
Annexure “B” to Directors’ Report

REPORT ON CORPORATE GOVERNANCE

(1) Company’s Philosophy

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

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

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

(2) Board of Directors

As of March 31, 2015, the Board of Directors comprised of seven directors including a Managing Director. The Board of Director at its meeting held on February 6, 2015 appointed Mr. Aditya Narayan (DIN 00012084) as Additional Director in the category of Independent Director with effect from April 1, 2015. The non-executive directors bring an independent and wider perspective in Board deliberations and decisions on the matters of concern. They have an objective view of external factors affecting the Company in its business environment. These directors make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team.

Out of the seven non-executive directors of the Company (including Mr. Aditya Narayan appointed with effect from April 1, 2015), four are independent including one woman director. All the independent directors have an in-depth knowledge of business, in addition to the expertise in their area of specialisation and satisfy the criteria of independence as defined under the Companies Act, 2013 and Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

Mr. Saroj Kumar Poddar (DIN: 00008654), Director of the Company is retiring by rotation at the forthcoming Annual General Meeting and is eligible and has offered himself for re-appointment. Mr. Dipankar Basu has resigned from the Board of the Company with effect from February 3, 2015.

In pursuance of Sections 149 and 152 of the Companies Act, 2013, the Board is recommending the appointment of Mr. Aditya Narayan as an Independent Director of the Company with effect from April 01, 2015 for a term upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2018.

The brief particulars of all the Directors are given below:

2.1 Mr. Saroj Kumar Poddar

Mr Saroj Kumar Poddar (DIN: 00008654), Chairman of the Company, a gold medalist in B.Com (Hons.) from Calcutta University, is the Chairman of the Adventz group with a turnover exceeding USD 3 billion. The Adventz group comprises 23 leading companies in various verticals, constituting key drivers of the Indian economy and was repositioned under the Adventz banner by Mr. Poddar, to leverage its exemplary equity in terms of knowledge, best practices and technical excellence. Mr. Poddar, has promoted various seminal projects including joint ventures (JV) with leading international corporations. The most notable of these ventures are Hettich India Private Ltd (a JV with the Hettich Group of Germany, Texmaco UGL Rail Private Ltd (a JV with the United Group of Australia) and MCA Phosphates Pte Ltd. (a JV with Mitsubishi Corporation, Japan). Mr. Poddar was also instrumental in promoting Gillette India Limited (a venture with the Gillette Company of USA) and he was founder Chairman since 1984, before relinquishing the position in December 2013.

A recipient of the Rashtriya Samman from the Central Board of Direct Taxes, Mr. Poddar is a keen collector of contemporary Indian art and involved in the promotion and development of art, culture and sports. He is currently involved in setting up a museum in Delhi with the theme ‘India through the ages’. The museum will be named as ‘K.K. Birla Academy’ in the fond memory of Late Dr. K.K. Birla.

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

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Lionel India Limited	6	Zuari Agro Chemicals Limited
2	Paradeep Phosphates Limited	7	Zuari Cement Limited*
3	Simon India Limited	8	Zuari Fertilisers & Chemicals Limited
4	Texmaco Infrastructure & Holdings Limited	9	Zuari Global Limited
5	Texmaco Rail & Engineering Limited		

* Also Chairman of Audit Committee

2.2 Mr. Shyam Sunder Bhartia

Mr. Shyam S. Bhartia (DIN: 00010484) is founder and Chairman of M/s. Jubilant Bhartia Group headquartered in New Delhi, India. He is also Chairman of major companies of Jubilant Bhartia Group including Chairman and Managing Director of Jubilant Pharma Limited, Singapore. Mr. Bhartia holds Bachelor's degree from St. Xavier's College, Calcutta University and a fellow member of the Institute of Cost and Works Accountants of India.

Mr. Bhartia has been associated with various institutions and has served as a member of Board of Governors of Indian Institute of Technology, Mumbai and Indian Institute of Management, Ahmedabad. He has also served as member of Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Industry (CII) and was also a member of Task Force on Chemicals appointed by the Government of India. Mr. Bhartia is a regular participant at the World Economic Forum Annual Meeting at Davos. He is a member of the Chemistry & Advanced Material Governors of the World Economic Forum.

