

Annexure "D" to Directors' Report REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy

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

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

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

b) Board of Directors

As of March 31, 2014, the Board of Directors comprises of nine directors including a Managing Director. 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 while considering the business plans devised by the management team.

Out of the eight non executive directors of the Company, five 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 Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

M/s. R.N. Bansal, Marco Wadia and C.S. Nopany, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting. M/s. Marco Wadia and C.S. Nopany are eligible and have offered themselves for re-appointment. Mr. R.N. Bansal has expressed his unwillingness for re-appointment. In pursuance of Section 149 of the Companies Act, 2013, the Board is recommending appointment of M/s. Marco Wadia, Dipankar Basu, Kashi Nath Memani and Ms. Radha Singh as Independent Directors of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2017.

The brief particulars of all the Directors are given below:

(i) 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 Adventz group with a turnover of about USD 3 Billion. The group under the leadership of Mr Poddar, has promoted various seminal projects including joint ventures with leading international corporations. The most notable of these ventures are Hettich India Private Ltd (a joint venture with the Hettich Group of Germany), Texmaco UGL Rail Private Ltd. (a joint venture with the United Group of Australia) and MCA Phosphates Pte. Ltd. (a joint venture with Mitsubishi Corporation, Japan). Mr. Poddar was also instrumental in promoting Gillette India Limited (a venture with the Gillette Company of U.S.A), 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. Mr. Poddar and his family promote young cricketers to go abroad for training and practice. They are currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum will be named as 'K. K. Birla Academy' in the fond memory of Late Dr. K.K. Birla. The Project will be fully funded by the family and is to be commissioned in the coming years.

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

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Adventz Investments and Holdings Limited	7	Texmaco Infrastructure & Holdings Limited ⁵
2	Chambal Infrastructure Ventures Limited	8	Texmaco Rail & Engineering Limited
3	Paradeep Phosphates Limited	9	Zuari Cement Limited*
4	Gulbarga Cement Limited	10	Zuari Fertilisers & Chemicals Limited
5	Lionel India Limited	11	Zuari Global Limited
6	Simon India Limited	12	Zuari Agro Chemicals Limited

* Also Chairman of Audit Committee

⁵ Also Chairman of Investors/ Shareholders Grievance Committee

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

Mr. Shyam S. Bhartia (DIN: 00010484) is the Chairman and Managing Director of M/s. Jubilant Life Sciences Limited. He is a Commerce graduate and a fellow member of the Institute of Cost and Works Accountants of India. A leading industrialist of India, he has rich industrial experience in the Pharmaceuticals, Specialty Chemicals, Food, Oil and Gas (Exploration & Production), Aerospace and Information Technology sectors. He is a director on the boards of numerous companies both in India and overseas.

His past association to institutional segment included – Member of Board of Governors of Indian Institute of Technology, Mumbai, Indian Institute of Management, Ahmedabad and Director on the Board of Air India.

Names of other Indian public limited companies in which Mr. Shyam Sunder Bhartia is 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 ⁵
2	Jubilant Foodworks Limited	5	Vam Holdings Limited
3	Jubilant Generics Limited		

⁵ Also member of Investors Grievance Committee

(iii) **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 has 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 Chambal Fertilisers and Chemicals Limited (CFCL) in the Year 2000 as Vice President – Strategic Planning. Mr. Kapoor was elevated as President – Strategic Planning & Operations with additional responsibility of Fertiliser plant operations in the year 2004. He has been appointed as Managing Director of CFCL in the Year 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.

(iv) **Mr. Dipankar Basu**

Mr. Dipankar Basu (DIN: 00009653) received his Master of Arts (Economics) degree from Delhi University. Mr. Basu is the former Chairman of State Bank of India. While serving as Chairman of State Bank of India, he served concurrently on the Boards of a number of SBI subsidiaries including those engaged in investment banking and fund management. Between 1996 and 1999, he served as a member of the Disinvestment Commission set up to advise the Government of India on public sector disinvestments. During 1997-98, Mr. Basu was a member of the Narasimham Committee on Banking Sector Reforms. Later, during 2004-06, he was a member of the Appointments Board constituted by Government of India for selection of Chairman and executive Directors of Public Sector Banks.

