



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED



**Making a  
Difference**



Annual Report  
**2013-14**

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# CORPORATE INFORMATION

**C. K. Mehta**  
Chairman Emeritus

## Board of Directors

**S. C. Mehta**  
Chairman & Managing Director

**Partha Bhattacharyya**  
Executive Director

**R. A. Shah**

**D. Basu**

**N. C. Singhal**

**U. P. Jhaveri**

**S. R. Wadhwa**

**Dr. S. Rama Iyer**

**Smt. Parul S. Mehta**

**Anil Sachdev**

**Pranay Vakil**

## Executive Vice-President (Legal) & Company Secretary

**Tushar Dey**

## Management Team

**Somnath Patil**  
President & CFO

**Dr. Rajeev Chemburkar**  
President - Chemicals

**Guy R. Goves**  
President - Agribusiness

**Pandurang Ladge**  
President - Projects

**Carl Anders Lindgren**  
President & Technical Advisor for TAN

**Alok Goel**  
President - Strategy & Business Development

**Naresh Kumar Piniseti**  
President - Human Resources

## Bankers

Bank of Baroda  
IDBI Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
DBS Bank Limited  
ICICI Bank Limited  
State Bank of India  
Yes Bank Limited  
Kotak Bank Limited

## Solicitors

Crawford Bayley & Co.  
J. Sagar Associates  
AZB & Partners

## Auditors

**B. K. Khare & Co.**  
Chartered Accountants

## Registered Office

Opp. Golf Course, Shastri Nagar,  
Yerawada, Pune - 411 006.  
Phone : +91 - 20 - 6645 8000  
Fax : +91 - 20 - 6645 8296  
E-mail : [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com)  
Website : [www.dfpcl.com](http://www.dfpcl.com)  
CIN: L24121MH1979PLC021360

## Plants

Plot K-1, K-7 & K-8,  
MIDC Industrial Area,  
Taloja, A. V. 410 208,  
District Raigad, Maharashtra.  
Phone : +91 - 22 - 6768 4000  
Fax : +91 - 22 - 2741 2413



# MAKING A DIFFERENCE

**The question that keeps us going is - Are we making an impactful, meaningful and sustainable difference**

- What is it that I can do that will bring success and joy to every stakeholder associated with me?
- Beyond mere deliveries and business commitments, can I take a step forward and add value to my offerings, by stepping into their shoes?
- How do I move beyond this routine relationship and make a long-term impact?
- What is it that I can do that will add joy and make a difference to the lives of others?

**We share our struggle, efforts and endeavours to make that difference which will not only leave a mark but also make our lives meaningful.**

# MAKING A DIFFERENCE



## Making a Difference to Customers

We do not just sell products to our customers. We build relationships with them.

Listening to their current and future needs and then assimilating them into our growth plans and customising our offerings to their unique and differentiated needs. Helping them in crisis situations and ensuring that, in the long term, we plan our growth in sync with that of our customers. And tracking our performance and following up with course correction, through regular Customer Satisfaction Surveys.

These are among the various initiatives of your Company that are aimed at carving relationships based not on price alone but on the index of the ultimate value delivered to our customers.

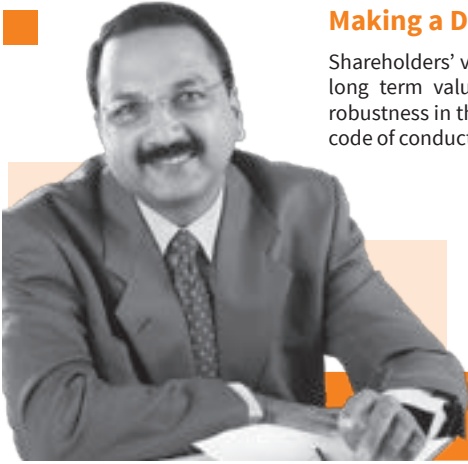


## Making a Difference to Employees

Our employee relationship is built on a strong edifice of creating a listening organisation and the joy of contributing together. The relationship begins with a recruitment requisition which extends beyond a simple, dry and monotonous job description, to encompass an in-depth and empowered position worth. The depth of the differential can be gauged from the current contextual positioning in the hierarchy, life going forward and its meaningful financial impact.

Employee Engagement and Performance Management Surveys' feedback are structured into the improved HR system and all efforts are directed towards grooming and nurturing employees into winning teams.





### Making a Difference to Shareholders

Shareholders' value at your Company goes beyond dividend and other basic compliances to deliver long term value. Our genuine Corporate Governance framework that brings transparency and robustness in the system ensures that shareholders interests are protected at all times. Well defined code of conduct serves as a guide to your Company to fulfil the expectations of the shareholders from legal and ethical perspective.

Shareholders' grievance committee of the Board takes unique pains to constantly improve the service levels. An insightful investor survey guides our customised, on-going efforts.

Shareholders' interest remains at the top of the agenda in deciding various policies that steer your Company's growth.



### Making a Difference to Suppliers

Our Suppliers and Service Providers are not merely our vendors, they are our partners in progress. We believe in partnering our Suppliers beyond the price equation as a journey with us along our growth trajectory. It is a relationship carved out of a clear understanding that each other's current and future needs are strengthened by commitment to ensure that these needs are meaningfully met at all times under a fair and ethical framework. Our partners mirror our own quality focus and service credo, thereby functioning as an extended arm of your Company to deliver greater value.

Training of even drivers and other contractor employees in safety and performance standards have become a part of our relationship investment. That is why, we have mapped our strategic charter in a way that the progress of our Suppliers and Service Providers matches our own evolution as we march onwards in our growth odyssey.



### Making a Difference to Society

As a good corporate citizen, it has been our constant endeavour to impact the lives of the people in the communities surrounding us.

Our CSR focus is intrinsic to our business charter and deep-rooted in our philosophy. Much before the amendment to the Companies Act in 2013 made CSR a mandatory requirement for Companies to fulfil, we have been engaged in social improvement through Ishanya Foundation and Deepak Foundation. These Foundations work through Health, Education and Livelihood programmes to uplift the target communities. We have in place a three-member CSR Committee to steer our corporate social goals and identify the areas to be addressed as part of our social agenda. The key driver being not to just do charity out of pity but to genuinely uplift skills and provide opportunities for a self reliant and sustained progress based on self pride.

We are committed to the sustenance and improvement of the eco-system and to the promotion of social inclusiveness and equity, through our CSR charter.



# FINANCIAL SNAPSHOT

## Income From Operations

(₹ Crore)	
2009-10	1,287.98
2010-11	1,564.82
2011-12	2,342.53
2012-13	2,607.95
2013-14	3,816.28

## Net Profit

(₹ Crore)	
2009-10	172.05
2010-11	186.62
2011-12	212.97
2012-13	146.90
2013-14	243.88

## EBIDTA - Operating

(₹ Crore)	
2009-10	323.40
2010-11	379.80
2011-12	440.19
2012-13	380.20
2013-14	551.13

## Earnings per Share

(₹)	
2009-10	19.51
2010-11	21.16
2011-12	24.15
2012-13	16.65
2013-14	27.65

## Long Term Debt to Equity Ratio

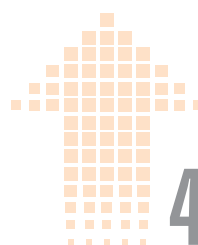
(Figures in times)

2009-10	0.65
2010-11	0.62
2011-12	0.51
2012-13	0.62
2013-14	0.49

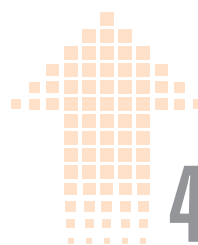
## Return on Net Worth

(%)

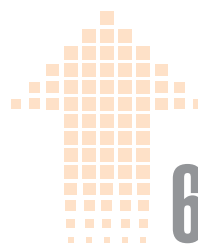
2009-10	19.86%
2010-11	18.69%
2011-12	18.60%
2012-13	11.58%
2013-14	17.39%



**46%** Income From Operations



**45%** EBIDTA - Operating



**66%** Net Profit

# MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR



“

What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead

*Nelson Mandela*

”

Often in the rush of things, our focus and energy tends to get diverted towards delivering the routine and stops us from thinking beyond the here and now mundane chores.

In such a transactional daily life, it is necessary to take time and meditatively ponder... What can I do to make a difference to whoever I am associated with?

The journey necessarily starts with deeply understanding what it is that is truly required by our stakeholders:

- What do customers want beyond lower prices?
- What do employees want beyond raise in salaries?
- What would suppliers ask for beyond higher prices?
- Would shareholders only crave for higher dividends?
- Does the society only need a donation cheque?



Message from the Chairman  
& Managing Director

In the year that went by we ideated, evolved and assimilated on our journey that would make a difference to the lives of all our partners and associates. We relooked at our strategies and mapped them with the stakeholders and identified the areas which could bring around a meaningful change in our relationships.

Moving beyond price equations, in our Fertiliser business, we re-focused on MCBR - the Marginal Cost Benefit Ratio of input-output cost and returns from a farmer's perspective besides our production and sales. We pondered on the issue of farmer's income and his field productivity, other than mere yield improvements, we examined nutrient impact on produce quality, size, colour, juiciness, shelf life... and thereby put our farmers in the organised retail chains and ultimately in the most discerning global market place. Thus maximizing efforts to ensure our fertilisers make an impactful difference to our farmer's lives.

Our TAN business took us deep into understanding the Mining strata and the impact we can make on increasing coal and cement production, while shaving off the costs structures for the end-users namely, Power and Cement sectors. Here, the targeted differential was to bring best global practices in mine planning and execution with advanced software.

At the employee end, we focussed on deciphering employee engagement and performance system feedbacks. Are our positions attractive enough, does the organisation culture promote empowering, can people across departments converge into think tanks to stretch beyond just individual KRAs. The year that went by saw us kick-start several initiatives which will help us evolve as an employer of choice in the years ahead. The key difference we plan to bring is the shift from a mere employment relationship to a joy of shared contributions.

Our engagement with the societies around our manufacturing/marketing centres grew into vocational training, unique cloth product stitching, 'cow project' and horticulture activities all directed to enhancement of incomes but with a difference... not rooted in pity but triggering a sense of pride in becoming self-reliant.

On the hard numbers, the year under review saw our

Fertiliser business smartly cross ₹ 1,400 Crore riding on a 42% jump over the previous year.

The TAN business also grew by 42% despite a tough mining sector scenario and the introduction of the stringent new AN rules. The TAN business recorded a topline of over ₹ 800 Crore.

On the Industrial Chemicals front, the business grew by 53% with sales value crossing ₹ 1,590 Crore.

Our focus on making a difference for our customers, the thrust and drive for cost effective manufacturing and appropriate product mix saw our PAT smartly rise by 66% over the previous year to cross ₹ 240 Crore.

It was only because of such outstanding performance from each business segment that culminated into announcing a 65% dividend, the highest ever dividend recommended by your Company.

The year gone by also saw us pushing the pedal strongly on the future growth front with the project of doubling of our NPK Fertilisers moving ahead, growth in the chemical and TAN sector crystallising to decisive levels of consideration. Our attempts of acquiring Mangalore Chemicals & Fertilisers kick-started our M & A drive for growth.

In the year ahead, while domestic gas availabilities and higher pricing will throw up new challenges, the pragmatic new Government gives hopes for a new growth trajectory and global footprints.

In our endeavour to make a difference, we have got the ball rolling and in the years to come we will bring around a substantial impact to each and every individual associated with us. It is this continued focus and drive to make a difference which will give purpose and vigor to our lives.

Warm Regards,



**S. C. Mehta**

Chairman & Managing Director

## Notice

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Thursday, 31<sup>st</sup> July, 2014 at 11.30 a.m. at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411 007 to transact the following business:

### ■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the Financial Year ended 31<sup>st</sup> March, 2014 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the Financial Year ended 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Smt. Parul S. Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Statutory Auditors for a period of 3 (Three) years commencing from conclusion of this Meeting until the conclusion of Thirty Seventh Annual General Meeting and to fix their remuneration.

### ■ SPECIAL BUSINESS

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

“RESOLVED THAT, pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Board of Directors of the Company for payment of remuneration of ₹ 4,00,000/- (Rupees Four Lacs only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31<sup>st</sup> March, 2015, to Shri Y. R. Doshi, Cost Accountants, for conducting Cost Audit of 'all applicable products and group of products', be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder and in partial modification to the Ordinary Resolution passed at the Thirty Third Annual General Meeting held on 8<sup>th</sup> August, 2013, in relation to the appointment of Shri Partha Bhattacharyya (DIN: 00329479) as Whole-Time Director of the Company, consent be and is hereby accorded to change the term of retirement of Shri Partha Bhattacharyya from 'not be liable to retire by rotation' to 'liable to retire by rotation'.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Ordinary Resolution passed at the Thirty Third Annual General Meeting held on 8<sup>th</sup> August, 2013, in relation to the appointment of Shri Partha Bhattacharyya as Whole-Time Director of the Company shall remain unchanged.”

7. To appoint Shri N. C. Singhal as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri N. C. Singhal (DIN:00004916), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term

## Notice

upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

8. To appoint Shri U. P. Jhaveri as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri U. P. Jhaveri (DIN: 00273898), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

9. To appoint Shri S. R. Wadhwa as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri S. R. Wadhwa (DIN:00228201), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term up to the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

10. To appoint Shri R. A. Shah as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri R. A. Shah (DIN: 00009851), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

11. To appoint Shri D. Basu as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri D. Basu (DIN: 00009653), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

12. To appoint Dr. S. Rama Iyer as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Dr. S. Rama Iyer (DIN: 00076549), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

13. To appoint Shri Anil Sachdev as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri Anil Sachdev (DIN: 00301007), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

14. To appoint Shri Pranay Vakil as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification

of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchanges, Shri Pranay Vakil (DIN: 00433379), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.”

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Notification, 2012 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s) to offer or invite subscriptions for unsecured / secured redeemable non-convertible bonds / debentures, in one or more series / tranches, aggregating upto ₹ 1,000 Crore (Rupees One Thousand Crore only), on private placement, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said bonds / debentures be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

16. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, in supersession of the Ordinary Resolution passed by the Members at the Extra Ordinary General Meeting of the Company held on 21<sup>st</sup> November, 1988 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹ 1,000 Crore (Rupees One Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution.”

17. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, in supersession of the Ordinary Resolution passed by the Members at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 1997 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time

being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to mortgage / charge / hypothecate / encumber any of its movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create mortgage / charge / hypothecate / encumber, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not, together with interest, cost, charges and expenses thereon for an amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company.

RESOLVED FURTHER THAT mortgage / charge / hypothecate / encumber to be created by the Company aforesaid may rank prior / pari-passu / subservient with/to the mortgage / charge / hypothecation / encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt relating thereto that may arise in regard to creating mortgage / charge as aforesaid.”

Dated 15<sup>th</sup> May, 2014

Registered Office:

Opp. Golf Course,

Shastri Nagar,

Yerawada, Pune - 411 006.

By Order of the Board of Directors,

**TUSHAR DEY**

Executive Vice-President (Legal)

& Company Secretary

## ■ NOTES

(1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

(2) The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 21<sup>st</sup> July, 2014 to Thursday, 31<sup>st</sup> July, 2014 (both days inclusive).

(3) The dividend, if declared, will be paid to those Members whose names appear on the Register of Members of the Company as on 31<sup>st</sup> July, 2014, being the date of the Annual General Meeting of the Company.

In respect of shares held in electronic form, the dividend will be paid to those beneficial owners as per the details furnished by the Depository Participants for the purpose.

(4) Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Andheri – Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai - 400 072, quoting the Registered Folio Number: (a) details of their Bank Account / change in Bank Account, if any, to enable the Company to print these details on the Dividend Warrants; and (b) change in their address, if any, with the Pin Code Number.

Members holding shares in electronic form shall address communication to their respective Depository Participants only.

(5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.

(6) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.

(7) Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, (including any

statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the “Unpaid Dividend Account” shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government.

Members who have so far not claimed the dividend are requested to make claim with the Company immediately. Please visit Company’s website: [www.dfpc.com](http://www.dfpc.com) for details.

(8) Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members the facility to exercise their right to vote at the Annual General Meeting by electronic means. The business may be transacted through E-voting Services provided by Central Depository Services Limited (CDSL).

The instructions for Members for voting electronically are as under:-

### A. In case of Members receiving Notice of Annual General Meeting (AGM) through E-mail:

- (i) Log on to the E-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED” from the drop down menu and click on “SUBMIT”.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For National Securities Depository Limited (NSDL): 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on “Login”.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

## Notice

	<b>For Members (Shareholders) holding shares in Demat Form and Physical Form</b>
Permanent Account Number (PAN)	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the folio number or demat account number in the PAN field.</li> <li>In case folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
Date of Birth (DOB) #	Enter the DOB as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

# Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant, please enter the client id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, Click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) of "DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED".
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- (b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (c) After receiving the login details Institutional shareholders have to create a user who would be able to link the account(s) which Institutional shareholders wish to vote on.

(d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts Institutional shareholders would be able to cast their vote.

(e) Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which Institutional shareholders have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**B. In case of Members receiving physical copy of Notice of AGM:**

(i) Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above, to cast vote.

(ii) The voting period begins on Wednesday, 23<sup>rd</sup> July, 2014 (10.00 a.m.) and ends on Friday, 25<sup>th</sup> July, 2014 (06.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> June, 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting after 25<sup>th</sup> July, 2014 (06.00 p.m.).

**C.** In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions (“FAQs”) and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an E-mail to helpdesk.evoting@cdslindia.com

**D. General Instruction:**

(i) You are advised to cast your vote only through one mode (E-voting or through Show of Hands or Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at the meeting through Show of Hands or Poll would be rejected.