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

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

§ Also member of Stakeholders' Relationship Committee

2.3 Mr. Anil Kapoor

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

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

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

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

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

2.4 Mr. Kashi Nath Memani

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

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

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

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Aegon Religare Life Insurance Company Limited*	5	ICICI Venture Funds Management Company Limited*
2	DLF Limited*	6	JK Lakshmi Cement Limited
3	Emami Limited	7	National Engineering Industries Limited*
4	HT Media Limited*	8	Spice Mobility Limited*

* Also Chairman/Member of Audit Committee

2.5 Mr. Aditya Narayan

Mr. Aditya Narayan (DIN 00012084) is a B. Tech. from Indian Institute of Technology, Kanpur and holds a L.L.B degree from Kanpur University. He did his M.S. from University of Rochester, USA and a senior executive course in strategic management from the Manchester Business School, UK on a commonwealth scholarship. He attended several development programmes including leadership programme at the Aspen Institute, Colorado, USA in 1998.

Mr. Narayan began his career with ICI India Limited (now Akzo Nobel India Limited) in 1973 and grew through diverse functions and businesses. He worked as Chief Executive Officer of fertilizer and catalyst business of Indian Explosives Limited (IEL) during 1990-1993. He was CEO of Industrial Explosives business of IEL in 1994-1995 and Corporate Planning Manager at ICI Group in London in 1996. He served as the Managing Director of ICI India during 1996 - 2003 and then as its Non-Executive Chairman over 2003 - 2010. He was Managing Director of Hindustan Zinc Limited during 2004-2005. He also served as the President and CEO of BHP Billiton India during 2005 – 2009.

He is a Member of Supervisory Board, Anand Group India and the Board member of the Deep C Anand Foundation. Mr. Aditya Narayan does not hold any shares in the Company.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Hindustan Unilever Limited*	2	Linde India Limited* [§]

* Also Chairman/Member of Audit Committee

[§] Also Chairman of Stakeholders' Relationship Committee

2.6 Mr. Chandra Shekhar Nopany

Mr. Chandra Shekhar Nopany (DIN: 00014587) is an industrialist having vast industrial experience in diverse fields like sugar, shipping, textiles and fertilisers. He is a Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, Pittsburgh, U.S.A. He is former President of the Indian Chamber of Commerce, Kolkata and Indian Sugar Mills Association. He is also on the Board of Directors of several companies promoted by Dr. K.K. Birla, including few subsidiaries and joint venture of the Company. He contributed significantly to the organic and in-organic growth of the K K Birla Group and continues to lead as a new generation entrepreneur with concerted focus on efficiency and growth. He is also the Chairman of Vikas Vidyalaya, Ranchi (Jharkhand), a prestigious co-educational Higher Secondary residential school affiliated to CBSE, New Delhi.

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

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

[§] Also Chairman of Stakeholders Relationship Committee

2.7 Ms. Radha Singh

Ms. Radha Singh (DIN: 02227854) has a Post Graduate degree in Public Policy/Administration from Harvard University, USA and a Master's degree in Social & Political Sciences from University of Delhi. She had retired from Indian Administrative Service. Prior to retirement, she was holding the position of Secretary, Agriculture and Cooperation, Government of India. She has 39 years' experience in public service, in several areas including rural and agricultural development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she headed several national and international organizations as a Board Member/ Chairperson.

In her long public career, she has held many high level policy and managerial positions in the Government of India. These include Secretary, Department of Animal Husbandry, Dairying and Fisheries, Additional Secretary/ Joint Secretary in the Ministry of Water Resources, Director General of the National Water Agency and positions in the Economic Affairs Department and field assignments. She had worked with the World Bank in Washington, DC, U.S.A. as an Institutional Specialist and several other capacities for six years (1992-1998).

Presently, Ms. Singh is Agriculture Advisor to Federation of Indian Chambers of Commerce and Industry (FICCI) and Non-executive Chairperson of the Board of Directors of Yes Bank Limited. She is also an Independent Director on the Board of Syngenta Foundation for Sustainable Agriculture, Switzerland.