Mr. Basu brings with him long experience and wide knowledge of financial markets in India. He has several years of Board level experience in companies engaged in a wide spectrum of businesses- both financial and non-financial. He is at present a member of the Investment Advisory Committee of the Army Group Insurance Fund and of the Empowered Committee of External Commercial Borrowings of Reserve Bank of India.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Asian Paints Limited *	4	RAIN CII Carbon (Vizag) Limited*
2	Deepak Fertilisers & Petrochemicals Corp. Limited [§]	5	RAIN Industries Limited*
3	Peerless Securities Limited	6	The Peerless General Finance & Investment Company Limited

* Also Chairman/ Member of Audit Committee

§ Also Chairman of Shareholders Grievance Committee

(v) **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*	6	ICICI Venture Funds Management Company Limited*
2	DLF Limited*	7	JK Lakshmi Cement Limited
3	Emami Limited	8	National Engineering Industries Limited*
4	Great Eastern Energy Corporation Limited [§]	9	S Mobility Limited*
5	HT Media Limited*	10	Smart Ventures Limited

* Also Chairman/ Member of Audit Committee

§ Also Member of Shareholders Grievance Committee

(vi) **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. Mr. Nopany is the Chairman and Managing Director of M/s. The Oudh Sugar Mills Limited. He is also on the Board of Directors of several other companies promoted by Dr. K.K. Birla, including few subsidiaries and joint venture of the Company. Having contributed significantly to organic and inorganic growth of the K.K. Birla Group, he continues to lead as a new generation entrepreneur with concerted focus on efficiency and growth.

Names of other Indian public limited companies in which Mr. Chandra Shekhar Nopany is a 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/ Member of Investors' Grievance Committee

(vii) **Ms. Radha Singh**

Ms. Radha Singh (DIN: 02227854) has retired from Indian Administrative Service. Prior to retirement, she was holding the position of Secretary, Agriculture and Cooperation, Government of India. She has 40 years' experience in public service, in several areas including rural and agricultural development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she also headed various national and international organizations as Board Member/ Chairperson.

In her long public career, she has held many high level policy and managerial positions in the Government of India. These included Secretary, Department of Animal Husbandry, Dairying and Fisheries, Additional Secretary/ Joint Secretary in the Ministry of Water Resources, Director General of the National Water Agency and positions in the Economic Affairs Department and field assignments. She had worked with the World Bank in Washington, DC, U.S.A. as an Institutional Specialist Consultant in several other capacities for six years (1993-1998).

Presently, Ms. Singh is Agriculture Advisor to FICCI and Trustee and the Secretary of the Rajendra Bhawan Trust, New Delhi, a charitable organisation in memory of the first President of the India. She is also an Independent Director on the Board of Syngenta Foundation for Sustainable Agriculture.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Yes Bank Limited*	2	LT Foods Limited [§]

* Also Member of Audit and Compliance Committee

[§] Also Member of Investors' Grievance Committee

(viii) 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.

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
1.	Zuari Infracore India Limited*	6.	Simon India Limited*
2.	Gobind Sugar Mills Limited [§] *	7.	Stovec Industries Limited*
3.	Johnson & Johnson Limited*	8.	Zuari Agro Chemicals Limited [§]
4.	Jost's Engineering Company Limited	9.	Zuari Global Limited [§]
5.	Paradeep Phosphates Limited	10.	Zuari Maroc Phosphates Limited

* Also Chairman/ Member of Audit Committee

[§] Also Member of Shareholders'/Investors Grievance Committee

c) Meetings and Attendance

The Meetings of the Board are generally held at the Corporate Office of the Company at Jasola, New Delhi - 110025. The Board meetings are scheduled within forty five days from the end of the quarter in the manner that it coincides with the announcement of quarterly financial results wherein time gap between two consecutive meetings does not exceed four months. In case of urgency, additional board meetings are convened. During the year under review, four Board Meetings were held on April 30, 2013, July 31, 2013, November 8, 2013 and February 3, 2014.

