to the reconciliation of equity as at April 01, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

i. Property, plant and equipment (PPE)

The Group has carried out fair valuation of Property, plant and equipment (ships) of Shipping Division of Parent Company on account of change in functional currency of the division from INR to USD. Accordingly on the date of transition to Ind AS, a decrease of Rs.44,807.12 lacs (net of exchange variation gain of Rs.52,780.66 lacs on translation of ships at closing exchange rate on the date of transition) was recognised in PPE on account of such fair valuation. This amount has been recognised in 'Retained earnings'. Further, the Group has adopted the policy of fair valuation of ships going forward and on account of the same, the Group has recorded a fair valuation loss of Rs.1,757.98 lacs during the financial year 2015-16 and the same has been charged to the statement of profit and loss. Retained earnings as on April 01, 2015 and March 31, 2016 were impacted negatively by Rs.44,807.12 lacs and Rs.46,565.10 lacs respectively. The above transition has resulted in decrease in depreciation expense by Rs.2,241.42 lacs in the consolidated statement of profit and loss for the year ended March 31, 2016 with a corresponding increase in 'Retained earnings'.

ii. **Capitalisation of ship special survey expense**
In the previous GAAP, ship special survey expenses were charged to revenue expense in the year in which incurred. Under Ind AS, the cost of major inspection is capitalised and depreciated separately over the period to the next major inspection. Accordingly, the Parent Company has capitalised ship special survey expenses of Rs.1,180.27 lacs with a corresponding credit to the consolidated statement of profit and loss for the year ended March 31, 2016.

iii. **Depreciation of property, plant and equipment**
The Parent Company has capitalised certain critical/ capital spares aggregating to Rs.2,909.51 lacs falling under the definition of Property, plant and equipment (PPE) at the date of transition to Ind AS, which were recognized as 'Inventory' under the previous GAAP. Accordingly, an amount of Rs.1,604.09 lacs being depreciation till the date of transition has been recognised in opening 'Retained earnings'.Consequent to the above capitalisation of spares as well as further capitalisation during the year 2015-16, the depreciation expense of Rs.422.17 lacs has been recognised in the consolidated statement of profit and loss for the year ended March 31, 2016 with a corresponding decrease in 'Retained earnings'. Thus, the cumulative impact on Retained earnings was (negative) Rs.2,026.26 lacs as on March 31, 2016.

iv. **Fair valuation of investments**
Under the previous GAAP, investment in equity shares and debt securities were classified as long-term investments based on the intended holding period. Long-term investments were carried at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, these investments are required to be measured either at fair value or carried at previous GAAP values. The Group has carried out fair valuation of its investment in Upper Ganges Sugar & Industries Limited on the date of transition to Ind AS. Accordingly, an amount of Rs.1,021.26 lacs has been recognised as fair value loss into the value of 'Investments' with a corresponding decrease in 'Retained earnings'. Subsequent changes in fair value of investment in Upper Ganges Sugar & Industries Limited as at March 31, 2016, fair value gain of Rs.210.42 lacs has been recognized in the consolidated statement of profit and loss for the year ended March 31, 2016.

v. **Borrowings- transaction cost adjustment**
Under previous GAAP, the transaction costs on borrowings were charged to the statement of profit and loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method. Accordingly, borrowings as at April 01, 2015 and March 31, 2016 have been reduced by Rs.1,071.74 lacs and Rs.655.83 lacs respectively with a corresponding adjustment to 'Retained earnings'. The profit for the year ended March 31, 2016 was reduced by Rs.415.91 lacs as a result of the additional interest expense.