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

S. No.	Name of the Company	S. No.	Name of the Company	S. No.	Name of the Company
1	Yes Bank Limited**	2	LT Foods Limited**§	3	Cheminova India Ltd

* Also Member of Audit Committee § Also Member of Stakeholders' Relationship Committee

** Also Member of Audit and Compliance Committee

2.8 Mr. Marco Philippus Ardeshir Wadia

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

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

S. No.	Name of the Company	S. No.	Name of the Company	S. No.	Name of the Company
1	Gobind Sugar Mills Limited	2	Jost's Engineering Company Limited	3	Paradeep Phosphates Limited*
4	Simon India Limited*	5	Stovec Industries Limited*	6	Zuari Agro Chemicals Limited**§
7	Zuari Global Limited**§				

* Also Chairman/ Member of Audit Committee

§ Also Member of Stakeholders' Relationship Committee

(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 within forty five days from the end of the quarter 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, seven Board Meetings were held on May 9, 2014, August 8, 2014, September 8, 2014, September 18, 2014, November 7, 2014, February 6, 2015 and March 14, 2015.

The composition of the Board of Directors, their attendance at the Board Meetings held during the Financial Year 2014-15 and Annual General Meeting, number of other directorships in Indian public limited companies and membership of the Committees of the Boards of such companies are as follows:

Name of Director	Category of Director	Whether Attended Last AGM	No. of Board Meetings attended	Other Directorships	Membership of Committees of other Boards	
					Chairman	Member
Mr. S. K. Poddar	NED/PG	No	5	9	1	0
Mr. S. S. Bhartia	NED/PG	No	5	5	0	2
Mr. Anil Kapoor	MD	Yes	7	4	0	0
Mr. K.N. Memani	ID	No	5	8	4	2
Mr. C.S Nopany	NED/PG	No	4	8	3	0
Ms. Radha Singh	ID	Yes	6	3	3	0
Mr. Marco Ph. A. Wadia	ID	Yes	7	7	2	5
Mr. Aditya Narayan (Appointed with effect from 01.04.2015)	ID	N.A	N.A	2	2	1
Mr. R. N. Bansal (ceased w.e.f. 18.09.2014)	ID	No	2	N.A	N.A	N.A
Mr. Dipankar Basu (ceased w.e.f. 03.02.2015)	ID	No	2	N.A	N.A	N.A

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

Notes:

- Directorship excludes Indian private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013.
- Committees mean Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.
- The aforesaid Directors are not relatives of each other (as defined under the Companies Act, 2013 and Rules thereunder).

(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 Board members are given a notice of a Board meeting more than a month before the meeting date except in case of emergent meetings. The Board members are provided with well-structured and comprehensive agenda papers with background information and analysis to enable the Board members to take informed decisions. Agenda papers are generally circulated a week prior to the meeting of the Board. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda.

(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 agreement, regulations / guidelines of Securities and Exchange Board of India (SEBI), 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) Stakeholders Relationship Committee; (iii) Nomination and Remuneration Committee; (iv) Banking and Finance Committee; (v) Project Monitoring Committee; (vi) Corporate Social Responsibility 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 Agreement with the Stock Exchanges. It also discharges such other functions as may be delegated by the Board from time to time. Apart from this, the Audit Committee also reviews:

- the contracts entered into by the Company related to traded products, valuing more than Rs. 150 Million and the contracts entered in the register maintained under section 189 of the Companies Act, 2013, if any; and
- Status of material claims filed against the Company. The minutes of the Audit Committee meetings are circulated to the Board of Directors.

(ii) Composition:

The Committee comprises of three 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 six times during the year on May 9, 2014, August 7, 2014, September 8, 2014, November 6, 2014, February 5, 2015 and March 14, 2015 and the attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco Wadia	Chairman	Independent	6
Mr. R. N. Bansal*	Ceased	Independent	2
Mr. K.N Memani	Member	Independent	5
Ms. Radha Singh	Member	Independent	5

* Ceased to be Member w.e.f August 08, 2014

5.2 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 Agreement. It discharges such other functions as may be delegated by the Board from time to time.

The Committee also approves the matters relating to allotment of securities, issue of duplicate certificates, decide the dates of book closure/ record dates in respect of the shares and other securities issued by the Company, etc. 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 Chairperson of the Committee was present at the last Annual General Meeting. The Committee met four times during the year on May 9, 2014, August 7, 2014, November 7, 2014 and February 5, 2015 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. R. N. Bansal**	Ceased	Independent	2
Mr. Marco Wadia§	Member	Independent	2
Mr. Anil Kapoor	Member	Managing Director	4

* Designated as Chairperson of the Committee w.e.f. August 08, 2014.

** Ceased to be director with effect from September 18, 2014.

§ Appointed as Member of the Committee w.e.f. August 08, 2014.