The composition of the Board of Directors, their attendance at the Board Meetings held during the Financial Year 2013-14 and Annual General Meeting as also number of other directorships in Indian public limited companies and membership of the Committees of the Boards of such companies are as follows:

Name of Director	Category of Director	Whether Attended Last AGM	No. of Board Meetings attended	Other Directorships	Membership of Committee of other Boards	
					Chairman	Member
Mr. S. K. Poddar	NED/PG	No	4	12	2	0
Mr. S. S. Bhartiya	NED/PG	No	4	5	NIL	1
Mr. Anil Kapoor	MD	Yes	4	4	NIL	NIL
Mr. R. N. Bansal	ID	No	4	2	1	1
Mr. D. Basu	ID	No	2	6	2	2
Mr. K.N. Memani	ID	No	4	10	5	3
Mr. C.S Nopany	NED/PG	No	4	8	2	1
Ms. Radha Singh	ID	No	4	2	NIL	2
Mr. Marco Ph. A. Wadia	ID	Yes	4	10	3	7

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

Notes:

- (i) Directorship excludes Indian private limited companies, foreign companies and companies registered under section 25 of the Companies Act, 1956.
- (ii) Committees mean Audit Committee and Investors/ Shareholders Grievance Committee.
- (iii) The aforesaid Directors are not relatives of each other (as defined under the Companies Act, 2013 and Rules thereunder).

d) Board Agenda

The calendar of Board meetings is scheduled well in advance and shared with Board members. The Board members are given a notice of 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. Depending upon the business expediency, additional or supplementary item(s) to the agenda are permitted to be taken at the Board Meetings.

e) Committees of the Board

In compliance of the provisions of the listing agreement, regulations / guidelines of Securities and Exchange Board of India (SEBI), other statutory provisions and to ensure timely and effective working of the Board and the Company, various committees have been constituted with specific terms of reference and scope. The committees operate as empowered agents of the Board. In your Company, there are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge urgent business of the Company. These Committees are - (i) Audit Committee; (ii) Investors Grievance Committee; (iii) Remuneration Committee; (iv) Banking and Finance Committee; (v) Project Monitoring Committee; (vi) Quarterly Results Review Committee (vii) Compensation Committee; and (viii) Corporate Social Responsibility Committee. The Committees meet as often as required. The terms of reference and composition of these Committees are as follows:

(i) Audit Committee

- **Terms of reference:**

The terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. Apart from this, the Audit Committee also reviews:

- the contracts entered into by the Company related to traded products, valuing more than Rs. 75 million and the contracts entered in the register maintained under section 301 of the Companies Act, 1956, if any;
- Risk assessment and minimization procedures of the Company including Key and Non Key Risks in the business and operations of the Company; and
- Status of Inter Corporate Deposits placed by the Company.

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

- **Composition:**

The Committee comprises of four Directors. M/s. R. N. Bansal and K. N. Memani being Chartered Accountants are financial experts. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Chief Financial Officer, representatives of statutory auditors and internal auditors. Further, the cost auditor and other executives of the Company are invited in the audit committee meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Committee met four times during the year on April 29, 2013, July 30, 2013, November 7, 2013 and February 3, 2014 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	4
Mr. R. N. Bansal	Member	Independent	4
Mr. K.N Memani	Member	Independent	4
Ms. Radha Singh	Member	Independent	4

(ii) Investors Grievance Committee

- **Terms of reference:**

The Committee was formed to approve the matters relating to allotment of securities, issue of duplicate certificates, review and redressal of investor grievances, decide the dates of book closure/ record dates in respect of the shares issued by the Company, etc. In order to provide quick service to investors, the Board has delegated enough powers to few executives to deal with various matters including transfer of shares across the counter, transmission of securities, etc.

- **Composition:**
The Committee comprises of three Directors. The Committee met four times during the year on April 15, 2013, July 31, 2013, November 8, 2013 and February 3, 2014 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. R. N. Bansal	Chairman	Independent	3
Mr. Anil Kapoor	Member	Managing Director	4
Ms. Radha Singh	Member	Independent	4

Mr. M. S. Rathore, Vice President – Legal, Corporate Communication & Secretary, is the Compliance Officer of the Company and can be contacted at:

Chambal Fertilisers and Chemicals Limited
Corporate One, 1st Floor
5, Commercial Centre, Jasola
New Delhi-110 025

Tel: 91 11 41697900
Fax: 91 11 40638679
E-mail: ms.rathore@chambal.in

- **Investors' Grievances received and resolved during the year:**
The Company has 1,76,263 investors as on March 31, 2014. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	26	12,738	12757	7*
Complaints	0	345	345	0

* Since Redressed

(iii) Remuneration Committee

- **Terms of reference:**
The Committee was formed to recommend appointment of Managing Director(s)/ Whole Time Director(s)/ Manager and to review and approve the remuneration including the compensation package, annual increments, incentives, additional perquisites, etc. of the Managing Director(s)/ Whole Time Director(s)/ Manager and Senior Executives of the Company.
- **Composition:**
The Committee comprises of three Directors. The Committee met once during the year on April 29, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. R. N. Bansal	Chairman	Independent	Yes
Mr. C. S. Nopany	Member	Non-executive	Yes
Mr. Marco Wadia	Member	Independent	Yes