(ii) Members, who have registered their E-mail addresses with the Company or their Depository Participant, are being sent the AGM Notice along with the Annual Report, Attendance Slip & Proxy Form by E-mail and others are being sent by post.

(9) Members are requested to note that pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, brief particulars including shareholding of the Directors proposed to be appointed / re-appointed is given below and forms part of the Notice.

## ANNEXURE TO THE NOTICE

### Explanatory Statement as required by Section 102 of the Companies Act, 2013.

#### Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On recommendation of Audit Committee, the Board has considered and approved appointment of Shri Y. R. Doshi, Cost Accountants, for conducting of the Cost Audit of “all applicable products and group of products” at a remuneration of ₹4,00,000/- (Rupees Four Lacs only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31<sup>st</sup> March, 2015.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution.

#### Item No. 6

The provisions of Section 149 (13) and Section 152 (6) & (7) in respect of retirement of Directors by rotation shall not be applicable to Independent Directors.

The Board of the Company, at present, consists of 11 (Eleven) Directors, out of which, 8 (Eight) Directors are Independent Directors, 2 (Two) are Executive Directors and 1 (One) is Non-Independent Director.

Section 152 of Companies Act, 2013, provides that unless the Articles of Association of the Company provide for the retirement of all Directors at every Annual General Meeting, not less than two-third of the total number of directors of a Public Company shall be liable to retire by rotation. The Section further provides that at every Annual General Meeting atleast one-third of such of the Directors for the time being as are liable to retire by rotation, shall retire from Office of Director.

The Members of the Company, in their Thirty Third Annual General Meeting held on 8<sup>th</sup> August, 2013, had appointed Shri Partha Bhattacharyya as Whole - Time Director, not liable to retire by rotation, for a period of five years, with effect from 31<sup>st</sup> October, 2012.



Considering the provisions of Companies Act, 2013 it is proposed to change the term of retirement of Shri Partha Bhattacharyya from 'not be liable to retire by rotation' to 'liable to retire by rotation'.

All other terms and conditions with respect to his appointment as Whole - Time Director as approved by Members in their Thirty Third Annual General Meeting held on 8<sup>th</sup> August, 2013, shall remain unchanged.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution, except Shri Partha Bhattacharyya and his relatives.

A draft of the agreement proposed to be entered into by the Company with Shri Partha Bhattacharyya is available for inspection by Members at the registered office between 10.30 a.m. and 01.00 p.m. on all working days of the Company upto and including the day of the Meeting.

#### Item No. 7 to 14

Section 149 of Companies Act, 2013 provides that Independent Directors shall hold office for a term upto 5 (Five) consecutive years. The Board of Directors has decided to appoint all the Independent Directors for a term of 3 (Three) consecutive years.

Further, pursuant to the provisions of Section 149 of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Therefore, considering the provisions of Companies Act, 2013, all the Independent Directors shall not be liable to retire by rotation.

Copy of the draft letters for respective appointments of Directors as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office between 10.30 a.m. and 01.00 p.m. on all working days of the Company upto and including the day of the Meeting.

The Board is of the opinion that the directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have their association with the Company as directors.

Further, in the opinion of the Board, the proposed appointment of Independent Directors, fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Independent Directors is independent of the management.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in

passing of the above mentioned resolution, except the appointee Director(s) and their relatives.

#### Item No. 15

The Company is poised to embark upon expansion/diversification of its businesses in view of increase in the demand for the Company's existing products and the potential business opportunities in related products. To augment the financial resources of the Company to meet the financial commitments for implementing the aforesaid expansion/diversification plans, the Company may need to borrow funds through private placement of unsecured/ secured redeemable non-convertible bonds/ debentures.

As per the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the company passes a Special Resolution, in advance, only once in a year for all the offers or invitations for such debentures during the year.

With a view to augment the financial resources of the Company, as mentioned above, and to meet the requirements of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules, for making private placement of unsecured / secured redeemable non-convertible bonds / debentures upto an amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) during the Financial Year 2014-15 in one or more tranches, to such person(s), who may or may not be the bond / debenture holders of the Company, approval of the Members of the Company by way of Special Resolution is required.

The Board of Directors of the Company in its Meeting held on 15<sup>th</sup> May, 2014 has approved the above proposal and recommends the passing of the proposed Special Resolution as contained in the Notice, by Members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except to the extent of their shareholding in the Company.

**Item No. 16**

The Members at its meeting held on 21<sup>st</sup> November, 1988, had delegated the powers to the Board of Directors of the Company to borrow for the purpose of the business of the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves of the Company.

It is felt that in view of the proposed expansion/diversification plans of the Company, the Company may need to borrow in excess of the aforesaid limit. It is therefore proposed to authorise the Board of Directors to borrow an amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves of the Company.

In view of the above, your Directors recommend to the Members to pass a special resolution under the provisions of Section 180(1)(c) of the Companies Act, 2013 so as to enable the Board of Directors of the Company to borrow an amount within overall limit, as and when necessary.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except to the extent of their shareholding in the Company.

**Item No. 17**

As the Members may be aware, the borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of

the movable or immovable properties of the Company in such form, manner and ranking as may be stipulated by the Lender(s) and accepted by the Board of Directors of the Company from time to time.

The mortgages and / or charges by the Company of its movable and immovable properties and/ or the whole or any part of the undertaking(s) of the Company in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s) with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

In view of the above, your Directors recommend to the Members to pass a special resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 so as to enable the Board of Directors of the Company to create mortgage and/ or charge for securing the borrowings of the Company, as and when necessary.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except to the extent of their shareholding in the Company.

Dated 15<sup>th</sup> May, 2014  
Registered Office:  
Opp. Golf Course,  
Shastri Nagar,  
Yerawada, Pune - 411 006.

By Order of the Board of Directors,  
**TUSHAR DEY**  
Executive Vice-President (Legal)  
& Company Secretary

## Notice

■ **Details of Directors seeking appointment/re-appointment at the Annual General Meeting**

*(In pursuance of Clause 49 of the Listing Agreement with Stock Exchanges)*

<b>Name of Director</b>	<b>Shri R. A. Shah</b>	<b>Shri D. Basu</b>
<b>Age</b>	82 Years	78 Years
<b>Qualification</b>	B.A., L.L.B., Solicitor	M.A. (Economics)
<b>Date of Appointment</b>	26 <sup>th</sup> December, 1979	27 <sup>th</sup> July, 2000
<b>Expertise</b>	Solicitor having rich and vast experience in the field of Corporate Laws and Corporate Governance	Rich and vast experience in the Banking and Finance sectors
<b>Directorships as on 31<sup>st</sup> March, 2014</b>	Clariant Chemicals (India) Limited; Godfrey Phillips India Limited; Pfizer Limited; Procter & Gamble Hygiene and Healthcare Limited; Colgate-Palmolive (India) Limited; Abbott India Limited; Asian Paints Limited; The Bombay Dyeing & Manufacturing Company Limited; BASF India Limited; Century Enka Limited; Lupin Limited; Wockhardt Limited; Jumbo World Holdings Limited (Foreign Company); Atul Limited; Alternate Directorships – Modi Care Limited; RPG Life Sciences Limited; Schrader Duncan Limited	The Peerless General Finance & Investment Company Limited; Peerless Securities Limited; RAIN CII Carbon (Vizag) Limited; RAIN Commodities Limited; Chambal Fertilisers & Chemicals Limited; Asian Paints Limited; SBI Cards & Payment Services Pvt. Limited
<b>Chairman / Member of Audit Committee as on 31<sup>st</sup> March, 2014</b>	Colgate-Palmolive (India) Limited - Chairman; Pfizer Limited - Chairman; Procter & Gamble Hygiene and Healthcare Limited - Chairman; Clariant Chemicals (India) Limited - Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Abbott India Limited - Member; BASF India Limited - Member; Century Enka Limited - Member; Wockhardt Limited - Member	Asian Paints Limited - Chairman; RAIN CII Carbon (Vizag) Limited - Member; RAIN Commodities Limited - Member
<b>Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31<sup>st</sup> March, 2014</b>	Nil	Nil
<b>Chairman / Member of Remuneration Committee as on 31<sup>st</sup> March, 2014</b>	Century Enka Limited – Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Lupin Limited - Member	Asian Paints Limited - Member; RAIN CII Carbon (Vizag) Limited - Member; RAIN Commodities Limited - Member
<b>Shareholding in the Company</b>	7,900 Equity Shares of ₹ 10 each	Nil
<b>Relationship between directors inter-se</b>	Nil	Nil

<b>Name of Director</b>	<b>Shri N. C. Singhal</b>	<b>Shri U. P. Jhaveri</b>
<b>Age</b>	77 Years	68 Years
<b>Qualification</b>	M.A. (Economics), M.Sc. (Statistics), P.G. Diploma in Public Administration	B.E. (Chemical)
<b>Date of Appointment</b>	25 <sup>th</sup> March, 1997	21 <sup>st</sup> October, 2004
<b>Expertise</b>	Rich and vast experience in the field of Banking and Finance	Rich and vast experience in project management, plant operation, optimisation, reliability, productivity improvement etc. in large fertiliser and chemical plants
<b>Directorships as on 31<sup>st</sup> March, 2014</b>	Max India Limited; Birla Sunlife Asset Management Company Limited; SCI Forbes Limited; Tolani Shipping Limited; Binani Industries Limited; Samalpatti Power Company Pvt. Limited; Amal Limited; Capital First Limited; Essar Shipping Limited; Essar Ports Limited; Essar Bulk Terminals Limited	Promantec Consultants Pvt. Limited; Dezigma Solar Pvt. Limited
<b>Chairman / Member of Audit Committee as on 31<sup>st</sup> March, 2014</b>	Tolani Shipping Limited – Chairman; Max India Limited – Chairman; Amal Limited – Chairman; Binani Industries Limited – Member; Capital First Limited – Member	Nil
<b>Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31<sup>st</sup> March, 2014</b>	Amal Limited – Chairman; Max India Limited – Member; Binani Industries Limited – Member	Nil
<b>Chairman / Member of Remuneration Committee as on 31<sup>st</sup> March, 2014</b>	Max India Limited - Member; Birla Sunlife Asset Management Company Limited – Member; Binani Industries Limited – Member; Tolani Shipping Limited – Member; Capital First Limited – Member	Nil
<b>Shareholding in the Company</b>	Nil	Nil
<b>Relationship between directors inter-se</b>	Nil	Nil

## Notice

<b>Name of Director</b>	<b>Shri S. R. Wadhwa</b>	<b>Dr. S. Rama Iyer</b>
<b>Age</b>	78 Years	74 Years
<b>Qualification</b>	M.A., L.L.M., CAIIB, Masters Diploma in Public Administration	B.E.(Chemical), M.Tech. and Ph.D. from IIT, Mumbai
<b>Date of Appointment</b>	18 <sup>th</sup> October, 2005	23 <sup>rd</sup> October, 2007
<b>Expertise</b>	Rich and vast experience in the field of Finance and Tax	Rich and vast hands on experience of four decades and knowledge in the areas of process technology, design engineering, project management and construction management of large projects both in India and abroad
<b>Directorships as on 31<sup>st</sup> March, 2014</b>	Smartchem Technologies Limited	Indsil Hydropower and Manganese Limited; Gujarat Flourochemicals Limited; Larsen & Toubro Infotech Limited; Thirumalai Chemicals Limited; Equirus Capital Pvt. Limited; INOX Wind Limited
<b>Chairman / Member of Audit Committee as on 31<sup>st</sup> March, 2014</b>	Smartchem Technologies Limited - Member	INOX Wind Limited - Member
<b>Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31<sup>st</sup> March, 2014</b>	Nil	Nil
<b>Chairman / Member of Remuneration Committee as on 31<sup>st</sup> March, 2014</b>	Nil	Nil
<b>Shareholding in the Company</b>	1,000 Equity Shares of ₹ 10 each	15,000 Equity Shares of ₹ 10 each in a family trust as primary beneficiary
<b>Relationship between directors inter-se</b>	Nil	Nil

Name of Director	Smt. Parul S. Mehta	Shri Anil Sachdev	Shri Pranay Vakil
Age	49 Years	59 Years	67 Years
Qualification	B.Com.	B.Sc., MBA	B.Com., C.A., L.L.B., FRICS
Date of Appointment	20 <sup>th</sup> October, 2005	23 <sup>rd</sup> October, 2008	25 <sup>th</sup> May, 2010
Expertise	Experience in the areas of corporate public relations and social welfare activities	Leading HR Consultant with expertise in talent management, leadership development and organisational transformation	Rich and vast experience in realty sector
Directorships as on 31 <sup>st</sup> March, 2014	Nova Synthetic Limited	Grow Talent Company Limited; Soil Education India Pvt. Limited; Great Retail Brands Pvt. Limited	Praron Consultancy (India) Pvt. Limited; Rutley Real Estate Investment Management (India) Pvt. Limited; Godrej Properties Limited; Onward Technologies Limited; Usha Breco Limited
Chairman / Member of Audit Committee as on 31 <sup>st</sup> March, 2014	Nil	Nil	Godrej Properties Limited – Member; Onward Technologies Limited- Member
Chairman / Member of Shareholders’/ Investors’ Grievance Committee as on 31 <sup>st</sup> March, 2014	Nil	Nil	Nil
Chairman / Member of Remuneration Committee as on 31 <sup>st</sup> March, 2014	Nil	Nil	Godrej Properties Limited - Member
Shareholding in the Company	10,00,000 Equity Shares of ₹ 10 each	Nil	4,475 Equity Shares of ₹ 10 each
Relationship between directors inter-se	Smt. Parul S. Mehta is wife of Shri S. C. Mehta, Chairman & Managing Director	Nil	Nil

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the members from the Company’s website i.e. [www.dfpcl.com](http://www.dfpcl.com) To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses on the website of the Company i.e. [www.dfpcl.com](http://www.dfpcl.com) or by sending e-mail to [deepak@shareproservices.com](mailto:deepak@shareproservices.com) with subject as ‘E-mail for Green Initiative’ mentioning their Folio No. / Client ID. Members holding shares in electronic form may register / update their e-mail addresses with the Depository through their concerned Depository Participant(s).

# Directors' Report

To the Members,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2014.

## ■ FINANCIAL RESULTS

The summarised financial results for the year are as under:

(₹ in Lacs)

Particulars	2013-2014	2012-2013
<b>Total Revenue (including Other Income)</b>	3,86,331.93	2,66,824.04
Profit Before Exceptional and Extraordinary Items and Tax	34,774.22	20,057.73
Less: Exceptional and Extraordinary Items	1,135.20	-
Profit Before Tax (PBT)	33,639.02	20,057.73
Less: a) Current Tax (Net)	9,703.49	3,263.44
b) Deferred Tax	(452.90)	2,103.78
<b>Net Profit / (Loss) for the period</b>	24,388.43	14,690.51
Add: Surplus brought forward	89,498.95	83,055.02
Amount available for Appropriations	1,13,887.38	97,745.53
Appropriations:		
a) Transferred to Debenture Redemption Reserve	958.30	1,165.63
b) Transferred to General Reserve	2,470.00	1,475.00
c) Proposed Dividend on Equity Shares (Net)	5,733.45	4,851.40
d) Tax on Proposed Dividend (Net)	968.59	754.55
Surplus carried to Balance Sheet	<b>1,03,757.04</b>	<b>89,498.95</b>

## ■ MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, despite operating under tough economic conditions, Total Revenue (including Other Income) increased to ₹ 3,863.31 Crore (including ₹ 1,193.41 Crore from trading operations) as against ₹ 2,668.24 Crore (including ₹ 652.61 Crore from trading operations) for the previous year. PBT for the year under review stood at ₹ 336.39 Crore as against ₹ 200.58 Crore in the previous year. Net Profit for the current year was recorded at ₹ 243.88 Crore as compared to ₹ 146.90 Crore in the previous year. A further analysis of the performance is available in the Management Discussion and Analysis (MDA), which forms part of this Report, and inter alia, deals adequately with the operations as also current and future outlook of the Company.

## ■ DIVIDEND

Considering the improved performance of the Company during the year under review, the Directors of your Company recommend a dividend @ 65 % i.e.

₹ 6.50 per Equity Share of ₹ 10 each for the year ended 31<sup>st</sup> March, 2014 (Previous Year 55% i.e. ₹ 5.50 per Equity Share of ₹ 10 each). The proposed dividend (including tax on proposed dividend) will absorb ₹ 6,665.21 Lacs.

## ■ SECURED DEBENTURES

In accordance with the terms of issue of Secured Non-Convertible Debentures of ₹ 10 Lacs each aggregating ₹ 125 Crore, ₹ 50 Crore and ₹ 50 Crore, earlier issued in favour of Banks/Financial Institutions, your Company during the year under review has redeemed one-third amount of the Debentures of ₹ 125 Crore, ₹ 50 Crore and ₹ 50 Crore on their due dates on 30<sup>th</sup> August, 2013, 25<sup>th</sup> November, 2013 and 25<sup>th</sup> November, 2013 respectively.

## ■ DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the accounting policies selected had been applied consistently and judgements and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31<sup>st</sup> March, 2014 and of the profit of the Company for that period;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts had been prepared on a 'going concern' basis.

#### ■ CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled 'Corporate Governance' is attached to this Annual Report.

#### ■ CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR initiatives taken by the Company continued during the year under review. A separate section titled 'Corporate Social Responsibility' is attached to this Annual Report.

#### ■ SUBSIDIARY COMPANIES

During the year under review, your Company has acquired 49,993 Equity Shares (i.e. 99.99%) and has also acquired beneficial interest of remaining 7 Equity Shares (i.e. 0.01%) of SCM Soilfert Limited. Therefore, SCM Soilfert Limited became wholly owned subsidiary of your Company.

Consequently, your Company has now six subsidiaries viz. Smartchem Technologies Limited, Deepak Nitrochem Pty. Limited, Yerrowda Investments Limited, Deepak Mining Services Private Limited, RungePincockMinarco India Private Limited and SCM Soilfert Limited.