The Company Secretary of the Company is designated as the Compliance Officer of the Company and can be contacted at:

Chambal Fertilisers and Chemicals Limited
Corporate One, 1st Floor
5, Commercial Centre, Jasola
New Delhi-110 025
Tel. : 91 11 41697900 Fax: 91 11 40638679
E-mail: compliance.officer@chambal.in

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

The Company has 1,57,860 investors as on March 31, 2015. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	7	9986	9981	12*
Complaints	0	353	353	0

* Since redressed.

5.3 Nomination and Remuneration Committee

(i) Terms of reference:

The Board has re-designated the "Remuneration Committee" as the "Nomination and Remuneration Committee" ("NRC") in compliance with the provisions of section 178 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges. The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. It discharges such other functions as may be delegated by the Board from time to time. NRC is also authorized and empowered to (i) superintend and administer the Employees Stock Option Scheme(s) of the Company including CFCL Employees Stock Option Scheme 2010, and (ii) 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.

(ii) Composition:

The Committee comprises of three Directors. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting. The Committee met seven times during the year on May 9, 2014, August 8, 2014, October 17, 2014, November 6, 2014, December 23, 2014, February 6, 2015 and March 12, 2015 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	5
Mr. R. N. Bansal [§]	Ceased	Independent	2
Mr. C. S. Nopany	Member	Non-executive	5
Mr. Marco Wadia	Member	Independent	6

* Appointed as Chairperson of the Committee w.e.f. August 08, 2014.

§ Ceased to be Member and Chairman w.e.f. August 08, 2014.

The Remuneration Policy of the Company is attached as Annexure "F" to the Directors Report.

5.4 Banking and Finance Committee

(i) Terms of reference:

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

(ii) Composition:

The Committee comprises of three Directors. No Committee meeting was held during the Financial Year 2014 -15. The composition of the Committee is as follows:

Name of the Member	Status	Category	Name of the Member	Status	Category
Mr. S. S. Bhartia	Chairman	Non-executive	Mr. C. S. Nopany	Member	Non-executive
Mr. D. Basu*	Ceased	Independent	Mr. Anil Kapoor	Member	Managing Director

* Ceased to be Member w.e.f. February 03, 2015

5.5 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.

(ii) **Composition:**

The Committee comprises of four Directors. No Committee meeting was held during the Financial Year 2014-15. The composition of the Committee is as follows:

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

*Ceased to be Member w.e.f. August 08, 2014.

5.6 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.

(ii) **Composition:**

The Committee comprises of three Directors. The Committee met twice during the year on May 9, 2014 and March 25, 2015 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	1
Ms. Radha Singh	Member	Independent	2

5.7 Strategy Committee

(i) **Terms of reference:**

The Committee was formed on September 18, 2014 and 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 three Directors. The Committee met twice during the year on September 18, 2014 and March 14, 2015 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco Wadia	Chairman	Independent	2
Mr. S.S Bhartia	Member	Non-executive	1
Mr. Anil Kapoor	Member	Managing Director	2

5.8 Risk Management Committee

(i) **Terms of reference:**

The Committee was formed on August 8, 2014 comprising the executives of the Company. The Committee was re-constituted with effect from April 1, 2015 as per the requirements of revised clause 49 of the Listing Agreement although such requirements regarding composition of Risk Management Committee are 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 or as required under the Companies Act, 2013, Rules framed thereunder, listing agreement with the stock exchanges and other laws.

(ii) **Composition:**

The Committee comprises of three Directors, Chief Financial Officer and Company Secretary of the Company. The composition of the Committee as on April 1, 2015 is as follows:

Name of the Member	Status	Category
Mr. S.S Bhartia	Chairman	Non-executive Director
Mr. Aditya Narayan	Member	Independent Director
Mr. Anil Kapoor	Member	Managing Director
Chief Financial Officer	Member	Key Managerial Personnel
Company Secretary	Member	Key Managerial Personnel

During the year, the Board of Directors had dissolved the Compensation Committee and Quarterly Results Review Committee of the Board.