(iv) Banking and Finance Committee

- **Terms of reference:**
The Committee was formed to approve availment of various types of finances including working capital facilities, loans, etc. and any other specific matter delegated by the Board from time to time.
- **Composition:**
The Committee comprises of four Directors. The Committee met once during the year on April 15, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. S. S. Bhartia	Chairman	Non-executive	Yes
Mr. D. Basu	Member	Independent	No
Mr. C. S. Nopany	Member	Non-executive	Yes
Mr. Anil Kapoor	Member	Managing Director	Yes

(v) Project Monitoring Committee

- **Terms of reference:**
The Committee was formed to review progress of various projects of the Company and approve contracts of certain value.
- **Composition:**
The Committee comprises of five Directors. The Committee met once during the year on April 15, 2013 and the attendance

of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. C. S. Nopany	Chairman	Non-executive	Yes
Mr. R. N. Bansal	Member	Independent	No
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. K. N. Memani	Member	Independent	No
Ms. Radha Singh	Member	Independent	Yes

(vi) **Quarterly Results Review Committee**

- **Terms of reference:**

The Committee was formed to deal with all the matters pertaining to approval of the unaudited quarterly results of the Company.

- **Composition:**

The Committee comprises of three Directors. No meeting of the Committee was held during the Financial Year 2013-14. The composition of the Committee is as follows:

Name of the Member	Status	Category
Mr. S. S. Bhartia	Chairman	Non-executive
Mr. R. N. Bansal	Member	Independent
Mr. Anil Kapoor	Member	Managing Director

(vii) **Compensation Committee**

- **Terms of reference:**

The Committee was constituted to formulate Employees Stock Option Scheme and its administration.

- **Composition:**

The Committee comprises of four Directors. The Committee met once during the year on July 30, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. C. S. Nopany	Chairman	Non-executive	No
Mr. R. N. Bansal	Member	Independent	Yes
Mr. Marco Wadia	Member	Independent	Yes
Mr. K. N. Memani	Member	Independent	Yes

(viii) **Corporate Social Responsibility Committee**

- **Terms of reference:**

The Committee was formed on February 3, 2014 and the terms of reference of the Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder and it shall discharge such other functions as may be delegated by the Board of Directors from time to time.

- **Composition:**

The Committee comprises of three Directors. No meeting of the Committee was held during the Financial Year 2013-14. The composition of the Committee is as follows:

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

f) **Details of remuneration paid to directors during the Financial Year 2013-14**

(i) **Executive Director**

(Amount in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Retirement Benefits
Mr. Anil Kapoor	18,774,500	7,600,000	1,252,382	2,754,000

- The term of appointment of Mr. Anil Kapoor is upto February 15, 2015, which can be terminated by either party by giving three months' written notice to other party.
- No sitting fee is payable to Managing Director.

The Company has granted 150,000 stock options to the Managing Director during the Financial Year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the Compensation Committee in which the options were granted. Out of 150,000 stock options granted to the Managing Director, 22,500 stock options vested on September 16, 2011, 22,500 stock options vested on September 16, 2012 and 30,000 stock options vested on September 16, 2013. The remaining 75,000 stock options shall vest as per the details given below:

Date of Vesting	Eligibility	
	No. of Options	% of total options
16.09.2014	37,500	25
16.09.2015	37,500	25

The stock options can be exercised within 5 years from the respective dates of vesting. Mr. Anil Kapoor has exercised 11,000 stock options till March 31, 2014.

(ii) **Non - Executive Directors**

The Company pays sitting fee for attending the meetings to its Non-Executive Directors @ Rs. 20,000 per Board meeting, Rs. 15,000 per Audit Committee meeting and Rs. 7,500 per meeting of other committees of the Board. Apart from the sitting fee, the Company 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:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission Paid for Financial Year 2012-13 (Rs.)	Commission payable for Financial Year 2013-14 (Rs.)
1.	Mr. S. K. Poddar	80,000	400000	400000
2.	Mr. S. S. Bhartia	87,500	400000	400000
3.	Mr. R. N. Bansal	1,77,500	400000	400000
4.	Mr. D. Basu	40,000	400000	400000
5.	Mr. K.N. Memani	1,47,500	400000	400000
6.	Mr. C. S. Nopany	1,02,500	400000	400000
7.	Ms. Radha Singh	1,77,500	400000	400000
8.	Mr. Marco Wadia	1,55,000	400000	400000

g) **Remuneration Policy**

The Company's remuneration policy aims at attracting and retaining high talent by taking into account the talent market, national and international remuneration trends and the competitive requirements of each of its businesses.