vi. **Straightlining of lease rentals**
As per the previous GAAP, lease agreement with periodic increase in lease rentals were required to be straight lined and charged equally into the statement of profit and loss. As per Ind AS 17 'Leases', if the payments to the lessor are structured to increase in line with the expected general inflationary trend to compensate towards inflationary cost increase, lease rentals need not to be straight lined, instead it should be charged off to the statement of profit and loss as per the agreement. Accordingly the Group has credited to the Retained earnings, an amount of Rs.404.06 lacs as at April 01, 2015 and Rs.401.50 lacs as at March 31, 2016 created as lease equalisation reserve under the previous GAAP. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 was reduced by Rs.2.56 lacs as a result of the additional rent expense.

vii. **Cumulative foreign currency translation reserve**
The Group elected to reset the cumulative translation difference to zero generated on account of change in functional currency of Shipping Division from INR to USD on the date of transition to Ind AS. Accordingly, an amount of Rs.52,780.66 lacs on translation of ships, which is adjusted against the fair value of ships as explained in footnote (i) above, and Rs.105.94 lacs on translation of other assets and liabilities of Shipping Division has been credited into 'Retained earnings' as on April 01, 2015 (transition date).

viii. **Foreign currency translation reserve on translation of foreign operation**
Under Ind AS, the functional currency of the Shipping Division is assessed as USD being a foreign operation. As per rules, foreign currency translation differences arising on translation of foreign operation from functional currency to presentation currency is recognized as a component of Other Comprehensive Income. Accordingly, an amount of Rs.597.85 lacs has been credited into foreign currency translation reserve account as part of 'Statement of Changes in Equity' as on March 31, 2016.

ix. **Derivative instruments**
Under previous GAAP, premium on forward exchange contract was amortised over the period of the forward contract and derivatives, other than the forward exchange contract, taken against the existing underlying liabilities which were Mark-to-market (MTM) and only losses were provided whereas gains were ignored as per the principles of prudence. As per Ind AS 109, all the derivative instruments are mark-to-market and there is no amortisation of premium cost. Accordingly, the Group has recognized Mark-to-market loss / (gain) on the derivative instruments and reversed the amortisation of premium. Thus, an amount of Rs.5.80 lacs recognized as MTM gain as on April 01, 2015 and MTM loss of Rs.359.26 lacs as on March 31, 2016 were adjusted with 'Retained earnings'.

x. **Proposed dividend and dividend distribution tax**
Under previous GAAP, proposed dividend including dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In case of the Group, the declaration of dividend occurs after the year end. Therefore, the liability of Rs.9,475.14 lacs (net of dividend on treasury shares (CFCL Employees Welfare Trust) of Rs.42.80 lacs) for the year ended March 31, 2015 recorded for dividend, has been de-recognised against 'Retained earnings' on April 01, 2015. The proposed dividend including DDT for the year ended March 31, 2016 of Rs.9,475.14 lacs (net of dividend on treasury shares (CFCL Employees Welfare Trust) of Rs.42.80 lacs) recognized under previous GAAP was reduced from 'Other payables' and with a corresponding impact in the 'Retained earnings'.

xi. Exchange variation on long term borrowings

Under the previous GAAP, the exchange (gain)/ loss on long term borrowings taken for the acquisition of property, plant and equipment were capitalised as part of the cost of assets. Under Ind AS, Group has elected not to adopt the option of accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP and thus exchange (gain)/ loss on translation/ settlement of long term borrowings are charged off to the statement of profit and loss. An amount of Rs.321.98 lacs has been charged to the statement of profit and loss with a corresponding adjustment to PPE and capital work in progress as applicable. Further, consequent to above adjustment, depreciation for the financial year 2015-16 was lower by Rs.25.63 lacs.

xii. De-consolidation of CFCL Employees Welfare Trust ('Trust') under previous GAAP

In pursuance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Group has discontinued the consolidation of accounts of Trust with the accounts of the Parent Company. Under Ind AS, the trust is treated as an extension of the Group's business. Parent Company's shares purchased by the Trust from the open market, has been treated as treasury shares. Accordingly, the treasury shares are shown as a separate item in the 'Statement of Change in Equity' on the date of transition.