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of these subsidiaries is appended to the Balance Sheet.

In terms of General Circular No.: 2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the annual accounts and other reports specified in Section 212(1) of the Companies Act, 1956 in respect of the subsidiary companies have not been attached to the Balance Sheet. The Company will make available these documents / details to the Members of the Company and the subsidiary companies upon request made in this regard to the Company. The Annual Accounts of the subsidiary companies will also be kept for inspection by any Member of the Company at its Registered Office and also at the Registered Office of the concerned subsidiary company.

In accordance with the requirements of Accounting Standards prescribed by the Institute of Chartered Accountants of India and aforesaid circular issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company and its subsidiaries are annexed to this Annual Report.

#### ■ INVESTMENT IN MANGALORE CHEMICALS & FERTILIZERS LIMITED

During the year under review, SCM Soilfert Limited (SSL), a wholly owned subsidiary of your Company, acquired 2,89,91,150 Equity Shares (i.e. 24.46%) of Mangalore Chemicals & Fertilizers Limited (MCFL). Further on 23<sup>rd</sup> April, 2014 SSL, acquired 10,01,309 Equity Shares (i.e. 0.8%) of MCFL and made an Open Offer for acquiring 3,08,13,939 Equity Shares (i.e. 26%) to the public shareholders of MCFL at a price of ₹ 63 per Equity Share pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. Your Company is "person acting in concert" (PAC) in the Open Offer.

#### ■ INDUSTRIAL RELATIONS

Industrial Relations during most part of the year under review continued to be cordial. However, as already informed to the Members, following a dispute over disciplinary action taken by the management, productivity issues and wage settlement, the workers at Company's Plant situated at Plot No. K-1, MIDC Industrial Area, Taloja, went on strike on 3<sup>rd</sup> January, 2013. They called off the strike on 30<sup>th</sup> May, 2013, upon amicable settlement of the aforesaid issues and signing of a Long Term Wage Agreement and resumed duty on 6<sup>th</sup> June, 2013.



#### ■ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

#### ■ SAFETY, HEALTH AND ENVIRONMENT (SHE) INITIATIVES

The manufacturing facility of your Company at K-7 & K-8 Taloja successfully went through the external audit by Bureau Veritas Certification and was awarded ISO 14001:2004 and BS OHSAS 18001:2007 on Environmental Management Systems and Safety Management Systems respectively.

The Company has taken several initiatives during the year under review towards Safety, Health and Environment including the following major initiatives:

- (a) Safety Training to all contract workers;
- (b) Ergonomics position training to the special jobs;
- (c) Periodic health check-up of employees & contract workers;
- (d) Plantation of 2000 trees in the factory premises;
- (e) Implementation of Ammonium Nitrate Rules, 2012;
- (f) Initiation of 5S movement at the plant to improve safety standards and housekeeping.

#### ■ AWARDS AND ACCOLADES

Your Company has received the following recognitions based on its continuing efforts towards conservation of energy and performance:

- 14<sup>th</sup> National Award for Excellence in Energy Management 2013 as “Energy Efficient Unit” by Confederation of Indian Industry (CII);
- “Annual Greentech Safety Award” by Greentech Foundation of India;
- 14<sup>th</sup> Annual Greentech Environment Award – 2013 in Silver Category in Fertiliser Sector.

- IEI Industrial Excellence Award 2013: “Certificate of Appreciation” based on our overall performance.

#### ■ DIRECTORS

The Companies Act, 2013 provides that independent directors shall not be liable to retire by rotation. Accordingly, all the independent directors of your Company shall not retire by rotation pursuant to the provisions of Section 149 of Companies Act, 2013 and are proposed to be appointed for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30<sup>th</sup> July, 2017 whichever is earlier.

Shri Partha Bhattacharyya, Executive Director of the Company, who hitherto was not liable to retire by rotation, shall now retire by rotation pursuant to the provisions of Section 152 of Companies Act, 2013.

Smt. Parul S. Mehta, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of Companies Act, 2013 and being eligible, offers herself for re-appointment.

#### ■ STATUTORY AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, by the Company for the years 2014-15 to 2016-17 will be within the limit prescribed under Section 141(3)(g) of the Companies Act, 2013. The Board of Directors recommends their appointment.

#### ■ COST AUDITOR

Your Directors have appointed Shri Y. R. Doshi, Cost Accountant, as the Cost Auditor for the Financial Year 2014-15. Shri Y. R. Doshi will submit the cost audit report alongwith annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within the specified time and at the same time forward a copy of such report to your Company.

The Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2013 which was due for filing on 30<sup>th</sup> September, 2013 was filed with the Central Government (Ministry of Corporate Affairs) on 27<sup>th</sup> September, 2013.

#### ■ PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the annual report and accounts are being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### ■ ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received from the Governmental authorities, Company's bankers, customers, vendors, investors and all other stakeholders during the year. Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels; their competence and hard work have enabled your Company achieve good performance and look forward to their support in the future as well.

For and on behalf of the Board of Directors,

*Mumbai*

Dated 15<sup>th</sup> May, 2014

**S. C. MEHTA**

*Chairman & Managing Director*

# Annexure to Directors' Report

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

### SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

#### The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation Measures taken

- (i) In WNA 2 Plant, steam turbine has been modified with new improved design impellers and diaphragms. Also the intermediate seals are retrofitted with wire brush type seals. This has resulted in the overall steam consumption reduction of 2.0 MT/Hr equivalent to 0.16 Mt/Mt of WNA steam saving.
- (ii) In WNA 3 Plant, by installing a new plate type heat exchanger AFW temperature dropped down to 32°C from 50°C equivalent to 87.11 Mcal/Hr energy. Lower absorber feed water offered better absorption efficiency and reduced the ammonia consumption at DENOX unit by 16.0 Kg/Hr.
- (iii) In WNA 3 Plant, Air Chiller (AARU unit) condensate is diverted to absorber feed which in turn saved the DM water consumption by 4.0 m<sup>3</sup>/Day.
- (iv) In JNPT, Installation of VFD in ammonia transfer pump to control the discharge pressure is successfully implemented resulting in saving of 16 KW/Hr.
- (v) In K-1 Complex, Total 100 Nos. of 125 W of HVMV low efficient plant lighting was replaced with 70 W efficient metal alloys lamps.
- (vi) In K-7/8 Complex, LED light has generated saving of 13,548 KWH/ annum.

##### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- (1) At K-1 Complex:
  - (i) In CO<sub>2</sub> Plant, new additional heat exchanger is being installed at the upstream of dryer which will reduce the dryer load and thereby reduce the energy consumption by dryer. This will save about 248 KW/day energy consumption.
  - (ii) Replacement of 3 more inefficient pumps with energy efficient pump in complex is being done which will have total power saving of 20.5 KW/Hr.
- (2) At K-7 and K-8 Complex:
  - (i) Provision of Flash vessel in WNA-5 and thermo compressor at LDAN will facilitate Steam/condensate recovery to the tune of 1.1 MTPH.
  - (ii) Renewal of Waste Heat Boiler in WNA-5 will enable heat recovery equivalent to 1 MTPH Steam.

##### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The measures referred to under (a) and the proposals under (b) will result in reduction of energy consumption as stated above.

- (d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule

FORM A				
Disclosure of Particulars with respect to Conservation of Energy				
I. Power & Fuel Consumption	UOM	Current Year (2013-14)	Previous Year (2012-13)	
<b>1. Electricity</b>				
<b>a) Purchased</b>				
Unit	MWH	5,757	12,378	
Total Amount	₹ (Lacs)	804	1,271	
Rate / Unit	₹ /KWH	13.96	10.27	
<b>b) Own Generation</b>				
(i) Through Diesel Generator				
Unit	MWH	239	4.85	
Unit per ltr. of diesel oil	KWH/Ltr.	2.43	1.44	
Cost / Unit	₹ /KWH	23.76	31.35	
(ii) Through Gas Turbine / Generators				
Unit	MWH	1,16,171	92,325	
Unit per M <sup>3</sup> of Gas	KWH/M <sup>3</sup>	4.67	4.45	
Cost / Unit	₹ /KWH	3.94	4.01	
(iii) Through Steam Turbine / Generators				
Unit	MWH	4,210	4,078	
Cost / Unit	₹ /KWH	2.89	2.98	
(iv) Through Windmill Turbine / Generators				
Unit	'000 KWH	18,569	19,040	
Cost / Unit	₹ /KWH	2.04	1.97	
<b>2. Coal</b>	-	Nil	Nil	
<b>3. Furnace oil</b>	-	Nil	Nil	
<b>4. Others / internal generation</b>	-	Nil	Nil	
<b>II. Consumption per unit of Production – Unit (KWH/MT)</b>				
Sr. No.	Product	Standard Budget Norms (2013-14)	Current Year (2013-14)	Previous Year (2012-13)
1.	Liquid Anhydrous Ammonia	80.04	93.92	84.84
2.	Weak Nitric Acid	48.26	47.78	57.07
3.	Concentrated Nitric Acid	18.47	9.13	11.18
4.	Methanol	58.80	105.48	201.18
5.	Nitro Phosphate	39.60	25.82	28.13
6.	Low Density Prilled Ammonium Nitrate at K-1	53.85	60.69	61.32
7.	Liquid CO <sub>2</sub>	235.00	228.64	228.75
8.	Iso Propyl Alcohol (IPA)	269.36	249.65	266.21
9.	Bentonite Sulphur	28.00	28.74	29.70
10.	DNA 5	11.00	9.88	10.40
11.	Low Density Ammonium Nitrate (LDAN) at K-8	71.00	67.66	68.85
12.	High Density Ammonium Nitrate (HDAN) at K-7	45.00	39.17	40.42

**B. TECHNOLOGY ABSORPTION****FORM B****Disclosure of Particulars with respect to Technology Absorption****RESEARCH & DEVELOPMENT (R&D)****(1) Specific areas in which R&D carried out by the Company**

- a) NMITLI Project: Product Development with National Chemical Laboratory, Pune and Indian Institute of Technology, Bombay.
- b) The Company is working to enhance the fertiliser product by adding micro- nutrient.
- c) Chilled air is introduced in LDAN prilling tower for improvisation of LDAN prill to acquire larger shelf life.

**(2) Benefits derived as a result of the above R&D**

- a) New product process development at Lab scale is in progress.
- b) The efforts will increase our product portfolio and enhance our efforts towards customised fertiliser production.
- c) LDAN quality improved for customers.

**(3) Future plan of action**

- a) New product development at Pilot plant scale.
- b) Further plant trials on micro-nutrients addition will be done.
- c) Scrubber packing height is being reduced for further improvisation of prilling in LDAN plant.

**(4) Expenditure on R&D****(₹ in Lacs)**

a) Capital	:	-
b) Recurring	:	167.94
c) Total	:	167.94
d) Total R&D expenditure as a percentage of total turnover	:	0.04 %

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts in brief, made towards Technology Absorption, Adaptation and Innovation**

All the Plants' Technologies have been fully absorbed and are being operated efficiently in K-1 Complex. At K-8 Complex, LDAN Plant Technology has not yet been fully absorbed, though is being operated.

**2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**

The qualities of products are globally accepted.

**3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year)**

Technology imported	Year of Import	Has technology been fully absorbed?	If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action
WNA-4: Uhde Dual pressure nitric acid technology	2009	Yes	Not Applicable
BASF HICAP @MDEA solution technology for CO <sub>2</sub> removal system in Ammonia Plant	2009	Yes	Not Applicable
Uhde LDAN Technology at K-8 Complex	2011	No	GTR to be carried out with Process Licensor
GPN HDAN Technology at K-7 Complex	2011	Yes	Not Applicable
GPN AN wet Technology at K-8 Complex	2011	Yes	Not Applicable

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with regard to Foreign Exchange Outgo and Earnings are set out in Note 46 and 49 to the Accounts.

For and on behalf of the Board of Directors,

Mumbai

Dated 15<sup>th</sup> May, 2014

**S. C. MEHTA**

Chairman & Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS



With the global scenario firming up and with improving export competitiveness, India's growth is expected to improve in FY 2014-15.



## ECONOMIC OVERVIEW

During the year under review, economic activity broadly strengthened with much of the impetus for growth coming from advanced economies of US and Europe. Emerging market economies faced domestic challenges and many of them witnessed a general slowdown. Overall, the outlook for world economic growth is projected to be around 3.6%, and is expected to rise further to 3.9% in 2015.

India's GDP growth dipped to below 5% largely due to as high inflation, a large fiscal deficit and steep interest rates. Impediments in infrastructure projects due to delay in environmental and land clearances, coupled with an increase of capital outflow and currency depreciation, hit the economy. However, the extended monsoons provided the much-needed succour, resulting in favourable agricultural growth pulling the economy marginally up. In addition, the rupee which depreciated nearly 20% during the first half of the year was stabilized due to

the focused initiatives undertaken by the Government and the Reserve Bank of India (RBI).

With the global scenario firming up and with improving export competitiveness, India's growth is expected to improve in FY 2014-15. It is estimated to be in the range of 5.5% in FY 2014-15 and 6.4% in FY 2015-16, though the outlook going forward will depend on the policies of the new government.

## BUSINESS OVERVIEW

### AGRI-BUSINESS FERTILISERS

#### Industry Overview

The fertiliser sector has been passing through difficult times in recent years. Production of Urea, DAP & NPK has remained more or less stagnant. The industry has been in poor financial health mainly on account of cost pressures and the rise in working capital requirements. The ailing industry's woes have been further aggravated by the lack of desired

## Management Discussion and Analysis

clarity in the policy for P&K fertilisers particularly in relation to priority of access to domestic gas, uncertain imports, imbalanced use of fertilisers and deteriorating soil health in the country. Depreciating rupee and mounting subsidy bill for fertilisers also posed a serious challenge to the operational health of the industry.

However, a good south-west monsoon led to marked improvement in the prospects for crops of the Kharif & Rabi seasons during FY 2013-14. As a result, the consumption of Urea & MOP improved, though marginally, by 1% and 2.6% over the previous year. However, the demand degrowth continued in DAP & NP/NPK by 25% & 2.4% respectively.

### Business Overview

Your Company is one of the leading and reputed manufacturers of Nitro Phosphate fertilisers (nitrogen in both nitrate and ammonical forms) and speciality fertilisers like Sulphur Bentonite, with business operations rooted in the philosophy of making a difference to all its stakeholders. For the first time in the history of your Company, the fertilisers sales crossed ₹ 1,000 Crore, growing to ₹ 1,410 Crore from ₹ 995 Crore in the preceding year.

Your Company offers consistent and high purity Nitro Phosphate fertilisers. It operates largely in important foodgrain and cash crop (sugarcane and cotton) regions, which had a favorable impact on its business. Besides this your Company's focus on growing high margin water solubles, efficiently managing bulk imports of fertilisers and effective management of supply chain have been the key drivers of strong performance for the fertiliser business in the year under review.

### Bulk Fertilisers

Your Company sold 4,79,364 MT of bulk fertilisers which was 35% higher than the last year's sales of 3,55,954 MT. In value terms, it was ₹ 1154.78 Crore which is

higher by ₹ 329.24 Crore (40%) over last year's sale of ₹ 825.54 Crore.

The growth in volume of sales was on account of an increase in in-house produced ANP (marketed under brand name MAHAPOWER) production by 37% & also in trading activities by 32% over the last year. The addition of new grade of NPK in your Company's product portfolio and continuous availability of Mahadhan Mahapower also boosted growth. A good monsoon, particularly in our core command area, further helped us to achieve our strategic goal of high growth as compared to the rest of the industry.

### Speciality Fertilisers

In Speciality Fertilisers, your Company has achieved sales of ₹ 167.96 Crore, a jump of 40% over the last year's sales. We have also maintained leadership in the sales of Bensulf and Water Soluble Fertilisers in the country. Your Company's success in this area is mainly due to:

- Adopting a farmer (customer)-centric approach to achieve better customer satisfaction
- Providing products in a basket for wholesome nutrition
- Increase in market penetration and reach by strengthening channel network, which includes dealers and retailers
- Focussing on core command area for better profitability
- Continuously improvising quality systems

**Capacity Expansion:** Your Company has foreseen rise in demand from its core regions and surrounding areas for quite sometime and is therefore in the process of doubling its NPK plant capacity to 6,00,000 MT, through a brown-field expansion, which is in progress at the Taloja plant. The project is expected to be operational by December 2015 and will set the stage for the launch of a variety of complex fertilisers and fortification with micro nutrients like boron, zinc and copper. Going forward, this project will also provide a bigger platform for its flagship product, MAHAPOWER.

With this expansion, your Company's dependence on specific type of phosphoric acid will also reduce, as the new plant will be capable of processing all sources of phosphoric acid.

To address the growing demand and to explore growth opportunities in new markets, especially northern India market, your Company is setting a 30,000 MT plant for Bentonite Sulphur. Strategically located at Panipat (Haryana), this plant will serve the markets of Madhya Pradesh, Haryana, Uttar Pradesh and Punjab. The project, expected to be commissioned by September 2015, will enable your Company to save on logistics costs, boost functional efficiencies and enhance its competitiveness.

### Saarthie Centres & Forward Integration:

Your Company is progressively moving up the value chain and exploring opportunities for management of the output side of the value chain to deliver better quality fruits and vegetables.

The strong output management opportunity matrix is the rationale for your Company's forward integrated business model. It is built on a network of unique service offerings through 12 Saarthie Centres located across the core command area, providing advisory services and output management centers for the farming community. Established in 2006, these centres have already made a difference to the lives of more than 11,000 farmers through advisory services



and have gained immense popularity on account of their proven ability to increase farm yields, profitability and net back earnings of the farmers.