Remuneration of employees largely consists of base remuneration, perquisites and also performance bonus and retention incentive at certain levels. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him/her, individual performance, etc.

h) **Shareholding of Directors as on March 31, 2014**

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

i) **General Body Meetings**

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

Financial year	Date	Time	Location
2012-13	13.09.2013	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2011-12	14.09.2012	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2010-11	16.09.2011	1000 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan

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

Date of Annual General Meeting	Nature of approval
September 13, 2013	Amendment in 'CFCL Employees Stock Option Scheme 2010'.
September 16, 2011	Payment of commission to Non-Executive Directors.

- (iii) Shareholders' approval through postal ballot was not sought for any matter last year.
- (iv) The Company proposes to take the approval of the shareholders by postal ballot for authorizing the Board of Directors of the Company to mortgage, hypothecate, otherwise charge, alienate or dispose off any and all immovable and movable properties of the Company, in favour of banks, financial institutions, trustees for debenture holders and / or any other persons for securing any term loans or any other loans or any banking or financial or other facilities or arrangements granted / to be granted or provided / to be provided by them or any transaction connected therewith.
- (v) Brief procedure for conducting the postal ballot
Notice of postal ballot will be sent to the members of the Company. The procedure for exercise of postal ballot and other details shall be provided in the postal ballot notice. The results of the postal ballot shall be declared at the ensuing Annual General Meeting.

j) Disclosures

- i) There are no materially significant transactions with the related parties viz. promoters, directors, relatives, the management, subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority in any matter related to capital markets, for non-compliance by the Company.
- iii) Your Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and quarterly compliance report in the requisite format signed by the Compliance Officer, has been submitted to the stock exchanges where the Company's equity shares are listed.
- iv) The Risk Management Policy framework is in place. The risks are reviewed on half yearly basis and the changes along with the revised risks are informed to the Board.
- v) The Company has adopted the following non-mandatory requirements relating to:
- Remuneration Committee.
 - Maintenance of the office of Non-Executive Chairman at the Company's expense.
- vi) During the year, no case was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has circulated Sustainability Report for the Financial Year 2012-13 by email, wherever the email addresses of the shareholders were available with the Company.

The Ministry of Corporate Affairs had issued Corporate Governance Voluntary Guidelines in December 2009. The Company has adopted the guidelines relating to following matters:

- a) Certificate of Independence from Independent Directors;
- b) Remuneration Committee;
- c) Audit Committee;
- d) Risk Management Framework;
- e) Review of internal control system;
- f) Appointment of auditors and their certificate of independence;
- g) Remuneration to Non – Executive Directors; and
- h) Appointment of internal auditor.

The Company is in the process of formulating appropriate methodology to adopt the remaining guidelines.

k) Means of Communication

- (i) The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half-yearly and annual basis, published in the main editions of national and vernacular dailies (such as Mint, Rajasthan Patrika and Dainik Bhaskar), Annual Report, e-mails and the Company's website.
- (ii) Information relating to shareholding pattern, quarterly corporate governance report, intimation of board meetings, etc. was also posted on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

- (iii) The results are simultaneously posted on the website of the Company at www.chambalfertilisers.com. The investors can also find on this website the Annual Reports, Quarterly Results, Sustainability Reports, 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.
- (iv) The Company had four Earning/ conference calls with investors/ analysts during the Financial Year 2013-14 in respect of its quarterly results, transcripts whereof are uploaded on the website of the Company.
- (v) Management Discussion and Analysis Report forms part of this Annual Report.

l) Code of Conduct & Ethics

The Company 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 with respect to affirmation of compliance of the Code by the Board Members and Senior Executives of the Company during the Financial Year 2013-14 is enclosed as Annexure - "E".