xiii. Dividend paid to Trust and Losses of Trust

Since the equity shares held by the Trust has been accounted for as treasury shares, accordingly the dividend received by the Trust on the equity shares of the Parent Company held by the Trust, has been added back to 'Retained earnings' of the Group.

xiv. Others

Represents exchange variation related to a foreign operation in currencies other than USD and other miscellaneous items.

xv. Re-measurement of post employment benefits

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liabilities and the return on plan assets excluding amounts included in net interest on the net defined benefit liabilities are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefits cost is decreased by Rs.2.94 lacs and re-measurement gain on defined benefit plans has been recognized in the OCI, net of tax.

xvi. Employee share based payments

Under previous GAAP, the Group recognised only the intrinsic value for the Employee Stock Option Scheme as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of Rs.53.42 lacs has been recognised in statement of profit and loss for the year ended March 31, 2016. Share options totalling Rs.200.90 lacs which were granted before and yet to vest at April 01, 2015, have been recognised as a separate component in the 'Statement of Change in Equity' on the date of transition.

xvii. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has not resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP, except for the recognition of deferred tax asset on short term capital loss of Rs.461.74 lacs, recognised on the basis of reasonable certainty as on the date of transition to Ind AS. The aforesaid deferred tax created above has been realised during the financial year 2015-16 against the short term capital gain earned on sale of mutual funds. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained Earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs.15,512.56 lacs (March 31, 2016 : Rs.15,214.00 lacs).

xviii. Warrants

Warrants issued by the subsidiary company have been recognised as a financial instrument to be fair valued through profit or loss on the date of transition to Ind AS.

xix. Redeemable preference shares

Under previous GAAP, the redeemable preference shares were classified as equity. Under Ind AS 109, these preference shares have been classified as a financial liability and measured at fair value through profit or loss. The effect of this change is decrease in equity as at April 01, 2015 of Rs.33,403.87 lacs and as at March 31, 2016 of Rs.36,495.89 lacs.

xx. Other Comprehensive Income

Under previous GAAP, the Group has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to Total Comprehensive Income as per Ind AS.

xxi. Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows, except that unpaid dividend is now not part of the cash and cash equivalents.

52. (a) During the year ended March 31, 2016, the Parent Company has entered into an agreement for sale of a ship - Ratna Puja in March 2016 and the ship was delivered to the buyer in April 2016. Thus, the Parent Company has made a provision for revaluation/ impairment loss of Rs.1,402.78 lacs as a result of sale transaction of the aforesaid ship and the same has been recognised in discontinued operations in the consolidated statement of profit and loss refer note 50(A)(ii). (b) During the year ended March 31, 2016, the Parent Company has carried out the fair valuation of remaining ships and on account of the same, the Parent Company has recognized a fair valuation/ revaluation loss of Rs.11,417.33 lacs and the same has been recognised in discontinued operations in the consolidated statement of profit and loss refer note 50(A)(ii)

53. With effect from April 01, 2016, the Parent Company has re-assessed and made upward revision in the useful lives of plant and equipment of Fertiliser and other Agri-inputs division of the Parent Company. According to the management, the revised useful lives of the plant and equipment properly reflect the period over which the same is expected to be used. In view of this change, depreciation for the year ended March 31, 2017 is lower by Rs.2,320.99 lacs.

54. The Parent Company is in the process of setting up a new Urea plant namely Gadepan III ('Project') under the New Investment Policy 2012 (amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Project has been awarded on a Lumpsum Turnkey (LSTK) basis. The milestone based payments are being made to the LSTK contractors for the purpose of accomplishment of the Project. The entire amount paid to LSTK contractor for the Project on the basis of achievement of milestones of Rs.148,681.38 lacs as at March 31, 2017 (March 31, 2016 : Rs.49,935.08 lacs and April 01, 2015 : Nil) is included under 'Capital work-in-progress'.