As part of its well integrated business model, your Company provides end-to-end linkages and value enhancers from fertilisers to fruits and vegetables, which are delivered to customers across India and in several international markets. Desai Fruits and Vegetables Private Limited, a joint venture between DFPC and others was an important forward integration step in this regard. Your Company acquired the stake in this business (focused on the growing of bananas), and is also into contract farming for grapes, onions, pomegranates through Agri Business and Farming Solutions (ABFS) Division.

#### Opportunities & Outlook

Balanced agro-inputs and scientific approach towards farm management are the obvious routes to productivity enhancement, thereby underpinning the importance of the estimated ₹1,00,000 Crore market in fertilisers, micro-irrigation, pesticides and seeds. Indian foodgrain yield is amongst the lowest in the world and coupled with low arable land, magnifies the need for adopting a more scientific methodology and balanced use of agro inputs to enable higher yields. Going forward, your Company will focus on two key high margin growth drivers - speciality fertilisers and soluble products.



## TECHNICAL AMMONIUM NITRATE (TAN)

### Industry Overview

TAN is the most preferred and cost-effective commercial blasting chemical, essential for coal mining, metal mining, limestone mining as well as in several infrastructure activities. The market for TAN is estimated to be growing at 6% to 7% annually and the estimated current market requirement in India is close to 7,00,000 MTPA.

Your Company is the largest manufacturer of TAN in India, with a production capacity of 4,29,000 MTPA. Superior quality, excellent logistic management capabilities and compliance with the newly introduced AN Rules, positions your Company as a preferred manufacturer and provides a pricing edge against competition.

Recognising the huge growth potential in this area, your Company is further augmenting its warehousing capabilities, bringing the product closer to the customer and strengthening its competitive edge. The move is well aligned to the Company's customer-centric ethos and its strong thrust on making a meaningful difference to its key stakeholders.

### Ammonium Nitrate Rules, 2012

To bring the industry on par with global standards, the Government of India has introduced new rules pertaining to the logistics management, post production and to the mode of importing ammonium nitrate. As a prominent player in the Indian market, your Company assumes leadership towards building sustainable processes in handling TAN.

Your Company welcomes the new AN Rules implemented from 11<sup>th</sup> January, 2014, which are aimed at securing the production, storage, handling and transportation of TAN and your Company has made all efforts towards full compliance with these rules.

### Business Overview

Your Company's TAN manufacturing facilities are located at Taloja in Maharashtra and of its subsidiary at

Srikakulam in Andhra Pradesh. A new facility at Paradip in Odisha is being evaluated and if found viable, is expected to be set up, after all applicable approvals, by June 2017. The new proposed facility will help your Company cater to the growing demand, both in India and in the global markets.

With the stabilisation of its plants, improved product quality and a strong marketing strategy, your Company has increased the sales volume of TAN from 2,33,337 MT in the previous year to 3,10,016 MT during the year under review i.e. FY 2013-14.

The shift of preference by customers for domestic TAN manufacturers resulted in 36% topline growth.

### Exports

There has been significant improvements in the quality of our TAN, which is now at par with global standards. This is expected to enable your Company achieve significant growth in export volumes going forward as compared to the export of around 10,000 MT during the year under review.

### Production

Your Company produced 3,16,749 MT in FY 2013-14. This represents an increase of 39% over FY 2012-13, when it produced 2,27,955 MT of TAN.

### Outlook and Opportunities

Notwithstanding some downside in the economic environment, India's long-term growth story remains intact. The Government of India is making continuous efforts to augment investments in infrastructure and expedite clearances to various projects. The Government of India has planned investments of US\$ 1 trillion over the period of the Twelfth Five Year Plan (2012-17), and the roll-out of these projects will provide demand impetus for coal, steel, cement etc., which in turn will lead to more sustained demand for TAN.

Your Company has already identified the primary markets abroad (including Middle



## Management Discussion and Analysis

East, East Africa, Indonesia and Australia) for expanding its footprints globally, thereby ensuring strategic geographic de-risking and hedging of the currency risks. Your Company remains optimistic about the export potential and will look at expanding and growing that market in the years to come.

## INDUSTRIAL CHEMICALS BUSINESS

### Industrial Review

A leading producer of industrial chemicals in India, your Company manufactures world-class quality products that include Iso Propyl Alcohol (IPA), Nitric Acid, Liquid Carbon Dioxide etc. These products cater to various sectors which among others include pharmaceuticals, pesticides, drugs and dye intermediates, refining of precious metals, resins, textiles and fertilisers.

### Business Overview

In respect of industrial chemicals, your Company recorded a 34% growth in sales in FY 2013-14 over the previous year. The quantity increased to 3,71,981 MT in FY 2013-14, as compared to 2,77,193 MT in the previous year.

### IPA

**Overview:** IPA is an industrial chemical that is the most critical solvent for pharmaceutical formulations, cosmetics, dyes and printing inks. Your Company is the only producer of IPA in the country. The estimated market size of this product, which grew about 6% in FY 2013-14, stands at 1,10,000 MTPA, of which your Company manufactured 75,903 MT with a record capacity utilisation of 108%.

Your Company continued its thrust on IPA imports to cater to the growing demand within the country and 21,007 MTPA was imported for trading. Its established import infrastructure and expertise enabled your Company to also import 37,809 MT of complementary solvents like Toulene and Acetone. Your Company enjoys nearly 85% of the IPA market share in India.

**Outlook:** The outlook for IPA is positive, given its growth and demand it has shown over the past few years. Depending on

the market dynamics, your Company will continue to explore trading opportunities to meet the growing needs of its valued customers and maintain its existing leadership position. Your Company is also exploring possibilities of expanding its IPA manufacturing capacity.

### Nitric Acid

**Overview:** Nitric acid, a crucial component in the nitro-aromatics sector, is used in the manufacturing of drugs like Paracetamol and Vitamin B6. It also finds application in the textile industry to produce coloured fabrics. Your Company's current capacity is pegged at 8,41,500 MTPA, bulk of which is consumed captively in the manufacture of Ammonium Nitro Phosphate and TAN. Your Company also commands a share of 30% for the Nitric Acid that is sold in the market.

During the year under review, the Nitric Acid market continued to witness a temporary oversupply situation. In spite of the adverse market scenario, your Company recorded a 20% growth in the sales volume over the previous FY 2012-13.

The growth in Dilute Nitric Acid (DNA) was a healthy 34% in FY 2013-14 compared to FY 2012-13. Your Company's DNA production was recorded at 5,03,475 MT in FY 2013-14, as against 3,75,506 MT in FY 2012-13.

**Concentrated Nitric Acid (CNA):** CNA is mainly used for the production of Aniline, Nitrobenzene and TDI (Toluene Di Isocyanate). With a current capacity of 1,38,600 MTPA, your Company enjoys a 45% market share in CNA. There was a temporary oversupply in CNA witnessed during the year due to delay in the commissioning of new capacities being put up by other TDI manufacturer(s). This had put some pressure on our volumes and the value growth. However, now with TDI plant(s) ready to be commissioned soon, this situation is expected to be reversed and your Company remains optimistic on the growth of this product.

The total sales volume of Nitric Acid of different grades was recorded at



Your Company produced 3,16,749 MT in FY 2013-14. This is an increment of 39% over FY 2012-13, when it produced 2,27,955 of TAN.



1,42,692 MT in FY 2013-14, compared to 1,18,675 MT in FY 2012-13.

**Outlook:** The sale of Nitric Acid is expected to pick up as a result of strong signs of revival in the Eurozone in the near term. Your Company is well placed to cater to these markets, on the back of strong customer relationships and domestic geographical advantages.

### Liquid Carbon Dioxide

This food grade CO<sub>2</sub> is a key component of soft drinks and dry ice which is sold to large beverage companies. Your Company's current liquefaction annual capacity is 38,000 MT, though, with the scaling up of volumes, its production is expected to augment further. The liquid CO<sub>2</sub> sales grew at a rate of 18%, and the entire produce of CO<sub>2</sub> of 35,643 MT was sold in FY 2013-14.

**Outlook:** With excellent quality and strong customer relationships, your Company will continue to enjoy increased growth based on growing demand of the product in the domestic market.

### Methanol

The overall Methanol market is dominated by imports. Your Company, equipped with



Your Company has firm quantity contracts with a leading global player for supply of Ammonia.



a total capacity of 1,00,000 MTPA, produced 34,172 MT during FY 2013-14. Thus the plant operated at only 34% capacity as your Company produces Methanol only when market conditions are favorable.

Shutting down of Methanol plants in Iran, which is a key exporter to international markets as well as to India, led to supply shortages. This provided an opportunity to your Company to produce Methanol. Your Company produced Methanol mainly in the second half of FY 2013-14, capitalising on higher international prices, which added significantly to the profitability of the Industrial Chemicals division.

**Outlook:** Methanol production by your Company continues to remain opportunistic in a market dominated by imports. Given the market conditions and the expected non-availability of economically priced natural gas, this product will have subdued focus in the near term.

#### Raw Material Overview

Your Company's key raw materials are Natural Gas, Ammonia, Phosphoric Acid and Propylene.

#### Natural Gas

Supply of natural gas during the year improved due to availability of higher

priced gas. However, supply from regular sources has continued to come down and remains a point of concern.

The policy and pricing uncertainties on the regulatory front continues to have an impact on industries dependent on natural gas. The price increase of natural gas will impact the cost of production of the Ammonium Nitro Phosphate fertiliser and will have an impact on the margins of your Company, until such time it is able to gradually pass over the increased cost to the consumers under the NBS scheme.

An important event after the Balance Sheet date was the Order issued by the Ministry of Petroleum and Natural Gas (MOPNG) for discontinuation of APM, Non APM, PMT and KG D-6 gas to your Company on the ground that diversion of this gas to urea manufacturers will reduce the subsidy burden of the Government considerably. Pursuant to this, GAIL and RIL have discontinued gas supply from 15<sup>th</sup> May, 2014. The Order has since been challenged by your Company at the Honorable High Court at Delhi on grounds of discrimination, arbitrariness and without following principles of natural justice.

The matter is currently sub-judice. This step is contrary to the clearly stated recommendations by various ministries and EGoM, over the past five years.

#### Ammonia

The ammonia supply situation improved in FY 2013-14 as compared to previous years, though the temporary uncertainty over the geo-political unrest in Ukraine as well as in the Middle East, and also the shortage of natural gas from Trinidad, remains a matter of concern from time to time.

However, as compared to the previous year the price of ammonia witnessed a fair amount of stability in the international market as well as in India and its demand within the country remained strong

throughout the year.

Your Company has firm quantity contracts with a leading global player for supply of Ammonia. The domestic availability is also likely to remain strong. With the supply side constraints expected to ease further and with more Ammonia production capacities being set up consequent to the recent shale gas finds in the US, your Company is in a comfortable position to exploit its supply chain assets, including its storage capacity at JNPT and Taloja.

#### Phosphoric Acid

In line with stabilisation of the global Diammonium Phosphate (DAP) demand and prices, phosphoric acid prices are also expected to remain stable during the FY 2014-15. Well equipped in this business, your Company is confident of efficiently managing the procurements thus minimizing stock out situations.

#### Propylene

In FY 2013-14, IPA recorded its highest production level as a result of easy availability of refinery grade propylene supply from BPCL and other companies. The raw material prices moved upwards, followed by rise in global IPA prices which allowed your Company to increase the prices.

#### VALUE ADDED REAL ESTATE

Over the past decade, Pune has witnessed significant growth in industrialisation, especially in automobiles, engineering, pharmaceuticals, food processing and new-age IT / ITeS sectors. With more and more professionals arriving to explore career opportunities, there has been rapid urbanisation and consequent growth in the population.

Led by the growth in real estate, growth in lifestyle homes, high disposable income available with the young professionals and emerging brand culture, your Company has developed a first-of-its-kind destination for home and

## Management Discussion and Analysis

interiors - "Ishanya". It is spread across 600,000 sq. ft. and houses prominent Indian and International brands. The mall focusses on creating "joy of the home-making experience".

Further to its commitment and optimistic foresight of this segment, your Company has launched "Houslife", yet another pioneering concept. Spread across 28,000 sq. ft., Houslife is a unique multi-branded retail store focusing exclusively on home furnishing, decor, furniture and kitchens. The store houses over 30 Indian and International brands which cater to multiple budget categories and help in their home lifestyle enhancement.

While home and interiors will remain the prime focus of Ishanya, during the year, your Company recalibrated its business strategy to attract more retailers and shoppers by inviting brands from an equally exciting and growing category of Food and Beverages (F&B) linked with Entertainment. An area of around 40,000 sq. ft. has been allocated to F&B and your Company is in active stage of progress to launch this category. This initiative will offer an interesting choice and variety to a growing class of consumers in the city of Pune.

While the real estate trends may have softened in the recent past, your Company remains optimistic about this business and will continue to explore growth avenues which will help enhance the home and interior category as well as build a strong brand loyalty.

The value-added real estate segment recorded revenues of ₹ 3.49 Crore in FY 2013-14, compared to ₹ 2.62 Crore in FY 2012-13.

## FINANCIAL OVERVIEW

### Financial Analysis

In the backdrop of the subdued macro-economic environment, FY 2013-14 witnessed increased scale, and high

growth performance, which speaks volumes for your Company's de-risked and robust business model.

The top line grew from ₹ 2,607.95 Crore in FY 2012-13 to ₹ 3,816.28 Crore in FY 2013-14, recording a growth of 46%. The robust growth in top line is attributed to the performance improvement initiatives undertaken by your Company, which helped achieve higher capacity utilisation for its key products on a sustained basis and also enhanced operational efficiencies at all its plants.

The overall cost of goods sold increased from ₹ 1,851.70 Crore in FY 2012-13 to ₹ 2,749.23 Crore in FY 2013-14 on account of higher business volume. Finance costs witnessed an increase of 23%, mainly on account of higher working capital requirements as a result of higher level of activities. The interest cost was higher, compared to the previous year at ₹ 100.75 Crore. The stabilisation of rupee in the latter half of FY 2013-14 helped in reducing the finance costs. Your Company's Profit Before Tax (PBT) was recorded at ₹ 336.39 Crore for the year FY 2013-14 - an increase of 68% over the previous year. Profit After Tax (PAT) for the year under review was ₹ 243.88 Crore, an increase of 66% over the previous year.

The Earnings Per Share (EPS) stood at ₹ 27.65 in FY 2013-14, compared to ₹ 16.65 in FY 2012-13 and Cash Earnings Per Share



(CEPS) for your Company stood at ₹ 39.29 in FY 2013-14, compared to ₹ 27.70 in FY 2012-13.

The Operating Profit Margin stood at 10.59 % in FY 2013-14, an increase of 202 basis points over the previous year. The Net Profit Margin stood at 6.43% in FY 2013-14, an increase of 77 basis points over the previous year.

Your Company remains a low debt company. Its long-term debt to equity ratio stands at 0.49 as on 31<sup>st</sup> March, 2014. It was at 0.62 in the previous year. Your Company is underleveraged and has a good borrowing capacity to finance its growth plans.

## REVENUE MIX FOR PRODUCTS

Sector	FY 2013-14 (₹ Crore)	%	FY 2012-13 (₹ Crore)	%
TAN	802.12	21	560.16	22
IPA and Propane	761.76	20	622.38	24
ANP and Bensulf	674.97	18	516.51	20
Outsourced Bulk Fertilisers	514.48	14	333.35	13
Bulk Chemicals Trading	467.82	12	179.07	7
Nitric Acids	208.94	6	172.85	7
Outsourced Agro Specialty	210.65	6	140.18	5
Methanol	113.95	3	35.49	1
Others (Includes windmill, Liquid CO <sub>2</sub> , Hydrogen and House-life sale)	31.93	1	31.65	1



Your Company's SAP-based ERP system enables faster and informed decision-making and better management controls.



## PRODUCTION & SALES (MT)

Product	Production		Sales	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Ammonia	1,13,463	1,15,606	NA	NA
Methanol	34,172	13,431	32,830	14,933
Iso Propyl Alcohol	75,903	70,327	76,644	67,904
Propane	15,872	13,233	15,800	13,228
Dilute Nitric Acid	5,03,475	3,75,506	54,803	41,556
Concentrated Nitric Acid	74,085	65,016	63,628	55,614
Technical Ammonium Nitrate	3,16,749	2,27,955	3,10,017	2,33,337
Bulk Fertilisers	NA	NA	479,364	3,55,954
Nitro Phosphate Fertilizer	2,42,822	1,78,503	242,557	1,77,199
Bentonite Sulphur	15,847	10,339	14,758	10,821
Liquid Carbon Dioxide	35,665	30,208	35,643	30,125
Windmill Power (*000 KWH)	18,569	19,040	17,915	18,314

## HARNESSING HUMAN CAPITAL

A strong HR foundation is imperative for an organisation to make a measurable difference to the customers and other stakeholders. Your Company firmly believes its employees to be its biggest assets, without whom it could not achieve its business objectives. Your Company's HR focus during the year was on employee retention, succession planning and nurturing, growing internal talent, while infusing higher professionalism into the system. Your Company has taken inter alia following steps in this regard:

- Introduced a Performance Improvement Process;
- Institutionalized an internal Hay Governance Model;
- Established a robust training effectiveness measurement methodology;
- Initiatives were undertaken by way of sustained campaign through workshops to sensitize senior executives on leadership values and on creating an engaged workplace; and
- Review of all People related policies with an objective to modify the policies so that they are in tune with the changing business scenario.

As on 31<sup>st</sup> March, 2014, your Company has on its rolls 1471 employees compared to 1286 on 31<sup>st</sup> March, 2013.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal controls for its operational processes across the business segments to ensure efficient operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. Your Company also has an internal audit system which is conducted by two independent firms of Chartered Accountants so as to cover various operations on a continuous basis. The internal audit plans, reports, internal and external audit observations, assessments and recommendations requiring attention are reviewed by the management as also by the Audit Committee of your Company and necessary action plans are decided, wherever needed.