m) Code of Internal Procedures and Conduct for Trading in Securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has a Code of Internal Procedures and Conduct for Trading in Securities of the Company. The Code, *inter-alia*, prohibits purchase/ sale of shares of the Company by Directors, Officers, designated employees and their dependents while in possession of unpublished price sensitive information in relation to the Company.

n) General Shareholders' Information

(i) 29th Annual General Meeting

Venue : Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208
 Time : 1030 hours
 Day & Date : Thursday, September 18, 2014

(ii) Financial Year : April to March

(iii) Tentative Financial Calendar

Event	Date
Audited Annual Results (2013-14)	May 9, 2014
Mailing of Annual Report	August 2014
First Quarter Results	Early August 2014
Half Yearly Results	Early November 2014
Third Quarter Results	Early February 2015
Audited Annual Results (2014-15)	May 2015

(iv) Book Closure

The register of members and share transfer books of the Company shall remain closed from Tuesday, September 2, 2014 to Thursday, September 4, 2014 (both days inclusive).

(v) Dividend Payment Date: September 23, 2014

(vi) Listing on Stock Exchanges and Stock codes

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

S. No	Name of the Stock Exchange	Stock Code
1.	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 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 2014-15 to BSE and NSE.

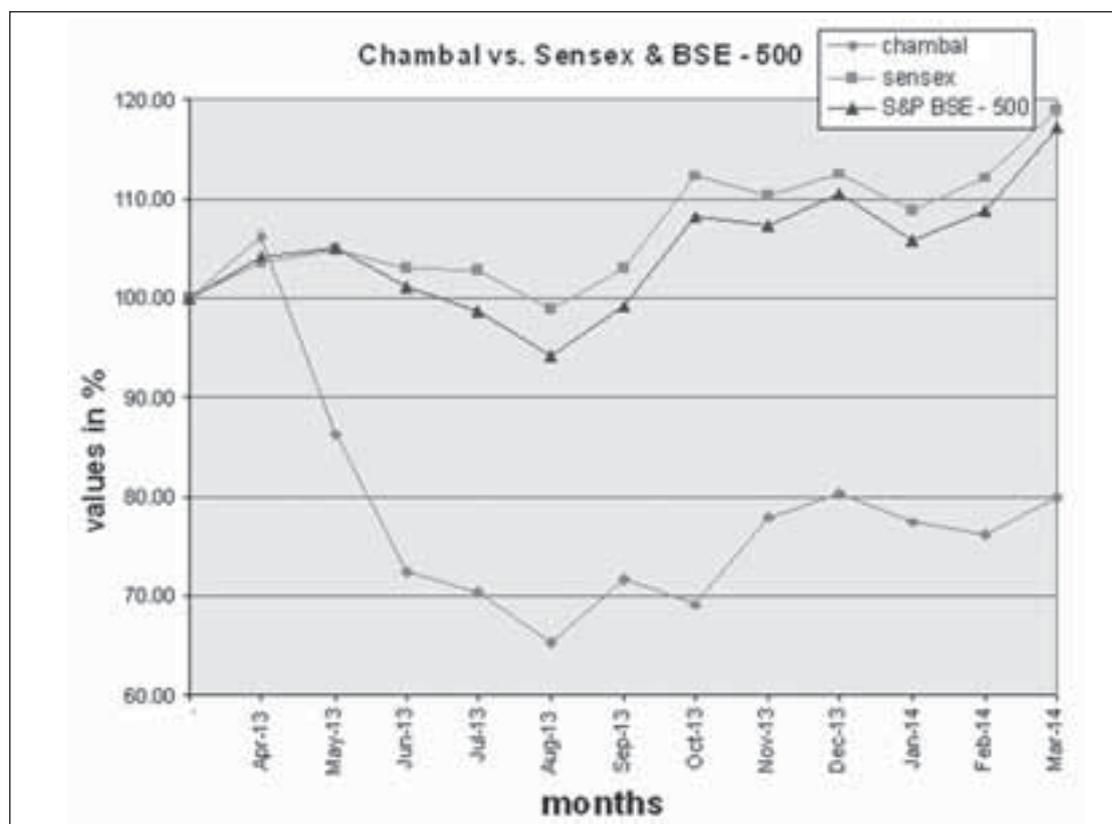
(vii) Market Price Data

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

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	56.65	49.95	56.65	50.05
May, 2013	52.75	42.60	52.85	42.60
June, 2013	46.40	32.60	46.50	32.60
July, 2013	39.45	32.65	39.50	32.70
August, 2013	38.15	30.60	38.20	30.90
September, 2013	36.50	32.20	36.55	32.30
October, 2013	38.75	34.35	38.70	34.30
November, 2013	40.35	34.75	40.35	34.75
December, 2013	41.10	37.60	41.15	37.35
January, 2014	41.55	37.60	41.55	37.55
February, 2014	39.45	36.10	39.65	36.00
March, 2014	40.70	37.55	40.70	37.55

(viii) 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, 2013.