55. Details of Specified Bank Notes (SBN) held and transacted by the Group during the period from November 08, 2016 to December 30, 2016 are provided in the table below:- (Rs in Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**2.66**	**0.69**	**3.35**
(+) Permitted receipts	-	17.02	17.02
(-) Permitted payments	-	(14.29)	(14.29)
(-) Amount deposited in banks	(2.66)	(0.01)	(2.67)
Closing cash in hand as on 30.12.2016	**-**	**3.41**	**3.41**

56. Additional information pursuant to Schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2016-17 and 2015-16

S. No.	Name of the entity	2016-17							
		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 Lacs)	As % of consolidated profit or loss	Amount (Rs. in Lacs)	As % of consolidated OCI	Amount (Rs. in Lacs)	As % of consolidated Total Comprehensive Income	Amount (Rs. in Lacs)
	Parent Company								
	Chambal Fertilisers and Chemicals Limited	109.57	223619.24	106.25	38139.94	(18.21)	99.46	108.17	38239.40
	Indian Subsidiaries								
1.	India Steamship Limited	0.02	31.47	0.00	1.28	-	-	0.00	1.28
2.	Chambal Infrastructure Ventures Limited	0.18	362.50	(1.16)	(416.49)	-	-	(1.18)	(416.49)
3,	ISG Novasoft Technologies Limited	0.46	941.21	(15.61)	(5601.63)	(4.69)	25.60	(15.77)	(5576.03)
4,	Inuva Info Management Private Limited - Subsidiary of 'ISGNTL'	0.02	31.28	-	-	-	-	-	-
	Foreign Subsidiaries								
1.	India Steamship Pte Limited ("ISS Pte")	0.24	491.26	(0.15)	(53.06)	(4.10)	22.38	(0.09)	(30.68)
2.	India Steamship International FZE	0.12	252.37	(3.40)	(1222.20)	(5.69)	31.07	(3.37)	(1191.13)
3.	CFCL Ventures Limited (CVL)	(13.50)	(27548.80)	2.42	868.95	86.46	(472.20)	1.12	396.75
4.	ISGN Corporation	(1.56)	(3182.19)	5.17	1856.03	-	-	5.25	1856.03
5.	ISGN Solutions, Inc ("ISGN")	-	-	(4.48)	(1608.13)	-	-	(4.55)	(1608.13)

6.	ISGN Fulfillment Services, Inc. #	-	-	-	-	-	-	-	-
7.	ISGN Fulfillment Agency, LLC. #	-	-	-	-	-	-	-	-
8.	ISGN Fulfillment Services, Inc. (Pennsylvania)	-	-	11.08	3977.61	-	-	11.25	3977.61
	Non-controlling interests in subsidiary								
	CFCL Ventures Limited	(4.05)	(8256.85)	(0.88)	(317.54)	46.23	(252.48)	(1.61)	(570.02)
	Interests in joint venture (as per equity method)								
	Indo Maroc Phosphore S.A, (IMACID) Morocco	8.50	17355.22	0.76	271.59	-	-	0.77	271.59
	Total	**100.00**	**204096.71**	**100.00**	**35896.35**	**100.00**	**(546.17)**	**100.00**	**35350.18**