Your Company has also adopted the COSO system of internal control. Your Company's SAP-based ERP system enables faster and informed decision-making and better management controls.

### Forward looking Statements:

Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied.



# CORPORATE SOCIAL RESPONSIBILITY

**With the passage of the Companies Act, 2013 the mandate for Corporate Social Responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measures undertaken by the government with a wide interest across the public and private sectors, Indian and multinational companies.**



The practice of CSR is not new to your Company. It has, for over three decades, been engaged in social work and societal improvement through Ishanya Foundation (IsFon) at Taloja and Pune, Maharashtra and Deepak Foundation in Vadodara, Gujarat. In compliance with the Act, your Company has already constituted a three-member CSR committee of Directors and identified the projects for the year ahead. The introduction of this Act only takes your Company a step further, providing a platform to innovate and adapt, reaffirming our views that business is an integral component of society and that it has a pivotal role to play in the sustenance and improvement of healthy ecosystems, in promotion of social inclusiveness and equity, and in safeguarding the fundamentals of ethical practices and good governance.

## ISHANYA FOUNDATION (ISFON)

Ishanya Foundation focusses primarily in the following 3 areas of societal improvements:

1

**Livelihood Programmes**

(Women Empowerment)

2

**Health**

3

**Education**

## PUNE

### WOMEN EMPOWERMENT

#### Income Generation Programme (IGP)

The IGP is targeted at empowering women and enabling them to contribute to their families and also instilling a sense of self-worth and pride in them, to live with dignity. The women are trained to stitch more than 20 different products that are then sold at various fairs and exhibitions and to retail customers. The women earn an average of ₹ 4,000/- to ₹ 5,000/- per month.



**Sujata Shinde**

**Sujata Shinde:** I earn ₹ 5,000/- per month by stitching various gifting articles which is a part of the IGP. I am happy as I am now able to financially support my family and also pursuing something I love doing. This has given me hope for a brighter future.

### Muskaan Project

Muskaan - 'spreading smiles' - is a one-of-its-kind initiative by the IsFon wherein the central goal is to ensure that the underprivileged in our society are not deprived of the basic essential of life and to encourage self-employment among women.

The Foundation receives pre-owned garments, clothing and accessories through various 'Muskaan Ambassadors' in the city. Once checked for quality, the ones in good condition are then resold at a very affordable cost to underprivileged families residing in various areas of Pune, by a self-help group of women who are affiliated with the Ishanya Foundation - called 'Muskaan Pareas'. The money collected from the sale of these garments is retained by the Muskaan Pareas as their own earnings.

**Yashoda Sasane:** After my husband passed away 8 years ago, IsFon came as a silver lining in my life. I have found happiness in being a Muskaan Parea. I earn a monthly income of ₹ 4,000/- per month and am now able to support the higher education expenses of both my daughters.

**Seema Panchal:** IsFon has been a great inspiration in my life and helped me, not only in becoming independent but in boosting my confidence too. I am now an animator and Muskaan Parea working in the community.



*Yashoda Sasane & Seema Panchal at the Muskaan stall*

### JOB-ORIENTED VOCATIONAL TRAINING PROGRAMMES

#### Ward Assistant Course

**Sonali:** I have realised my dream of becoming a nurse after I completed the ward assistant course conducted by the Foundation. I am working with Shree Hospital and earning ₹ 5,000/- which helps me support myself and my family as well.



*Sangeeta Hirole*

#### Housekeeping Course

**Sangeeta Hirole:** I joined the Housekeeping course conducted by IsFon through Radiant Technology. I am now working at Phoenix Market City earning a monthly income of ₹ 5,000/- and have encouraged my children to seek a good job through better education.

#### Beautician Course - Entrepreneurship Programme



*Sunita Raskar*

**Sunita Raskar:** I completed the beautician course conducted by IsFon. Since I was not able to take up a full time job, IsFon supported me with the start-up beauty kit. Now I have set up my own parlour and earning a monthly income of ₹ 10,000/-.

#### Yellow Ribbon NGO Fair (YRNF)

The YRNF is a popular NGO Fair that is held annually in Pune that witnesses the congregation of over a 100 NGOs and SHGs from across Maharashtra, Gujarat and Karnataka. Running successfully for six years now, IsFon conducts YRNF with an aim to bring hitherto unknown / little known NGOs to the forefront so that they can showcase their work and sell their products, with an increasing participation from NGOs as well as guests and visitors.

Prashant and Sarika of Shodh Samajik Sansthan received a cash award of ₹ 50,000/- as the first prize, with which they developed a better packing of honey. It was only through the exposure at the Fair that they were invited to participate in many exhibitions and received individual bulk orders. The Fair also encouraged them to introduce new products like B Pollen, Honey, chocolates, etc.



*Shodh Samajik Sansthan at the Yellow Ribbon NGO Fair*

## TALOJA

### Cow Project

The Foundation has undertaken a unique initiative wherein women from marginal farmer families have received the donation of cows (HF) with calves and imparted training in fodder management and health and hygiene in cow breeding, resulting in an average income of ₹ 3,500/- per month, through the sale of milk and ₹ 500/- through the sale of cowdung.

**Ambibai Abhimanyu Mhatre of Khairne Village:** The HF cow given by IsFon is giving 16-18 litres of milk daily. This was possible only through proper capacity building by IsFon. Now we have purchased one more cow.



*Ambibai Mhatre seen with HF cow*

### Horticulture Project

The Foundation has adopted the “Wadi” model wherein farmers, predominantly women have been given 60 saplings each of the “kesar” variety of mangoes in the tribal areas of Taloja and 50 saplings each of drumsticks. The first batch of marginal farmers and their wives have also been helped with seeds of four vegetables, for the periphery of their plots.

**Sukrya Padu Pardhi of Karambeli village:** I was given mango sapling of Kesar variety. The introduction of intercrop vegetables has brought about a huge change in the overall production. Thanks to the Horticulture Development Programme, my income has increased by ₹ 3000/-. Now I can buy better variety of seeds.



*Sukrya Pardhi with mango sapling of Kesar variety*

## EDUCATION

### ITI Scholarship awards

In a first of its kind initiative in Maharashtra, IsFon has partnered with the Industrial Training Institute (ITI) in Panvel to award and encourage meritorious students across four main streams of technical diploma courses. The Foundation offers an Ishanya Foundation Academic Excellence Award to the top rankers and also offers an opportunity at Scholarships for higher education to these students.

**Suhas Pawar**, pursuing Diploma in Electrical Engineering at Bharati Vidyapeeth Institute of Technology, Navi Mumbai, sponsored by IsFon was given a Laptop. He said, “It will not only help me to complete my assignments on time but keep me updated on the latest in technology”.



*Suhas Pawar receiving Laptop at the hands of Mrs Parul Mehta -Trustee-Isfon*

## HEALTH INITIATIVES

### Eye-Camp

Foundation conducts Cataract detection camps at regular intervals, with a few patients being treated through our donation and patients with refraction errors receiving spectacles at the camp.



**Fasubai Bhoir**

**Fasubai Namdev Bhoir** of Wavenje village was operated with Cataract Operation. Now she is able to work in the fields and do her routine work.

### DEEPAK FOUNDATION

Public Health Training Institute, Deepak Foundation continues to strive towards its vision of "Empowering women by providing livelihood & healthcare opportunities". This year, the organisation implemented quite a wonderful range of programmes and activities both at the apex and local community level. The glimpses of some key activities during the year are as follows:

#### Initiated Mobile Health Unit in collaboration with L&T Public Charitable Trust



Deepak Foundation in collaboration with L&T Public Charitable Trust initiated a Mobile Health Clinic on June 5, 2013 that aimed to address the key issue of accessibility by taking basic healthcare facilities through mobile clinics to remote villages with poor access to healthcare services within Vadodara District of Gujarat on a regular basis.

#### Launch of Deepak Occupational Health Centre

Healthy employees are more productive than chronically ill employees. To improve the health and protect the safety and welfare of employees of various industries in Nandesari area, Deepak Medical Foundation (DMF), Vadodara had launched Deepak Occupational Health Centre (DOHC) on October 5, 2013.

Various services provided by DOHC are: outpatient and inpatient services, diagnosis and treatment of occupational health problem, periodic annual and bi-annual health checkups, executive health checkups, checkups at retirement, training on safety and health, health counselling, occupational health promotion programmes, treatment for illness like Malaria, Flu, Typhoid etc and treatment for chronic disease like Diabetes, Hypertension etc.



#### Inauguration of Newborn Intensive Care Unit (NICU) at Deepak Medical Foundation, Nandesari

With the aim of providing special care and treatment to the premature and high risk neonates, the DMF hospital inaugurated and initiated NICU in its premises on October 2, 2013. The unit is fully equipped with the latest equipment and qualified personnel to provide a high standard of care to the newborn.

#### Inauguration of the First National Training at Public Health Training Institute, Vadodara

The Public Health Training Institute (PHTI) of Deepak Foundation has been selected as one of the National training sites for State Level Training of Trainers (ToT) by National Health Systems Resource Centre (NHSRC), New Delhi - the apex technical body constituted under NRHM, Government of India. The first batch of 45 trainers who underwent training included government officials of the Departments of Health & Family Welfare from the four states: West Bengal, Haryana, Orissa and Madhya Pradesh.



**Dignitaries on the dais**

#### Mobile Health Unit & Computer Training Centre at Dahej

With an objective to spread computer literacy among rural community, specially the youth and women, a computer training centre was launched at Dahej Industrial Area, Bharuch district on July 29, 2013. The training centre has adequate capacity for handling 20 trainees at a time. At present, it offers a three-month certification course in computer concept (CCC) with enrolment of twenty two candidates for the course.





# Corporate Governance

The Company firmly believes that business is built on ethical values and principles of transparency. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfil its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

## ■ BOARD OF DIRECTORS

Composition and Category of Directors

Sr. No.	Category	Name of Director	
I.	Promoter and Executive Director	Shri S. C. Mehta, Chairman & Managing Director	
	Promoter and Non-Executive Director	Smt. Parul S. Mehta, Director	
	Executive Director	Shri Partha Bhattacharyya, Executive Director	
II.	Independent Directors	Shri R. A. Shah	Shri D. Basu
		Shri N. C. Singhal	Shri U. P. Jhaveri
		Shri S. R. Wadhwa	Dr. S. Rama Iyer
		Shri Anil Sachdev	Shri Pranay Vakil

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2013-14 and the Annual General Meeting (AGM) held on 8<sup>th</sup> August, 2013 are as follows:

Five Board Meetings were held during the year. These meetings were held on 30<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 24<sup>th</sup> October, 2013, 29<sup>th</sup> January, 2014 and 21<sup>st</sup> March, 2014.

***The record of attendance of Directors and Directorships of Public Limited Companies and Membership / Chairmanship of Board Committees:***

Name of the Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships of other Companies <sup>§</sup>	No. of Membership of other Board Committees <sup>#</sup>	No. of Chairmanship of other Board Committees <sup>#</sup>
Shri S. C. Mehta	5	Present	4	-	-
Shri Partha Bhattacharyya	5	Present	2	-	-
Shri R. A. Shah	3	Absent	14	5	4
Shri D. Basu	4	Present	6	2	1
Shri N. C. Singhal	5	Present	10	4	3
Shri U. P. Jhaveri	4	Present	-	-	-
Shri S. R. Wadhwa	5	Present	1	1	-
Smt. Parul S. Mehta	2	Present	1	-	-
Dr. S. Rama Iyer	4	Present	5	1	-
Shri Anil Sachdev	4	Present	1	-	-
Shri Pranay Vakil	4	Present	3	2	-

§ - Excludes alternate directorships / directorships of private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

# - Includes only Audit Committee and Shareholders' / Investors' Grievance Committee.

## COMMITTEES OF BOARD OF DIRECTORS

### ■ AUDIT COMMITTEE

#### Brief description of Terms of Reference:

To oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial conditions and results of operations, statement of significant related party transactions, management letter(s) of internal control weaknesses, if any, issued by statutory auditors.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 24<sup>th</sup> January, 2000.
- Composition, Names of Members and record of attendance during the year : Consists of Independent Directors as under:

During the year, the Audit Committee Meetings were held on 30<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 16<sup>th</sup> September, 2013, 23<sup>rd</sup> October, 2013, 19<sup>th</sup> December, 2013, 28<sup>th</sup> January, 2014 and 28<sup>th</sup> March, 2014. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri N. C. Singhal, Chairman	7	7
Shri S. R. Wadhwa	7	7
Dr. S. Rama Iyer	7	6

Shri S. C. Mehta, Chairman & Managing Director and Shri Partha Bhattacharyya, Executive Director attend the Meetings as invitees.

### ■ SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

#### Brief description of Terms of Reference:

To specifically look into redressal of complaints related to transfer of shares, non-receipt of dividends, non-receipt of annual report etc. received from shareholders/investors and improve the efficiency in shareholders'/investors' service, wherever possible.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 22<sup>nd</sup> January, 2001.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:

During the year, the Shareholders' / Investors' Grievance Committee Meetings were held on 31<sup>st</sup> May, 2013 and 28<sup>th</sup> January, 2014. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	2	1
Shri S. C. Mehta	2	1
Shri S. R. Wadhwa	2	2
Shri Partha Bhattacharyya	2	2

- Name & Designation of Compliance Officer: Shri R. Sriraman, Executive Vice-President (Legal) & Company Secretary upto 20<sup>th</sup> March, 2014. Shri Tushar Dey, Executive Vice-President (Legal) & Company Secretary from 21<sup>st</sup> March, 2014.

**Details of complaints received during the year 2013-14:**

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders
Transfer of shares	2	Nil
Non-receipt of annual report	3	Nil
Non-receipt of dividend warrants	2	Nil
Issue of duplicate share certificate	3	Nil

**■ REMUNERATION COMMITTEE****Brief description of Terms of Reference:**

To determine on behalf of the Board and shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Director(s) including pension rights and any compensation payments and such other matters concerning remuneration as may be referred to by the Board from time to time.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 29<sup>th</sup> January, 2007.
- Composition, Names of Members and record of attendance during the year : Consists of Independent Directors as under:

During the year, the Remuneration Committee Meeting was held on 29<sup>th</sup> May, 2013. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri R. A. Shah, Chairman	1	0
Shri S. R. Wadhwa	1	1
Shri Anil Sachdev	1	1

**■ PROJECT COMMITTEE****Brief description of Terms of Reference:**

To evaluate periodically projects proposed to be taken up by the Company, to review said projects and recommend to the Board of Directors for consideration and approval as also review progress of such approved projects and apprise the Board.

- Constitution : Constituted by the Board of Directors of the Company with effect from 15<sup>th</sup> July, 2003.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:

During the year, the Project Committee Meetings were held on 24<sup>th</sup> April, 2013, 30<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 23<sup>rd</sup> October, 2013 and 28<sup>th</sup> January, 2014. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	5	4
Shri N. C. Singhal	5	5
Shri S. C. Mehta	5	5
Dr. S. Rama Iyer	5	5
Shri Partha Bhattacharyya	5	5

### ■ MANUFACTURING OPERATIONS REVIEW COMMITTEE

#### Brief description of Terms of Reference:

To review Factory Operations, safety, hazard and pollution / emissions periodically, to suggest initiatives for improving efficiencies and standards, to review internal audit reports pertaining to Factory Operations and to suggest corrective actions to take care of observations of the Internal Auditors.

- Constitution : Constituted by the Board of Directors of the Company with effect from 10<sup>th</sup> April, 2009.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:

During the year, the Manufacturing Operations Review Committee Meetings were held on 26<sup>th</sup> April, 2013, 8<sup>th</sup> August, 2013, 24<sup>th</sup> October, 2013 and 29<sup>th</sup> January, 2014. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. S. Rama Iyer, Chairman	4	4
Shri U. P. Jhaveri	4	4
Shri S. C. Mehta	4	4
Shri Partha Bhattacharyya	4	4

### ■ HUMAN RESOURCES COMMITTEE

#### Brief description of Terms of Reference:

To review Human Resource policies and practices encompassing Organization Structure, Performance Management Practices, Training & Development and Succession Planning.

- Constitution : Constituted by the Board of Directors of the Company with effect from 7<sup>th</sup> August, 2011.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under :

During the year, the Human Resources Committee Meetings were held on 7<sup>th</sup> August, 2013 and 10<sup>th</sup> January, 2014. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Anil Sachdev, Chairman	2	2
Shri Pranay Vakil	2	2
Shri S. C. Mehta	2	2
Shri Partha Bhattacharyya	2	2

### ■ CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Companies Act, 2013 mandates the constitution of Corporate Social Responsibility (CSR) Committee by certain Companies pursuant to Section 135 of the Companies Act, 2013. Accordingly, the Company has constituted a CSR Committee at its Board Meeting held on 21<sup>st</sup> March, 2014. The Terms of Reference and its composition are as under:

#### Brief description of Terms of Reference:

To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities referred to in CSR Policy of the Company, institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company and Monitor the CSR Policy of the Company from time to time.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 21<sup>st</sup> March, 2014.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under :  
Shri Pranay Vakil, Chairman  
Smt. Parul S. Mehta  
Shri Partha Bhattacharyya

There were no meetings of the Committee during the year. The first meeting of the Committee was held on 23<sup>rd</sup> April, 2014 and all members of the Committee attended the meeting.

Shri Tushar Day, Executive Vice-President (Legal) & Company Secretary acts as Secretary to all the Committees.