(6) Details of remuneration paid to directors during the Financial Year 2014-15

6.1 Executive Director

(Amount in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Retirement Benefits
Mr. Anil Kapoor	2,14,14,875	84,00,000	14,64,403	30,78,000

- (i) Subject to the approval of the shareholders, the Board of Directors has re-appointed Mr. Anil Kapoor as Managing Director of the Company for a period of two years with effect from February 16, 2015. The term of appointment of Mr. Anil Kapoor is upto February 15, 2017, 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/ Nomination and Remuneration Committee on annual basis based on the performance of the Company and other relevant factors.

The Company has granted 150,000 stock options to the Managing Director during the Financial Year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the Compensation Committee in which the options were granted. Out of 150,000 stock options granted to the Managing Director, 1,12,500 stocks vested till March 31, 2015 as per the details given below:

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
Total	1,12,500

The remaining 37,500 stock options shall vest on September 16, 2015. The stock options can be exercised within 5 years from the respective dates of vesting. Mr. Anil Kapoor has exercised 11,000 stock options till March 31, 2015.

6.2 Non - Executive Directors

The Company pays sitting fee for attending the Board and Committee meetings to its Non-Executive Directors. With effect from February 06, 2015, the Board of Directors have increased the sitting fees payable to the Non-Executive Directors from Rs. 20,000 to Rs.50,000 per Board meeting, from Rs. 15,000 to Rs. 25,000 per Audit Committee meeting and from Rs. 7,500 to Rs. 15,000 per meeting of other Committees of the Board. Apart from the sitting fee, the Company pays Commission to each of the Non-Executive Directors subject to the maximum of Rs. 4,00,000 per annum. The details of sitting fee and the commission paid/ payable are as follows:

Name of the Director	Sitting fee paid (Rs.)	Commission paid for Financial Year 2013-14 (Rs.)	Commission payable for Financial Year 2014-15 (Rs.)
Mr. S. K. Poddar	160,000	400,000	400,000
Mr. S. S. Bhartia	190,000	400,000	NIL*
Mr. R.N. Bansal**	100,000	400,000	187,397
Mr. D. Basu***	40,000	400,000	337,534
Mr. K.N. Memani	245,000	400,000	400,000
Mr. C. S. Nopany	162,500	400,000	400,000
Ms. Radha Singh	322,500	400,000	400,000
Mr. Marco Wadia	390,000	400,000	400,000

* Mr. S.S. Bhartia has opted out to receive any commission and sitting fee with effect from April 1, 2015.

** Mr. R.N. Bansal ceased to be director with effect from September 18, 2014.

*** Mr. D Basu ceased to be Director with effect from February 03, 2015.

After considering the contribution of the individual directors in the affairs of the Company, the Board has decided to pay Commission to Non-executive Directors on uniform basis. In case a directors has served for part of the year, the Commission is payable on pro-rata 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 have adopted "Board Diversity Policy" which set 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 clause 49 of the Listing Agreement, the Performance Evaluation Policy has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. After detailed discussion at Board level as well as taking input from each director, Nomination and Remuneration Committee ("NRC") finalized the proformas / questionnaires containing various parameters to evaluate

the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects.

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 2014-15. NRC evaluated the performance of each director. 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 NRC and the Independent Directors have submitted reports of their respective evaluations to the Chairperson of the Company.

Based on the questionnaires received from the Directors and considering the reports of Chairperson of NRC 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 behaviour, actual or suspected fraud or violation of the Company's "Code of Conduct and Ethics for Directors and Employees". 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 Policy provides adequate safeguard against victimization of the directors and the employees who avail of the mechanism and also provide for direct access to Chairman of the Audit Committee in exceptional cases. No personnel were denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at www.chambalfertilisers.com & intranet site - www.chambal.in

(10) Related Party Transactions

During the financial year 2014-15, all transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, were in the ordinary course of business and 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/RPT_Policy_CFCL.pdf

No material Related Party Transaction (transaction exceeding ten percent of the annual consolidated turnover as per last audited financial statements), was 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.

(11) Shareholding of Directors as on March 31, 2015

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

(12) General Body Meetings:

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

Financial year	Date	Time	Location
2013-14	18.09.2014	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2012-13	13.09.2013	1030 hours	
2011-12	14.09.2012	1030 hours	

12.2 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 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.
September 13, 2013	Amendment to 'CFCL Employees Stock Option Scheme 2010'.