(ix) Registrar and Transfer Agents & Share Transfer System

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

M/s. Zuari Investments Limited

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

Tel : 011 - 41697900, 46581300

Fax : 011 - 40638679

E-mail : isc@chambal.in

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

The Share Transfer Agents have an online computerised system for transfer of shares in physical form. The designated officials of the Company are authorised to approve transfer of shares after they are processed by the Share Transfer Agents including transfer of shares 'Over the Counter' upto 10,000 shares per request. Average time taken in transfer of shares is around 2 working days from the date of receipt of the request.

(x) Address for Correspondence:

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

Chambal Fertilisers and Chemicals Limited

Investor Service Centre

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

Tel : 011 - 41697900, 46581300

Fax : 011 - 40638679

E-mail : rajeshkumar.jain@chambal.in or rajveer.singh@chambal.in

Website : www.chambalfertilisers.com

(xi) 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, 2014, about 93% of the share capital of the Company was held in dematerialised form.

(xii) 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 at the time of public issue, upon conversion of Cumulative Preference Shares into equity shares and pursuant to the scheme of Arrangement and Amalgamation between the Company and erstwhile India Steamship Company Limited. The details of such unclaimed shares are as under:

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, 2013	2,630	4,43,959
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2013-14	7	1,595
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during Financial Year 2013-14	7	1,595
Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2014	2,623	4,42,364

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.

(xiii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2014 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	1,50,445	85.35	2,72,68,379	6.55
2	501 to 1000	14,795	8.39	1,29,55,623	3.11
3	1001 to 5000	9,228	5.23	2,04,24,217	4.91
4	5001 to 10000	970	0.55	73,23,698	1.76
5	10001 to 100000	682	0.39	1,84,55,442	4.44
6	100001 to 500000	80	0.05	1,89,45,523	4.55
7	500001 & above	63	0.04	31,08,34,970	74.68
	Total	1,76,263	100.00	41,62,07,852	100.00

Details of Shareholding as on March 31, 2014 was as under:

S. No.	Category	No. of shares held	Shareholding (%)
1	Promoters	23,62,62,803	56.77
2	Financial Institutions, Banks & Mutual Funds	4,54,53,736	10.92
3	NRIs, Foreign Nationals, OCBs and FII	4,02,89,945	9.68
4	Indian Public	9,42,01,368	22.63
	Total	41,62,07,852	100.00

(xiv) Top ten shareholders as on March 31, 2014

S. No.	Name	No. of shares	% of issued share capital
1	Zuari Global Limited	5,90,15,360	14.18
2	The Hindustan Times Limited	5,10,74,209	12.27
3	SIL Investments Limited	3,18,13,455	7.64
4	Life Insurance Corporation of India	2,79,10,373	6.71
5	Nandini Nopany	1,58,09,667	3.80
6	Earthstone Holding (Two) Private Limited	1,36,56,476	3.28
7	Earthstone Investment & Finance Limited	84,24,515	2.02
8	Yashovardhan Investment & Trading Co. Ltd.	73,64,500	1.77
9	Uttam Commercial Ltd.	67,77,100	1.63
10	Ronson Traders Limited	60,04,000	1.44

(xv) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity - NIL

(xvi) a) Location of the Plants

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

Birla Textile Mills: Baddi, Distt. Solan, Himachal Pradesh, India, PIN -173 205.

b) India Steamship - Shipping Division

"Birla Building", 9th Floor, 9/1, R.N. Mukherjee Road, Kolkata – 700001.

Annexure "E" to Directors' Report

DECLARATION OF MANAGING DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2013-14.

Place : New Delhi
Date : May 9, 2014

Anil Kapoor
Managing Director

Annexure "F" to Directors' Report

AUDITORS' CERTIFICATE

To

The Members of Chambal Fertilisers and Chemicals Limited

We have examined the compliance of conditions of corporate governance by Chambal Fertilisers and Chemicals Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and 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's Registration No. 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date : May 9, 2014