#### Details of remuneration paid to Executive Directors for Financial Year 2013-14:

(₹ in Lacs)

Name of Director	Designation	Salary and Allowances	Perks	Commission	Company's Contribution to PF and Super-annuation Fund	Total
Shri S. C. Mehta	Chairman & Managing Director	145.23	43.31	1,046.76	36.72	1,272.02
Shri Partha Bhattacharyya	Executive Director	209.87	13.50	50.00	8.64	282.01

#### Details of Commission\* for Financial Year 2012-13 and sitting fees paid to Non-Executive Directors

**Commission :** Shri C. K. Mehta: ₹ 40,00,000; Shri R. A. Shah: ₹ 7,00,000; Shri D. Basu: ₹ 8,50,000; Shri N. C. Singhal: ₹ 9,50,000; Shri U. P. Jhaveri: ₹ 7,50,000; Shri S. R. Wadhwa: ₹ 8,50,000; Dr. S. Rama Iyer: ₹ 10,00,000; Smt. Parul S. Mehta: ₹ 3,00,000; Shri Anil Sachdev: ₹ 6,00,000 and Shri Pranay Vakil: ₹ 5,00,000.

(\* Commission for 2013-14 is yet to be paid)

**Sitting Fees:** The Company also pays sitting fees to Non-Executive Directors @ ₹ 10,000 per Director for attending each meeting.

#### Shares held by Non-Executive Directors

Name of Non-Executive Directors	Holdings
Smt. Parul S. Mehta	10,00,000 Equity Shares (1.13%)
Shri R. A. Shah	7,900 Equity Shares (0.009%)
Shri S. R. Wadhwa	1,000 Equity Shares (0.001%)
Dr. S. Rama Iyer	15,000 Equity Shares (0.02%)
Shri Pranay Vakil	4,475 Equity Shares (0.005%)

#### ■ ANNUAL GENERAL MEETINGS

##### Details of last three Annual General Meetings held:

Particulars	FY 2010-11	FY 2011-12	FY 2012-13
Day	Monday	Thursday	Thursday
Date	8 <sup>th</sup> August, 2011	26 <sup>th</sup> July, 2012	8 <sup>th</sup> August, 2013
Time	11.00 a.m.	11.30 a.m.	11.30 a.m.
Venue	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007
Whether any special resolutions passed	-	-	Yes

No special resolution was passed through Postal Ballot during the Financial Year 2013-14 or is being proposed through Postal Ballot at the ensuing Annual General Meeting.

#### ■ DISCLOSURES

- i. **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:**

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- ii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties / strictures have been imposed against the Company during the last three years.

- iii. **Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements.

- iv. **Disclosures of relationships between directors inter-se:**

Smt. Parul S. Mehta, Director is wife of Shri S. C. Mehta, Chairman & Managing Director.

Except as mentioned above, none of the other Directors have any relation inter-se.

#### ■ MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as Business Standard and Sakal. The results are also displayed on the Company's website [www.dfpc.com](http://www.dfpc.com)

# General Shareholder Information

1. Annual General Meeting Day, Date, Time and Venue	:	Thursday, 31 <sup>st</sup> July, 2014 at 11.30 a.m. MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411 007
2. Financial year / Calendar		
-Results for first quarter ending 30 <sup>th</sup> June, 2014	:	Within 45 days from the end of the quarter
-Results for second quarter ending 30 <sup>th</sup> September, 2014	:	Within 45 days from the end of the quarter
-Results for third quarter ending 31 <sup>st</sup> December, 2014	:	Within 45 days from the end of the quarter
-Results for financial year ending 31 <sup>st</sup> March, 2015	:	Within 60 days from the end of the Financial Year
3. Date of Book Closure	:	Monday, 21 <sup>st</sup> July, 2014 to Thursday, 31 <sup>st</sup> July, 2014 (both days inclusive)
4. Dividend Payment Date	:	4 <sup>th</sup> August, 2014
5. Registered Office and CIN	:	Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006 CIN: L24121MH1979PLC021360
6. Phone, Fax, E-mail	:	Phone : +91 20 6645 8000 Fax : +91 20 6645 8296 E-mail : investorgrievance@dfpcl.com Website : www.dfpcl.com
7. Plant Location	:	Plot K-1, K-7 & K-8, MIDC Industrial Area, Talaja A. V. 410 208, Dist. Raigad, Maharashtra Phone : +91 22 6768 4000 Fax : +91 22 2741 2413
8. Registrar & Share Transfer Agent (RTA) and Address for investors' correspondence	:	Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Andheri-Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072
9. Phone, Fax, E-mail of RTA	:	Phone : +91 22 6772 0300 / 6772 0400 Fax : +91 22 2859 1568 E-mail : deepak@shareproservices.com
10. Listing on Stock Exchanges	:	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) Annual Listing fee for Financial Year 2014-15 has been paid to both the Stock Exchanges.
Stock Code	:	BSE Limited (BSE) : 500645 National Stock Exchange of India Limited (NSE) : DEEPAKFERT
Demat ISIN in NSDL and CDSL	:	INE501A01019

**11. Market Price Data for 2013-14**

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April, 2013	112.50	96.00	19,622.68	18,144.22
May, 2013	107.05	91.05	20,443.62	19,451.26
June, 2013	101.00	91.40	19,860.19	18,467.16
July, 2013	100.50	83.70	20,351.06	19,126.82
August, 2013	97.50	81.20	19,569.20	17,448.71
September, 2013	111.25	85.00	20,739.69	18,166.17
October, 2013	121.50	103.00	21,205.44	19,264.72
November, 2013	112.60	103.25	21,321.53	20,137.67
December, 2013	110.00	102.90	21,483.74	20,568.70
January, 2014	113.00	99.80	21,409.66	20,343.78
February, 2014	124.05	105.00	21,140.51	19,963.12
March, 2014	122.50	115.40	22,467.21	20,920.98

**12. Distribution of Shareholding as on** : 1,09,449 Shareholders held 8,82,04,943 Equity Shares of ₹ 10/- each  
**31<sup>st</sup> March, 2014**

Distribution of shares (slabwise)	No. of shareholders	Percentage to total no. of shareholders	No. of shares held	Percentage to total share capital
Upto 500	1,03,334	94.41	1,16,95,121	13.26
501- 1000	3,527	3.22	27,33,984	3.10
1001-2000	1,328	1.21	19,83,646	2.25
2001-3000	392	0.36	10,05,594	1.14
3001-4000	187	0.17	6,74,651	0.77
4001-5000	169	0.16	7,94,514	0.90
5001-10000	254	0.23	18,45,560	2.09
10001 & above	258	0.24	6,74,71,873	76.49
<b>Total</b>	<b>1,09,449</b>	<b>100.00</b>	<b>8,82,04,943</b>	<b>100.00</b>

**13. Share Transfer System:**

As the Members are aware, the Company has appointed Sharepro Services (India) Pvt. Ltd., as Registrar & Share Transfer Agent (RTA) to handle dematerialisation of shares and physical share transfers as well as other share related activities of the Company.

The Members are advised to correspond with the RTA at its office at 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Andheri - Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072. Shares sent for transfer in physical form are registered and dispatched by our RTA within a maximum period of two weeks from receipt of the documents at its office, provided the documents are found to be in order. Shares under objection are returned within two weeks from receipt of the document.

**14. Dematerialisation of Shares:**

The shares of the Company are traded in dematerialised form. 8,09,90,840 Equity Shares (91.82 % of paid-up capital) held by 55,186 Shareholders (50.42% of total number of Shareholders) have been dematerialised as on 31<sup>st</sup> March, 2014.

**15. Outstanding GDRs, ADRs, Warrants or any Convertible Instruments, etc.:**

Nil

**16. Electronic Clearing System (ECS) / National Electronic Clearing Service (NECS):**

The Company through its various communications in the past, had requested its members to furnish ECS / NECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS / NECS to those who had registered ECS / NECS mandate with the Company. However, in certain cases, although the members had furnished the ECS / NECS mandate, the remittance of dividend could not be



effected through ECS / NECS at certain centers since adequate facility for crediting the amount was not available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS / NECS whenever facilities are made available at those centers.

RBI vide its Circular dated 25<sup>th</sup> June, 2009 had introduced NECS which aims at increasing efficiency and simplification of the ECS process. RBI has also directed the member banks to update their systems and information pertaining to the bank account numbers of their customers. In view of the above, members holding shares in physical form desirous of receiving dividend electronically through NECS but have not updated / furnished mandate details are requested to obtain the prescribed mandate form from the Company's RTA and submit the same to the RTA duly filled in and signed for registration.

Investors holding shares under demat segment are requested to check NECS mandate registered with the respective Depository Participants and ensure correctness for prompt credit of dividend amount to their accounts.

#### 17. Unclaimed / Outstanding dividend on Equity Shares:

To facilitate investors who have not claimed the dividend amount for earlier years on the Equity Shares from the Company, details of the unclaimed amount are being displayed on the Ministry of Corporate Affairs (MCA) website: [www.iepf.gov.in](http://www.iepf.gov.in)

Investors are requested to browse the said site to find out the outstanding amount, if any, and claim the same from the Company, before transfer to the Investor Education and Protection Fund as per the provisions of the Companies Act, 2013.

#### DECLARATION

As per Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2013-14.

Mumbai  
Dated 15<sup>th</sup> May, 2014

**S. C. MEHTA**  
Chairman & Managing Director

#### CERTIFICATE

To the Members of

#### DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with the National Stock Exchange Limited and BSE Limited.

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 Agreements.

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.

Mumbai  
Dated 15<sup>th</sup> May, 2014

**For B. K. KHARE & CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firm's Registration No.: FRN 105102W  
Membership No.: 37825

# Independent Auditors' Report

To the Members of

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED**

1. We have audited the accompanying financial statements of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditors' Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5 Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

5.2 As required by section 227(3) of the Act, we report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, the Statements of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow dealt with by this report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For B. K. KHARE & CO.**

*Chartered Accountants*

Firm's Registration Number 105102W

**NARESH KUMAR KATARIA**

*Partner*

Membership Number: 37825

*Mumbai,*

Dated 15<sup>th</sup> May, 2014

### Annexure to the Auditors' Report referred to in our report of even date:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no material discrepancies as compared to book records were noticed on assets verified during the year.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect going concern status of the Company.
2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, the provisions of Clause 4(iii), (b), (c) and (d), (f) and (g) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
  - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system, which is commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. According to the records of the Company examined by us and information and explanations given to us:
  - (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, cess and other applicable statutory dues with the appropriate authorities during the year.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end or for a period of more than six months from the date they became payable.
  - (c) The particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of disputes are as under:

Nature of the Statute	Amount in ₹ Lacs	Forum where dispute is pending	Period to which Amount relates
The Maharashtra Sales Tax on Transfer of Right to User any Goods for any purpose.	0.24	Dy. Commissioner of Sales Tax, Pune	Assessment Year 1990-91
The Bombay Stamp Act, 1958	26.15	The Chief Revenue Authority, Pune	Financial Year 1995-96
The Central Excise Act, 1944	119.55	Bombay High Court	November 2002 to August 2007
The Central Excise Act, 1944	866.55	CESTAT	May 2000 to March 2011
The Income Tax Act, 1961	1,357.51	Commissioner of Income Tax (Appeals), Mumbai	Assessment Year 2011-12
The Income Tax Act, 1961	1,276.40	Income Tax Appellate Tribunal	Assessment Year 2010-11
The Central Sales Tax Act, 1956	630.58	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2004-05 and 2006-07
The Central Sales Tax Act, 1956	193.12	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2009-10
The Bombay Sales Tax Act, 1959	71.55	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2004-05
The Central Sales Tax Act, 1956	741.90	Karnataka High Court	April 2005 to March 2010
Finance Act, 1994 - Service Tax	1,880.87	Commissioner of Central Excise & Service Tax Pune - III	October 2007 to March 2012

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
13. The provisions of any applicable statute to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the Letter of Comfort given by the Company to a bank in respect of credit facility granted to Joint Venture entity are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, and records of the Company examined by us, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has created security/charge in respect of debentures issued and outstanding at the year end.
20. The Company has not made any public issue of its shares during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted accounting practices and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company noticed or reported during the year, nor have we been informed of any such case by the Management.

**For B. K. KHARE & CO.**

*Chartered Accountants*

Firm's Registration Number 105102W

**NARESH KUMAR KATARIA**

*Partner*

Membership Number: 37825

Mumbai,

Dated 15<sup>th</sup> May, 2014

Annual Report 2013-14

# Balance Sheet

as at 31<sup>st</sup> March, 2014

(₹ in Lacs)

	Note	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	8,820.49	8,820.49
Reserves and surplus	3	1,40,290.96	1,22,604.57
		<b>1,49,111.45</b>	<b>1,31,425.06</b>
<b>Non-current liabilities</b>			
Long term borrowings	4	59,206.84	71,415.04
Deferred tax liabilities (Net)	5	11,775.48	12,228.38
Other long term liabilities	6	21.91	77.02
Long-term provisions	7	2,337.08	1,978.88
		<b>73,341.31</b>	<b>85,699.32</b>
<b>Current liabilities</b>			
Short-term borrowings	8	22,964.93	30,443.02
Trade payables	9	34,986.53	20,761.25
Other current liabilities	10	27,443.04	20,791.93
Short-term provisions	7	8,071.76	6,993.78
		<b>93,466.26</b>	<b>78,989.98</b>
<b>Total</b>		<b>3,15,919.02</b>	<b>2,96,114.36</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	1,37,960.17	1,40,235.89
- Intangible assets	12	850.79	1,033.61
Capital work-in-progress	13	9,393.35	2,654.31
		<b>1,48,204.31</b>	<b>1,43,923.81</b>
Non-current investments	14	27,882.27	9,565.78
Long term loans and advances	15	4,080.67	5,819.36
Other Non-current assets	20	571.83	822.04
		<b>1,80,739.08</b>	<b>1,60,130.99</b>
<b>Current assets</b>			
Current investments	16	2,621.60	24,832.62
Inventories	17	33,875.84	23,978.44
Trade receivables	18	76,939.75	64,516.46
Cash and bank balances	19	9,247.56	10,201.22
Short-term loans and advances	15	11,486.60	11,359.73
Other current assets	20	1,008.59	1,094.90
		<b>1,35,179.94</b>	<b>1,35,983.37</b>
<b>Total</b>		<b>3,15,919.02</b>	<b>2,96,114.36</b>
Significant Accounting Policies	1		

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director

# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2014

	Note	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
(₹ in Lacs)			
<b>CONTINUING OPERATIONS</b>			
<b>Revenue:</b>			
Revenue from operations (Gross)	21	4,04,381.65	2,77,422.60
Less: Excise duty		22,753.70	16,627.70
Revenue from operations (Net)		3,81,627.95	2,60,794.90
Other income	22	4,703.98	6,029.14
<b>Total Revenue</b>		<b>3,86,331.93</b>	<b>2,66,824.04</b>
<b>Expenses:</b>			
Cost of materials consumed	23	1,65,276.36	1,25,249.50
Purchases of stock-in-trade	24	1,14,384.21	63,016.75
Changes in Inventories of Finished Goods and Stock-in-Trade- (Increase) / Decrease	25	(4,737.30)	(3,096.31)
Employee benefits expenses	26	16,341.95	14,501.64
Finance costs	27	10,075.07	8,217.37
Depreciation, amortisation and impairment expenses	28	10,263.97	9,745.36
Other expenses	29	39,953.45	29,132.00
<b>Total Expenses</b>		<b>3,51,557.71</b>	<b>2,46,766.31</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>34,774.22</b>	<b>20,057.73</b>
Exceptional items	40	1,135.20	-
<b>Profit before extraordinary items and tax</b>		<b>33,639.02</b>	<b>20,057.73</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>33,639.02</b>	<b>20,057.73</b>
Tax expenses	54		
Current tax		9,561.92	3,969.81
MAT credit (entitlements)/adjustments		141.57	(706.37)
Deferred tax charge/(credit)		(452.90)	2,103.78
Total tax expenses		9,250.59	5,367.22
<b>Profit for the year</b>		<b>24,388.43</b>	<b>14,690.51</b>
Earning per Equity Share: Face value ₹ 10 each (₹ 10)	30		
i) Basic (in ₹)		27.65	16.65
ii) Diluted (in ₹)		27.65	16.65
Summary of significant accounting policies	1		
The accompanying notes are integral parts of the Financial Statements.			

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2014

	(₹ in Lacs)	
	2013-14	2012-13
<b>(A) Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>33,639.02</b>	<b>20,057.73</b>
Adjustments for-		
Depreciation and amortisation	10,263.97	9,745.36
Exchange fluctuations (net)	3,204.04	3,084.70
Profit on sale of investments	(1,215.44)	(883.87)
Provision for diminution in the value of investments	734.30	51.89
Provision for doubtful debts	(0.76)	(61.73)
Bad debts written off	1,697.44	67.44
Exceptional items	1,135.20	-
Loss/(profit) on sale of assets	68.08	172.44
Interest/dividends (net)	9,001.72	6,718.44
<b>Operating profit before working capital changes</b>	<b>58,527.57</b>	<b>38,952.40</b>
Adjustments for-		
Trade and other receivables	(15,015.75)	(7,906.79)
Inventories	(9,897.41)	(3,332.38)
Trade payables	17,461.10	336.25
<b>Cash generated from operations</b>	<b>51,075.51</b>	<b>28,049.48</b>
Direct taxes paid/refund	(8,528.48)	(3,148.11)
<b>Cash flow before exceptional items</b>	<b>42,547.03</b>	<b>24,901.37</b>
Exceptional items	(1,135.20)	-
<b>Net cash from operating activities</b>	<b>41,411.83</b>	<b>24,901.37</b>
<b>(B) Cash flow from investing activities</b>	<b>(A)</b>	<b>(A)</b>
Purchase of fixed assets	(15,255.09)	(12,072.06)
Sale of fixed assets	1,057.72	957.55
Movement in capital advances	1,806.45	(2,592.55)
Acquisition of investments- others (net)	(19,138.21)	(21,682.78)
Sale of investments	23,513.89	-
Deposits placed	(73.50)	(89.36)
Interest received	1,307.31	751.78
Dividend received	102.57	405.14
<b>Net cash used in investing activities</b>	<b>(6,678.86)</b>	<b>(34,322.28)</b>
<b>(C) Cash flow from financing activities</b>	<b>(B)</b>	<b>(B)</b>
Exchange fluctuations (net)	(3,329.22)	(3,089.80)
Working capital borrowings - proceeds / (repayment) (net)	(7,352.93)	3,386.14
External commercial borrowings - proceeds / (repayment) (net)	(1,251.31)	797.88
Term loans - proceeds / (repayment) (net)	-	(8,510.83)
Debentures - proceeds / (repayment) (net)	(7,499.99)	25,833.33
Interest paid	(10,704.38)	(7,786.27)
Equity dividend and corporate dividend tax paid	(5,603.84)	(5,573.51)
<b>Net cash generated/ (used) in financing activities</b>	<b>(35,741.67)</b>	<b>5,056.94</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,008.70)</b>	<b>(4,363.97)</b>
<b>Cash and cash equivalents opening balance</b>	<b>9,832.31</b>	<b>14,196.28</b>
<b>Cash and cash equivalents closing balance</b>	<b>8,823.61</b>	<b>9,832.31</b>
<b>Earmarked balances with the bank</b>	<b>423.95</b>	<b>368.91</b>
<b>Cash and bank balances at the end of the year</b>	<b>9,247.56</b>	<b>10,201.22</b>

Note: (i) Figures in brackets are outflows.

(ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI.

(iii) Previous Years figures have been re-grouped wherever necessary to conform to current year's classification.

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

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Mumbai  
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**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director



# NOTES

## to the financial statements for the year ended 31<sup>st</sup> March, 2014.

### THE COMPANY AND NATURE OF ITS OPERATIONS :

Deepak Fertilisers And Petrochemicals Corporation Limited having Corporate office in Pune, Maharashtra, India carries on business in fertilisers, agri services, bulk chemicals, mining chemical and value added real estate.

#### Note-1 SIGNIFICANT ACCOUNTING POLICIES

##### A) Basis for preparation of financial Statements

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company during the period and are consistent with those used in previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### B) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debt, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets.

The Management believes that the estimates used in the preparation of financial Statements are prudent and reasonable. Future results could differ from these estimates.

##### C) Revenue recognition

- Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership passed to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.
- Export sales are recognised based on the date of bill of lading.
- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from Ministry of Agriculture /Ministry of Fertilisers.
- Revenue in respect of Interest (other than on deposits with banks and others/investments, which are accounted on accrual basis), Insurance claims, Subsidy and reimbursement of cost escalation claimed from Ministry of Agriculture/Ministry of Fertilisers beyond the notified retention price and price concession on fertilisers pending acceptance of claims by the concerned parties is recognised to the extent the Company is reasonably certain of their ultimate realisation.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N2O reduction in its Nitric Acid plant are recognised as revenue on the actual realisation of the applicable credits.
- Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.
- Dividend income is accounted for when the right to receive is established.

**D) Tangible assets, Intangible assets and Capital work-in-progress**

- Fixed Assets (including major modifications/betterments) are recorded at cost of acquisition or construction (including interest/financial charges, project restructuring cost and other expenditure incidental and related to such acquisition/construction).
- Intangible Assets (Goodwill, Patent, Trademark, Software Licenses etc.) are capitalised at cost of acquisition or development and expenditure incidental and related to such acquisition/development.
- Exchange variation arising from repayment/restatement of the long term debts/borrowings in foreign currencies for acquisition of fixed assets is capitalised in terms of the option exercised by the Company as per the MCA circular Notification No. G.S.R.378 (E) dated 11<sup>th</sup> May, 2011 and further amended by pursuant to Circular No. 25/2012 dated 9<sup>th</sup> August, 2012 issued by Ministry of Corporate Affairs,
- Machinery Spares other than those required for regular maintenance are capitalised at cost.
- Relief/Incentive granted by the Government of India by way of refund of Customs Duty paid on NP Project imports, is treated as a special reserve and adjusted against depreciation, over the remaining useful life of Fixed Assets of NP Project.
- Also refer notes (I) and (K) for capitalisation of exchange difference of long term loans and interest on borrowings to acquire qualifying assets.

**E) Depreciation and amortisation****Tangible assets**

- Depreciation is provided on Straight Line basis, except for relocated DNA-III Plant which is depreciated on Written Down Value basis.
- Tangible assets, owned by the Company, are depreciated in accordance with the rates prescribed in Schedule XIV to the Companies Act, 1956 except in the following cases where higher rates are applied to the factors of accelerated obsolescence, relocation of plant, modifications of existing plants etc.

Computers and related Equipment	25.00%
Air-Conditioning System	9.50%
Furniture, Fixtures and Office Equipment	9.5%, 13.5%, 19.00%
Vehicles	25.00%
Relocated DNA III Plant (WDV)	25.89%
Relocated other Plants	6.68%
Modification of existing Ammonia Plant	6.33%
Modification of existing Ammonium Nitrate Plant	10.00%

- Depreciation on exchange rate variances capitalised as part of the cost of Fixed Assets, has been provided prospectively over the residual useful life of the assets.
- Capitalised machinery Spares are depreciated over remaining useful life of the related machinery/ equipment. Costs of such spares are charged to the Statement of Profit and Loss when issued for actual use at written down value.
- Cost of Leasehold Land is amortised over the lease period.

**Intangible assets**

- Intangible assets are amortised over a period not exceeding 60 months except in the case of right to use of properties which are amortised over a period of effective useful life of such right.

**Capital work-in-progress:**

- Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

**Assets taken on operating lease:**

- Assets taken on operating lease are recognised in the Statement of Profit and Loss as per the terms of the contract.

**Assets given on operating lease:**

- Assets given on operating lease are recognised as income in the Statement of Profit and Loss as per the terms of the contract.

**F) Impairment of assets**

- The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment loss is recognised whenever carrying amount exceeds the recoverable amount. Conversely, previously recognised losses are reversed when the estimated recoverable amount exceeds the carrying amount.

**G) Inventories**

- Raw materials are valued at lower of moving weighted average cost and net realisable value. However these items are written down to realisable value if the costs of the related finished goods is not expected to recover the cost of raw materials.
- Stores, regular spares, oil, chemicals, catalysts and packing material are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable CENVAT / VAT credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost (Including Depreciation excise duty payable/paid where applicable but excluding interest cost) or and net realisable value.
- Traded goods are valued at lower of cost and net realisable value.
- Value of Work-in-Process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

**H) Investments**

- Long term investments are valued at cost after appropriate adjustment, if necessary, for diminution in their value which are other than temporary in nature.
- Current Investments are stated at lower of cost and fair value.

**I) Foreign currency transactions, forward contracts and derivatives**

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the dates of the transactions. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet.
- Exchange differences either on settlement or on translation are dealt with in the Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of long-term borrowings used for acquisition of fixed assets are capitalised.
- In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which they arise. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- Wherever the variable interest in respect of External Commercial Borrowings is swapped for fixed interest rates, the fixed interest expense is recognised in the Statement of Profit and Loss.

- The Company has taken option contracts to hedge its currency risks on liabilities in foreign currency. These contracts are Marked to Market (MTM) as at the year end and net loss after considering offsetting effect on the underlying liabilities is charged to Statement of Profit and Loss and capitalised if it is in respect of long term foreign currency loans taken for acquisition of qualifying assets. Net gain, if any is not recognised.
- Premium on option contracts are amortised and recognised in Statement of Profit and Loss over the period of contract.

#### J) Employee benefits

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

##### Provident fund

- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.

##### Gratuity

- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a Trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity fund and recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

##### Superannuation

- The Company has an optional Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary, subject to maximum of ₹1,00,000 per employee, for the executives opting for the benefit. The plan is managed by a Trust and the funds are invested with Life Insurance Corporation of India under its Group Superannuation Scheme. Annual contributions as specified under the Trust deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

##### Compensated absences

- The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

##### Wealth Creation Scheme

- The Company had a Wealth Creation Scheme for its executives - a defined contribution plan. The Company had been making annual contributions at 3% of the covered employees' salary which were then invested by the Company in securities. Subject to Company's Policy the vested employees are eligible to receive accumulated balance at retirement, death while in employment or on termination of employment. Annual contributions made by the Company were recognised as an expense in the Statement of Profit and Loss in the year of incurrance of the liability. The Scheme was operational till 31<sup>st</sup> March, 2012.

### Medical Benefits

- The Company has a medical benefit plan according to which employees are entitled to be covered under mediclaim policy for the next five years post their superannuation. The amount being insignificant, the liability towards such benefit is recognised based on the actual premium payable.

### Post Retirement Benefits

- The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

### K) Borrowing costs

- Borrowing costs that are attributable to the construction/acquisition of qualifying fixed assets are capitalised as a part of the cost of these capitalised assets till the date of completion of physical construction/mechanical completion of the assets. Borrowing costs includes exchange differences to the extent treated as finance cost under Accounting Standard (AS) 16 - "Borrowing Cost".

### L) Provisions and contingents liabilities

- A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the reporting date.
- Contingent Liabilities are disclosed in respect of:
  - Possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
  - Any present obligation, where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.However, in situations where the likelihood of an outflow of resources is assessed to be remote, no disclosure is made as such items not in the nature of Contingent liabilities
- Contingent Assets are not recognised or disclosed in the financial statements.

### M) Taxes Incomes

- Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961 ) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

### N) Cash and cash equivalents

- In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, with original maturities of three months or less.

### O) Earning Per Share

- Basic earnings per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per Share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. For the purpose of calculating diluted earnings per Share, the net profit or loss for the year attributable to Equity Shareholders and the weighted average number of Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.

## Note-2 SHARE CAPITAL

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Authorised</b>		
12,50,00,000 Equity Shares of face value ₹10 each	12,500.00	12,500.00
10,00,000 Cumulative Redeemable Preference Shares of ₹100 each	1,000.00	1,000.00
	<b>13,500.00</b>	<b>13,500.00</b>
<b>Issued subscribed and fully paid up</b>		
8,82,04,943 Equity Shares of ₹10 each	8,820.49	8,820.49
<b>Total</b>	<b>8,820.49</b>	<b>8,820.49</b>

## a. Reconciliation of the number of Equity Shares

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Balance as at the beginning of the year	8,82,04,943	8,820.49	8,82,04,943	8,820.49
Add: Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>8,82,04,943</b>	<b>8,820.49</b>	<b>8,82,04,943</b>	<b>8,820.49</b>

## b. Terms/ Rights attached with Equity Shares

The Company has only one class of issued Equity Shares having at par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

The Company declares and pay dividend in Indian Rupee except in the case of overseas Shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company the holders of Equity Share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

## c. Details of the Shares held by Shareholders holding more than 5% of the aggregate Shares in the Company:

Name of Shareholders	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
	(₹ in Lacs)		(₹ in Lacs)	
Shri S. C. Mehta	192.81	21.86%	173.92	19.72%
Nova Synthetic Limited	172.67	19.58%	172.67	19.58%
Fidelity Puriton Trust Fund-Fidelity low prices stock fund	75.69	8.58%	75.69	8.58%
<b>Total</b>	<b>441.17</b>	<b>50.02%</b>	<b>422.28</b>	<b>47.88%</b>

## Note-3 RESERVES AND SURPLUS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Capital reserve	0.13	0.13
Capital redemption reserve	150.00	150.00
Securities premium reserves	10,798.95	10,798.95
<b>Special reserve (*)</b>		
Balance as at the beginning of the year	-	9.50
Less: Transferred to the Statement of Profit and Loss for recoupment of depreciation	-	9.50
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>

**Note-3 RESERVES AND SURPLUS (CONTD)**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Debenture redemption reserve		
Balance as at the beginning of the year	6,916.63	5,751.00
Add: Amount transferred from the Statement of Profit and Loss	958.30	1,165.63
<b>Balance as at the end of the year</b>	<b>7,874.93</b>	<b>6,916.63</b>
General reserve		
Balance as at the beginning of the year	15,239.91	13,764.91
Add: Transfer from the Statement of Profit and Loss	2,470.00	1,475.00
<b>Balance as at the end of the year</b>	<b>17,709.91</b>	<b>15,239.91</b>
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	89,498.95	83,055.02
Add: Profit during the year	24,388.43	14,690.51
	1,13,887.38	97,745.53
Less: Appropriations		
Proposed dividend on Equity Shares (Dividend per share ₹ 6.50 (₹ 5.50)) (#)	5,733.45	4,851.40
Tax on proposed dividend on Equity Shares (Net of credit of tax on dividend distributions by the Subsidiary company ₹ 16.99 Lacs (16.23 Lacs)) (@)	968.59	754.55
Transfer to Debenture redemption reserve	958.30	1,165.63
Transfer to General reserve	2,470.00	1,475.00
<b>Total appropriations</b>	<b>10,130.34</b>	<b>8,246.58</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>1,03,757.04</b>	<b>89,498.95</b>
<b>Total</b>	<b>1,40,290.96</b>	<b>1,22,604.57</b>

(\*) Represents relief/incentive granted by Government of India by way of refund of 90% of Custom Duty paid on NP Projects Imports. This amount is being adjusted against Depreciation over the remaining useful life of the Fixed Assets of NP Project.

(@) Includes relating to previous years ₹ 36.70 Lacs (Nil).

(#) Net of adjustments of ₹ 0.13 Lacs (₹ 0.13 Lacs) relating to previous year.

**Note-4 LONG-TERM BORROWINGS**

(₹ in Lacs)

Long-term borrowings-Secured	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>External commercial borrowings (ECBs)</b>				
Bank of Baroda	8,386.00	8,957.03	1,497.50	1,085.70
HSBC Bank	7,487.50	11,624.69	4,991.67	1,946.56
(A)	<b>15,873.50</b>	<b>20,581.72</b>	<b>6,489.17</b>	<b>3,032.26</b>
<b>Bond / Debentures- Secured (Listed)</b>				
500, 9.31% Redeemable Privately Placed Non Convertible Debentures (NCDs) of ₹ 10 Lacs each	5,000.00	5,000.00	-	-
500, 10 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	1,666.67	3,333.33	1,666.67	1,666.67
500, 9.75 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	1,666.67	3,333.33	1,666.67	1,666.67
1250, 10.80 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	4,166.66	4,166.67	4,166.67
1000, 9.70% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	10,000.00	10,000.00	-	-
2500, 9.71% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	25,000.00	25,000.00	-	-
(B)	<b>43,333.34</b>	<b>50,833.32</b>	<b>7,500.01</b>	<b>7,500.01</b>
<b>Total</b>	<b>59,206.84</b>	<b>71,415.04</b>	<b>13,989.18</b>	<b>10,532.27</b>
Less : Current maturity of long term Borrowings disclosed under the "Other Current Liabilities". (Refer note no. 10)			13,989.18	10,532.27

## NOTES :

Sr. No.	Particulars	Rate and Repayment schedule	Security
1	ECBs from Bank of Baroda, ₹ 9,883.50 Lacs (₹ 10,042.73 Lacs). ₹ 299.40 (271.37 Lacs) kept as fixed deposit with Bank of Baroda as a lien for ECBs (refer note no. 15)	At variable interest rate of Libor plus 325 basis points payable quarterly (average for the year 3.89%) (3.87%). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 and last installment is payable on 30 <sup>th</sup> June, 2017	Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/ to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, remuneration of the Trustees and all other monies thereto.
2	ECBs from HSBC Bank, ₹12,479.17 Lacs (₹ 13,571.25 Lacs)	At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating rate to fixed rate of 6.09 % Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 and last installment is payable on 29 <sup>th</sup> July, 2016	
3	Redeemable Privately Placed NCDs ₹5,000 Lacs (₹5,000 Lacs)	9.31% per annum payable annually. Redeemable in single installment on 15 <sup>th</sup> July, 2015	Pari-passu first charge on the Company's fixed assets, plant and machinery pertaining to Iso Propyl Alcohol (IPA) Plant located at Plot No. K-2, MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debenture costs, charges, expenses and remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
4	Redeemable Privately Placed NCDs ₹3,333.33 Lacs (₹5,000 Lacs)	10% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/ to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans. remuneration of the Trustees and all other monies to rank pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
5	Redeemable Privately Placed NCDs ₹3,333.33 Lacs (₹5,000 Lacs)	9.75% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	



Sr. No.	Particulars	Rate and Repayment schedule	Security
6	Redeemable Privately Placed NCDs ₹4,166.66 Lacs (₹8,333.33 Lacs)	10.80% per annum payable annually. Redeemable in three equal installments from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014	Pari-passu charge on the entire assets of the Company's immovable properties, plant and machinery, whether immovable or movable, pertaining to the Company's undertaking situated at Plot Nos. K-1 and K-2, MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra to rank pari-passu with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favor of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
7	Redeemable Privately Placed Non Convertible Debentures ₹ 10,000 Lacs (₹10,000 Lacs)	9.70% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2016	Pari-passu charge on the present and future immovable and movable fixed assets (i.e. Land, Building and Plant and Machinery) pertaining to Ammonia, WNA, CNA, LDAN, ANP, Bagging, ETP, DNA4, Methanol, CO <sub>2</sub> plants located at Plot K1, MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra of the Company, ensuring a minimum asset cover of 1.25 times of the gross value of assets over the outstanding debenture issue amount, at all times.
8	Redeemable Privately Placed Non Convertible Debentures ₹ 25,000 Lacs (₹ 25,000 Lacs)	9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018	

**Note-5 DEFERRED TAX LIABILITIES (NET)**

(₹ in Lacs)