12.3 During the year 2014-15, the Company had taken Shareholders' approval by way of special resolution through postal ballot to mortgage, hypothecate, otherwise charge, alienate or dispose-off any and all immovable and movable properties of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013, as per details given below:

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
18.09.2014	28,05,10,850	27,16,34,392 (96.84%)	88,76,458 (3.16%)

Mr. M.L. Patodi, Advocate, Kota was appointed as scrutinizer for conducting the postal ballot exercise (including e-voting) for the aforesaid matter.

12.4 No special resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting of the Company.

(13) Disclosures

- 13.1 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority in any matter related to capital markets, for non-compliance by the Company.
- 13.2 Your Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and quarterly compliance reports in the requisite format signed by the Compliance Officer, have been submitted to the concerned stock exchanges.
- 13.3 The Company has formulated a “Policy for determining Material Subsidiary” which has been uploaded on the website of the Company (www.chambalfertilisers.in) and can be accessed at the weblink <http://chambalfertilisers.com/pdf/Policy-on-Material-Subsidiary.pdf>
- 13.4 The details of familiarization programmes for Independent Directors is available on the website of the Company and can be accessed at the weblink - <http://chambalfertilisers.com/pdf/Familiarization-Programme.pdf>
- 13.5 The Company has adopted the following non-mandatory requirements relating to:
- Maintenance of the office of Non-Executive Chairman at the Company’s expense
 - Separate posts of Chairman and Managing Director
 - Unqualified Audited Financial statements of the Company
- 13.6 During the year, no case was filed with the Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 13.7 The Company has circulated Sustainability Report for the Financial Year 2013-14 by email, wherever the email addresses of the shareholders were available with the Company.

(14) Means of Communication

- 14.1 The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half-yearly and annual basis, published in the main editions of national and vernacular dailies (such as Mint, Rajasthan Patrika and Dainik Bhaskar), Annual Report, e-mails and the Company’s website.
- 14.2 Information relating to shareholding pattern, quarterly corporate governance report, intimation of board meetings, etc. was also posted on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- 14.3 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, quarterly corporate governance report, terms and conditions for appointment of independent directors, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, de-materialisation, re-materialisation of shares, etc.
- 14.4 The Company had four Earning/ conference calls with investors/ analysts during the Financial Year 2014-15 in respect of its quarterly results, transcripts whereof are uploaded on the website of the Company.
- 14.5 Management Discussion and Analysis Report forms part of the Directors’ Report.

(15) Code of Conduct & Ethics

The Company had adopted Code of Conduct and Ethics which is available on the website of the Company (www.chambalfertilisers.com). The object of the Code is to conduct the Company’s business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code of Conduct also serves as a tool in carrying out the Company’s social responsibility in a more effective manner. This Code sets out a broad policy for one’s conduct in dealing with the Company, fellow directors and employees and with the external environment in which the Company operates.

The declaration given by Managing Director of the Company affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during the Financial Year 2014-15 is enclosed as Annexure - “C” to Directors’ Report.

(16) General Shareholders’ Information

16.1 30th Annual General Meeting

Venue: Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208
Time: 1030 hours
Day & Date: Tuesday, September 15, 2015

16.2 Financial Year : April to March

16.3 Tentative Financial Calendar

Event	Date	Event	Date
Audited Annual Results (2014-15)	April 30, 2015	Half Yearly Results	Early November 2015
Mailing of Annual Report	August 2015	Third Quarter Results	Early February 2016
First Quarter Results	Early August 2015	Audited Annual Results (2015-16)	Late April or Early May 2016

16.4 Book Closure

The register of members and share transfer books of the Company shall remain closed from September 1, 2015 to September 3, 2015 (both days inclusive).