S. No.	Name of the entity	2015-16							
		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 Lacs)	As % of consolidated profit or loss	Amount (Rs. in Lacs)	As % of consolidated OCI	Amount (Rs. in Lacs)	As % of consolidated Total Comprehensive Income	Amount (Rs. in Lacs)
	Parent Company								
	Chambal Fertilisers and Chemicals Limited	106.67	190949.43	217.55	32055.86	24.72	(570.09)	253.34	31485.77
	Indian Subsidiaries								-
1	India SteamshipLimited	0.02	30.19	0.01	1.60	-	-	0.01	1.60
2	Chambal Infrastructure Ventures Limited	0.44	778.98	(0.05)	(7.88)	-	-	(0.06)	(7.88)
3	ISG Novasoft Technologies Limited	0.81	1447.10	(17.42)	(2566.40)	0.52	(11.98)	(20.75)	(2578.38)
4	Inuva Info Management Private Limited - Subsidiary of 'ISGNTL'	0.00	2.73	(0.03)	(4.23)	-	-	(0.03)	(4.23)
	Foreign Subsidiaries								
1	India Steamship Pte Limited ("ISS Pte")	0.49	885.61	11.83	1743.26	(4.78)	110.23	14.91	1853.49
2	India Steamship International FZE	1.34	2398.25	16.89	2489.40	(1.22)	28.11	20.26	2517.51
3	CFCL Technologies Limited (CTL)	10.77	19271.69	(94.53)	(13929.25)	66.66	(1537.31)	(124.45)	(15466.56)
4	ISGN Corporation	(19.67)	(35213.23)	29.53	4350.85	-	-	35.01	4350.85
5	CFCL Ventures Limited (CVL)	0.00	3.31	(45.82)	(6752.08)	-	-	(54.33)	(6752.08)
6	ISGN Solutions, Inc ("ISGN")	(7.63)	(13651.25)	(26.61)	(3921.31)	-	-	(31.55)	(3921.31)
7	Richmond Investors, LLC	-	-	(0.21)	(31.50)	-	-	(0.25)	(31.50)
8	ISGN Fulfillment Services, Inc. (Pennsylvania)	0.49	870.45	30.82	4541.71	-	-	36.54	4541.71
9	ISGN Fulfillment Services, Inc. #	-	-	-	-	-	-	-	-
10	ISGN Fulfillment Agency, LLC #	-	-	-	-	-	-	-	-
	Non-controlling interests in subsidiary								
	CFCL Technologies Limited	(4.29)	(7686.83)	(49.96)	(7361.54)	14.10	(325.29)	(61.85)	(7686.83)
	Interests in joint venture (as per equity method)								
	Indo Maroc Phosphore S.A, Morocco	10.57	18916.20	28.00	4126.20	-	-	33.20	4126.20
	Total	**100.00**	**179002.63**	**100.00**	**14734.68**	**100.00**	**(2306.33)**	**100.00**	**12428.35**

These entities being license companies, there were no assets and liabilities in these companies.

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

57. Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of Investments made: (Rs. in Lacs)

Sr. No.	Name of the Investee	Investment made during the financial year		Outstanding balance as at	
		2016-17	2015-16	March 31, 2017	March 31, 2016
1	Investment made in corporate bonds	343134.42	130299.37	-	-

58. 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) Fair valuation of property, plant and equipment of Shipping Division

The property, plant and equipment (PPE) of Shipping Division of the Parent Company has been measured at fair value on account of change in functional currency of the Shipping Division on the date of transition to Ind AS with changes in fair value being recognized in the statement of profit and loss. The Parent Company engaged an independent valuer to assess fair value of ships as at April 01, 2015, March 31, 2016 and March 31, 2017. Ships were valued by reference to active market prices, significantly adjusted for difference in the type and utility of the specific ship, present international market scenario, age and remaining life of the specific ship.

c) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 36 to the consolidated financial statements.

d) 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 Group has Rs.54,264.58 lacs (March 31, 2016: Rs.31,392.75 lacs and April 01, 2015: Rs.31,392.75 lacs) of carried forward tax losses on long term / short term capital losses. These losses majorly relate to the loss on voluntary liquidation of a subsidiary of the Parent Company and merger of a subsidiary of the Parent Company with its wholly owned subsidiary and will expire in 6 to 8 years and may be used to offset taxable income arising in the future. At present, the Group does not have any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.15,177.32 lacs (March 31, 2016: Rs.7,242.94 lacs and April 01, 2015 : Rs.7,242.94 lacs). Further details on taxes are disclosed in note 46 to the financial statements.

e) 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 obligations are given in note 30 to the financial statements.

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets whereever 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 42.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/ E300005

per Anil Gupta
Partner
Membership No - 87921

Place : New Delhi
Date : May 20, 2017

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement Containing salient features of the financial statements of Subsidiaries/Joint Venture

Part A : Subsidiaries

(Rs. in lac)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Period	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	% of Shareholding
1.	Chambal Infrastructure Ventures Ltd., India	02.01.2007	01.04.2016 - 31.03.2017	INR	-	940.00	(577.50)	362.79	0.29	-	0.60	(416.49)	-	(416.49)	-	100.00
2.	CFCL Ventures Limited, Cayman Islands	19.03.2007	01.01.2016 - 31.03.2017	USD	64.855	0.26	(68264.12)	24230.55	92494.41	-	0.13	532.53	-	532.53	-	72.27
3.	ISGN Corporation, USA (1)	04.09.2007	01.01.2016 - 31.03.2017	USD	64.855	55.35	(9065.73)	12171.79	21182.17	-	13688.70	(7595.81)	(44.54)	(7551.27)	-	72.27
4.	ISG Novasoft Technologies Limited, India (1)	25.11.2003	01.01.2016 - 31.03.2017	INR	-	3623.00	4180.00	8714.00	911.00	-	5493.00	1509.00*	442.00**	1067.00#	-	72.27
5.	Inuva Info Management Pvt. Ltd., India (2)	01.11.2007	01.01.2016 - 31.03.2017	INR	-	2.38	28.90	31.28	-	-	-	-	-	-	-	51.32
6.	India Steamship Pte. Limited, Singapore	08.03.2007	01.04.2016 - 31.03.2017	USD	64.855	46.23	(5.77)	497.31	456.85	-	3.23	(105.21)	(7.62)	(97.59)	-	100.00
7.	India Steamship International FZE, UAE	11.05.2011	01.04.2016 - 31.03.2017	USD	64.855	4.41	183.09	273.83	86.33	-	5719.52	(1276.97)	-	(1276.97)	-	100.00
8.	India Steamship Limited, India	01.04.2011	01.04.2016 - 31.03.2017	INR	-	25.00	6.47	31.60	0.13	-	2.21	1.85	0.57	1.28	-	100.00

* Including profit before taxation from discontinued operations of Rs. 211 lac ** Including provision for taxation from discontinued operations of Rs. 68 lac # Including profit after taxation from discontinued operations of Rs. 143 lac

Notes:

(1) Wholly owned subsidiaries of CFCL Ventures Limited, Cayman Islands.

(2) ISG Novasoft Technologies Limited, India holds 71% shares in Inuva Info Management Pvt. Ltd., India.

(3) During the financial year, the following entities ceased to be subsidiaries of the Company :
(i) ISGN Fulfillment Agency, LLC, USA (ii) ISGN Solutions Inc., USA (iii) ISGN Fulfillment Services, Inc., Pennsylvania, USA

(4) During the financial year, CFCL Technologies Limited, Cayman Islands merged with CFCL Ventures Limited, Cayman Islands.

(5) Investments exclude Investments in Subsidiaries and 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 Joint Venture is not consolidated	Networth attributable to the shareholding as per latest audited balance sheet (Rs. in lac)	Profit/(Loss) for the year (Rs. in lacs)	
			No. of shares	Amount of Investment in Joint Venture (Rs. in lac)	Extent of Holding (%)				Considered in consolidation	Not considered in consolidation
Indo Maroc Phosphore S.A. Morocco	31.12.2016	20.11.1997	206667 shares	8513.32 *	33.33	Holding more than 20% shares	Not Applicable	17355.22	271.59	543.18

* The fair value of investment in the books of accounts of the Company as on March 31, 2017 is Rs. 28,586.67 lac.

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Assistant Vice President - Legal & Secretary

Place : New Delhi
Date : May 20, 2017

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