16.5 Dividend Payment Date: September 21, 2015

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

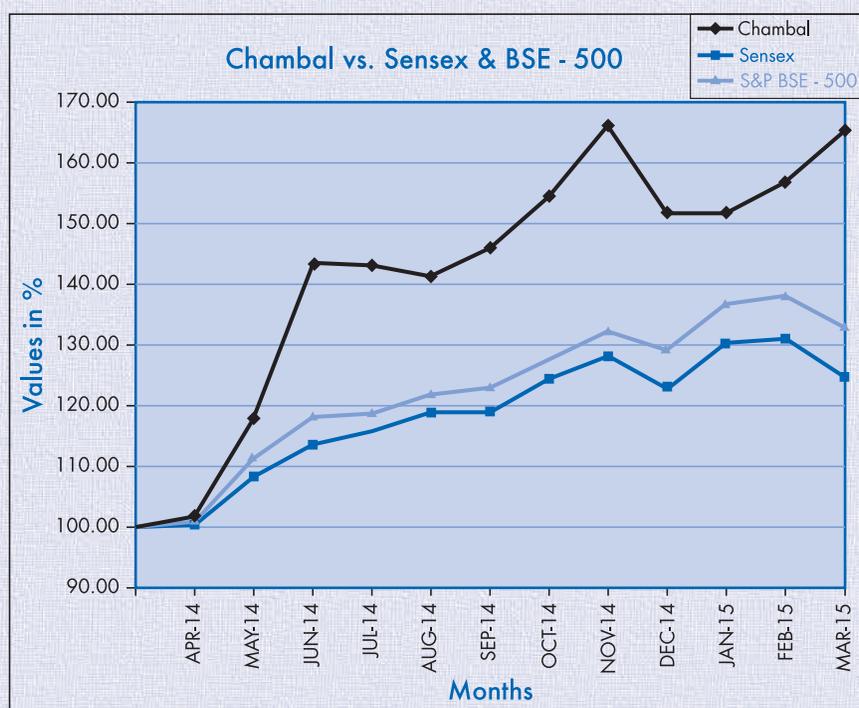
The Company has paid annual listing fees for the Financial Year 2015-16 to BSE and NSE.

16.7 Market Price Data

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2014-15 were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2014	45.05	40.10	45.20	40.10
May, 2014	54.40	39.70	54.35	39.60
June, 2014	61.65	46.05	61.70	46.05
July, 2014	64.60	52.45	64.60	52.35
August, 2014	62.50	54.35	62.55	54.10
September, 2014	66.65	54.50	66.60	54.50
October, 2014	63.60	57.80	63.70	57.70
November, 2014	71.00	61.80	71.10	61.80
December, 2014	67.50	59.00	67.65	58.70
January, 2015	66.80	58.35	66.25	58.15
February, 2015	73.50	59.05	73.45	58.80
March, 2015	68.40	60.75	68.45	60.60

16.8 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, 2014.

16.9 Registrar and Transfer Agents & Share Transfer System

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

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

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

The Share Transfer Agents have an online 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.

16.10 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 : compliance.officer@chambal.in
Website : www.chambalfertilisers.com

16.11 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, 2015, about 93.15% of the share capital of the Company was held in dematerialised form.

16.12 Transfer of shares in Unclaimed Suspense Account

Pursuant to Clause 5A (II) of the Listing Agreement, the Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form 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, 2014	2,623	4,42,364
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2014-15	8	1,358
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during Financial Year 2014-15	8	1,358
Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2015	2,615	4,41,006

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.

16.13 Distribution of Shareholding

The distribution of shareholding as on March 31, 2015 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	1,36,034	86.17	2,45,56,301	5.90
2	501 to 1000	12,779	8.10	1,12,59,302	2.70
3	1001 to 5000	7,581	4.80	1,67,29,384	4.02
4	5001 to 10000	792	0.50	60,41,466	1.45
5	10001 to 100000	540	0.34	1,50,50,848	3.62
6	100001 to 500000	65	0.04	1,54,78,988	3.72
7	500001 & above	69	0.05	32,70,91,563	78.59
	Total	1,57,860	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 "G" to the Directors' Report.

- 16.14 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity - NIL
- 16.15 a) Location of the Plants
- Fertiliser Plants: Gadepan, Distt. Kota, Rajasthan, India, PIN – 325 208
Birla Textile Mills: Baddi, Distt. Solan, Himachal Pradesh, India, PIN -173 205
- b) India Steamship - Shipping Division
"Birla Building", 9th Floor, 9/1, R.N. Mukherjee Road, Kolkata – 700001

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 30, 2015

S. K. Poddar
Chairman

Annexure "C" to Directors' Report

DECLARATION OF MANAGING DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2014-15.

Anil Kapoor
Managing Director

Place: New Delhi
Date: April 30, 2015

Annexure "D" to Directors' Report

AUDITORS' CERTIFICATE

To

The Members of Chambal Fertilisers and Chemicals Limited

We have examined the compliance of conditions of corporate governance by Chambal Fertilisers and Chemicals Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

Place: Gurgaon
Date: April 30, 2015

per Anil Gupta
Partner
Membership No.: 87921