	As at 31 <sup>st</sup> March 2013	Increase/ (Decrease)	As at 31 <sup>st</sup> March 2014
Deferred tax liabilities			
-Timing Difference on account of depreciation	13,633.04	660.01	14,293.05
- Others	86.79	-	86.79
<b>(A)</b>	<b>13,719.83</b>	<b>660.01</b>	<b>14,379.84</b>
Deferred tax assets			
-Provision for doubtful debts / loan and advances	335.87	463.04	798.91
-Accrued expenses deductible on actual payments	1,155.58	649.87	1,805.45
<b>(B)</b>	<b>1,491.45</b>	<b>1,112.91</b>	<b>2,604.36</b>
<b>Deferred tax liability (Net)</b>	<b>(A-B)</b>	<b>(452.90)</b>	<b>11,775.48</b>
Previous year	10,124.60	2,103.78	12,228.38

**Note-6 OTHER LONG-TERM LIABILITIES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Retention money	21.91	13.95
Others	-	63.07
<b>Total</b>	<b>21.91</b>	<b>77.02</b>

**Note-7 PROVISIONS**

(₹ in Lacs)

	Long Term Provisions		Short Term Provisions	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Provision for employee benefits</b>				
Compensated absences	1,275.48	1,070.66	277.93	226.03
Gratuity	916.33	727.81	663.26	375.23
Post retirement benefits	145.27	170.47	67.77	43.41
Wealth creation scheme	-	9.94	9.24	38.15
Others (Refer Note no. 41)	-	-	-	688.91
	<b>2,337.08</b>	<b>1,978.88</b>	<b>1,018.20</b>	<b>1,371.73</b>
<b>Others</b>				
Proposed dividend	-	-	5,733.32	4,851.27
Dividend distribution tax on proposed dividend	-	-	931.89	770.78
Others (Refer Note no. 42)	-	-	388.35	-
	-	-	<b>7,053.56</b>	<b>5,622.05</b>
<b>Total</b>	<b>2,337.08</b>	<b>1,978.88</b>	<b>8,071.76</b>	<b>6,993.78</b>

**Note-8 SHORT-TERM BORROWINGS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Secured</b>		
From banks:		
- Buyer's credit (in foreign currency)	22,964.93	29,327.09
- Cash credit facilities	-	1,115.93
	<b>22,964.93</b>	<b>30,443.02</b>

**Notes:**

- (i) Buyer's credits are generally due within 180 days and carry variable average interest rate for the year 0.97% (1.71%) are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- (ii) Cash credit is repayable on demand and carries variable interest rate average for the year is 11.62% (13.25%). There is no utilisation of cash credit facilities as at the year end.
- (iii) Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

**Note-9 TRADE PAYABLES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Micro, Small and Medium Enterprises (Refer note below)	7.19	5.07
Others	34,979.34	20,756.18
<b>Total</b>	<b>34,986.53</b>	<b>20,761.25</b>

**Details of Micro and Small Enterprises as defined under MSMED ACT, 2006**

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and are disclosed in note below.

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	7.19	5.07
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	2.77	0.47
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	36.96	1.23
Payments already made	-	0.47

**Note-10 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Current maturities of long term debts (Refer note no.4)	13,989.18	10,532.27
Interest accrued but not due on borrowings	1,627.04	1,841.18
Advances from customers	1,372.85	704.70
Unclaimed dividend (#)	423.95	368.91
Other payables (*)	5,588.36	3,688.82
Due to directors	1,182.08	722.58
Security deposits	1,745.47	1,367.70
Statutory liabilities	537.41	712.70
Creditors for capital goods	976.70	853.07
<b>Total</b>	<b>27,443.04</b>	<b>20,791.93</b>

(#) ₹ 34.98 Lacs (Nil) transferred to the Investors Education and Protection Fund.

(\*) Other payables includes ₹ 2,706.95 Lacs (₹ 1,860.04 Lacs) related to employees and ₹ 2,648.97 Lacs (₹ 1,337.56 Lacs) related to sales marketing.

**Note-11 TANGIBLE ASSETS**

(₹ in Lacs)

	Land (Freehold)	Land (lease- hold)	Building	Plant & Equipment	Electric Installa- tion	Furniture & Fixtures	Office equip- ments	Vehicles	Total
Gross Block as at 1 <sup>st</sup> April, 2013	9,253.37	1,368.72	38,649.59	1,63,991.46	3,234.63	1,104.13	2,059.20	1,659.94	2,21,321.04
Additions	18.22	245.80	1,385.86	4,091.16	241.62	175.38	217.24	315.93	6,691.21
Disposals	30.91	-	-	1,675.99	-	3.28	28.22	174.50	1,912.90
Other adjustments									
- Exchange differences	-	-	-	2,112.22	-	-	-	-	2,112.22
Gross carrying amount 31 <sup>st</sup> March, 2014	9,240.68	1,614.52	40,035.45	1,68,518.85	3,476.25	1,276.23	2,248.22	1,801.37	2,28,211.57
Accumulated depreciation on 31 <sup>st</sup> March, 2013	-	162.77	4,714.18	72,860.69	804.94	615.97	1,287.91	638.69	81,085.15
Deduction/ adjustments	-	-	-	655.09	-	2.48	27.14	102.40	787.11
Depreciation for current year (*)	-	19.54	863.42	8,185.53	246.14	86.72	202.67	349.34	9,953.36
Accumulated depreciation on 31 <sup>st</sup> March, 2014	-	182.31	5,577.60	80,391.13	1,051.08	700.21	1,463.44	885.63	90,251.40
Net carrying amount as on 31 <sup>st</sup> March, 2014	9,240.68	1,432.21	34,457.85	88,127.72	2,425.17	576.02	784.78	915.74	1,37,960.17
Net carrying amount as on 31 <sup>st</sup> March, 2013	9,253.37	1,205.95	33,935.41	91,130.77	2,429.69	488.16	771.29	1,021.25	1,40,235.89
(*) Depreciation for previous year	-	17.48	823.44	7,679.24	227.13	75.58	226.46	394.51	9,443.84

**Note-12 INTANGIBLE ASSETS**

(₹ in Lacs)

	Computer Software	Technical Know how/ Engineering Fee	License/ Franchise fees	Upfront fees/ Way leave charges	Design	Total
<b>Gross block as at</b>						
<b>1<sup>st</sup> April, 2013</b>	<b>610.75</b>	<b>142.26</b>	<b>953.67</b>	<b>511.37</b>	<b>5.96</b>	<b>2,224.01</b>
Additions	16.47	-	111.32	-	-	127.79
Disposals	-	-	-	-	-	-
Other adjustments						
- Exchange difference	-	-	-	-	-	-
<b>Gross carrying amount</b>	<b>(A) 627.22</b>	<b>142.26</b>	<b>1,064.99</b>	<b>511.37</b>	<b>5.96</b>	<b>2,351.80</b>
<b>31<sup>st</sup> March, 2014</b>						
<b>Accumulated amortisation on</b>	<b>470.25</b>	<b>142.23</b>	<b>457.79</b>	<b>116.02</b>	<b>4.11</b>	<b>1,190.40</b>
<b>1<sup>st</sup> April, 2013</b>						
Deductions/adjustments	-	-	-	-	-	-
Amortisation for current year (*)	72.79	-	204.06	31.91	1.85	310.61
<b>Accumulated amortisation on</b>	<b>(B) 543.04</b>	<b>142.23</b>	<b>661.85</b>	<b>147.93</b>	<b>5.96</b>	<b>1,501.01</b>
<b>31<sup>st</sup> March, 2014</b>						
<b>Net carrying amount as on</b>	<b>(A-B) 84.18</b>	<b>0.03</b>	<b>403.14</b>	<b>363.44</b>	<b>-</b>	<b>850.79</b>
<b>31<sup>st</sup> March, 2014</b>						
<b>Net carrying amount as on</b>	<b>140.50</b>	<b>0.03</b>	<b>495.88</b>	<b>395.35</b>	<b>1.85</b>	<b>1,033.61</b>
<b>31<sup>st</sup> March, 2013</b>						
(*) Amortisation for previous year	77.86	-	201.91	29.26	1.99	311.02

- (a) Freehold land includes: - ₹ 3,600 Lacs (₹3,600 Lacs) represented by 24,000 Equity Shares of ₹10 each in a Company, which is the legal owner of the land in respect of which the Company has acquired exclusive rights of development.  
- ₹ 2,442.54 Lacs (₹ 2,442.54 Lacs) represented by 1,41,764 Equity Shares (1,41,764) of ₹10 each in the said Company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.
- (b) Buildings include a sum of ₹11,398.32 Lacs (₹11,398.32 Lacs) represented by 38,236 (38,236) Equity Shares of ₹10 each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.
- (c) The above equity shares so held do not really represent financial investments but rather the means to acquire and hold the properties for use in Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard - 10 on "Fixed Assets".
- (d) Gross Block of Plant and Machinery includes ₹ 9,949.76 Lacs (₹7,837.54 Lacs) towards foreign exchange fluctuations on Long Term Loans.

**Note-13 CAPITAL WORK-IN-PROGRESS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Projects	7,571.90	2,002.18
Others	1,821.45	652.13
<b>Total (*)</b>	<b>9,393.35</b>	<b>2,654.31</b>

(\*) Includes borrowing cost of ₹ 415.16 Lacs (₹ 74.75 Lacs)

**Note-14 NON CURRENT INVESTMENTS (AT COST):**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Trade investments (Unquoted)</b>		
<b>Investments in Subsidiaries (Fully paid up)</b>		
9,99,994 (9,99,994) Equity Shares of ₹10 each of Smartchem Technology Limited	6,379.88	6,379.88
1,60,000 (1,60,000) Equity Shares of AUD 1 each of Deepak Nitrochem Pty. Limited	54.20	54.20
Less : Provision for diminution in value	(34.56)	(34.56)
	19.64	19.64
9,998 (9,998) Equity Shares of ₹ 10 each of Deepak Mining Services Private Limited	1.00	1.00
49,993 (Nil) Equity shares of ₹10 each of SCM Soilfert Limited	5.00	-
	<b>6,405.52</b>	<b>6,400.52</b>
<b>Investments in Debentures or Bond (Unquoted)</b>		
18,00,00,000 (Nil) 1% Debentures of ₹ 10 each of SCM Soilfert Limited	18,000.00	-
	<b>18,000.00</b>	-
<b>Investment in Jointly controlled entity:</b>		
Desai Fruits and Vegetables Private Limited	3,905.15	2,999.13
10,51,504 (10,51,504 ) Equity Share of face value of ₹ 10 each, fully paid up		
36,32,469 (36,32,469) Equity Shares of face value ₹ 10 each of partly paid up ₹ 9.37 (4.96)		
Less : Provision for diminution in value (Refer Note no. 44)	(507.09)	-
	<b>3,398.06</b>	<b>2,999.13</b>
<b>Investments in Associates (Fully paid up)</b>		
49,994 (49,994 ) Equity Shares of ₹10 each of Ishanya Realty Corporation Limited	5.00	5.00
49,994 (49,994 ) Equity Shares of ₹10 each of Ishanya Brand Service Limited	5.00	5.00
	<b>10.00</b>	<b>10.00</b>
<b>Investments in Others (Fully paid up)</b>		
88,448 (88,448) Shares of Sterling Pound 1 each of Deepak International Limited	68.69	68.69
<b>Non-trade investments (Quoted)</b>		
Investments in Equity Shares (Refer note below)	-	137.57
Less : Provision for diminution in value	-	(50.13)
	-	<b>87.44</b>
<b>Total</b>	<b>27,882.27</b>	<b>9,565.78</b>

**Details of Investments in Equity Shares(Quoted)**

(₹ in Lacs)

Equity (All Fully paid up)	Face Value (₹)	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		No. of Shares	Cost	No. of Shares	Cost
HDFC Limited	-	-	-	5,000.00	26.76
Infosys Technologies Limited	-	-	-	750.00	20.38
ITC Limited	-	-	-	16,400.00	18.61
IVRCL Infrastructures Limited	-	-	-	15,239.00	31.98
Sterlite Industries Limited	-	-	-	20,000.00	39.84
	-	-	-	-	<b>137.57</b>

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Aggregate amount of quoted investments	-	137.57
Market value of quoted investments	-	135.34
Aggregate amount of unquoted investments	28,423.92	9,512.89

**Note-15 LOANS AND ADVANCES - (Unsecured, considered good unless otherwise stated)** (₹ in Lacs)

	Long term		Short term	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Capital advances	1,401.58	3,208.02	-	-
Deposits with bank with original maturity for more than 12 months *	299.60	271.56	-	-
Security deposits	1,451.75	1,406.29	-	-
Balance with Central Excise and Customs	590.36	624.31	1,859.63	767.49
Loans and advances -Related parties #	200.00	200.00	-	-
Advances recoverable in cash or kind or for value to be received				
- Advances/ loans to employees	-	-	164.73	183.41
- Advances to suppliers	-	-	2,792.69	3,509.90
- Others @	-	-	4,361.05	3,470.22
- Prepaid expenses	137.38	109.18	1,713.78	1,658.99
Advance payments of taxes (Net)	-	-	594.72	1,063.35
MAT Credit entitlements	-	-	-	706.37
<b>Total</b>	<b>4,080.67</b>	<b>5,819.36</b>	<b>11,486.60</b>	<b>11,359.73</b>

\* ₹ 299.40 Lacs (₹ 271.37 Lacs) kept as fixed deposit with Bank of Baroda as a lien for ECBs and ₹ 0.20 Lacs (₹ 0.19 Lacs) with Sales Tax Authorities.

# Loans and advances- Related parties (₹ in Lacs)

	Long term		Short term	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Security deposit placed with Chairman and Managing Director towards lease of residential premises.	200.00	200.00	-	-
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>-</b>	<b>-</b>

@ Other advances include VAT/Sales Tax receivable of ₹ 2,962.09 lacs (₹ 2,480.40 lacs) and Duty Drawback Receivable of ₹ 200.04 Lacs (₹ 170.23 Lacs).

**Note-16 CURRENT INVESTMENTS (at lower of cost and fair value)** (₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Quoted bonds/Securities (Non trade)</b>		
Investment in Debt PMS	242.51	5,245.06
Investment in Tax Free Bonds	1,502.20	2,502.20
Investment in Government Securities	1,081.50	1,081.50
Less: Provision for diminution in value	(223.63)	(14.36)
	<b>2,602.58</b>	<b>8,814.40</b>
<b>Quoted Mutual Funds (Non trade)</b>		
Mutual Funds	25.00	16,025.00
Less: Provision for diminution in value	(5.98)	(6.78)
	<b>19.02</b>	<b>16,018.22</b>
<b>Total</b>	<b>2,621.60</b>	<b>24,832.62</b>

## Investments in Debt PMS

(₹ in Lacs)

Name of Securities	No. of Units	As at 31 <sup>st</sup> March 2014			No. of Units	As at 31 <sup>st</sup> March 2013		
		Face	Cost	Market		Face	Cost	Market
		Value		Value		Value		Value
10.75% DPSC BONDS 03/11/2016	-	-	-	-	200	2	424.48	426.40
10.75% DPSC BONDS 03/11/2017	-	-	-	-	50	2	103.51	106.23
10.75% DPSC BONDS 03/11/2017	-	-	-	-	41	2	84.89	87.11
10.75% DPSC BONDS 03/11/2017	-	-	-	-	28	2	59.33	59.49
10.75% DPSC BONDS 03/11/2018	-	-	-	-	98	2	207.88	208.43
10.75% DPSC BONDS 03/11/2018	-	-	-	-	16	2	33.47	34.03
10.75% DPSC BONDS 03/11/2018	-	-	-	-	95	2	201.40	202.05
10.75% DPSC BONDS 03/11/2020	-	-	-	-	60	2	127.34	127.92
9.70% IFCI BONDS 04/05/2030	-	-	-	-	6	10	66.79	67.00
9.90% IFCI LTD BONDS 05/11/2022	-	-	-	-	400	0.25	99.92	100.11
9.90% IFCI LTD BONDS 05/11/2027	-	-	-	-	160	0.25	39.91	40.00
9.90% IFCI LTD BONDS 05/11/2032	-	-	-	-	376	0.25	93.79	94.01
9.90% IFCI LTD BONDS 31/10/2027	-	-	-	-	520	0.25	127.21	130.01
9.90% IFCI LTD BONDS 31/10/2032	-	-	-	-	520	0.25	127.21	130.01
9.90% IFCI LTD BONDS 31/10/2037	-	-	-	-	520	0.25	127.21	130.01
12.75% INDIA INFOLINE FIN. NCD 17/09/2018	-	-	-	-	5,069	0.01	51.19	51.26
9.40% RRVP NIGAM LTD BONDS 22/03/2025	-	-	-	-	215	10	2,150.00	2,151.72
10.00% RELIANCE CAPITAL LTD NCD 03/11/2017	-	-	-	-	21	10	212.14	214.18
10.10% RELIANCE CAP F SERIES B-NCD260 28/09/2022	-	-	-	-	10	10	102.01	102.32
10.20% RELIANCE CAPITAL NCD (RCAP F SERIES B-NCD 2	-	-	-	-	31	10	318.80	319.05
10.20% RELIANCE CAPITAL BONDS 31/07/2022	-	-	-	-	6	10	60.97	61.21
11.15% WELSPUN CORP LTD BONDS 28/08/2019	-	-	-	-	5	10	50.88	50.95
11.15% WELSPUN CORP LTD BONDS 28/08/2019	-	-	-	-	1	10	10.04	10.19
11.15% WELSPUN CORP LTD BONDS 28/08/2019	-	-	-	-	2	10	20.34	20.38
12.50% MAGMA FINCORP LTD PERPETUAL BONDS	-	-	-	-	25	10	253.20	253.35
12.50% MAGMA FINCORP LTD PERPETUAL BONDS	-	-	-	-	9	10	91.16	91.21
10.15% TMFL NCD 28/05/2023	6	10	60.03	60.03	-	-	-	-
9.80% GSPC NCD SERIES 2 22/03/2073	4	10	40.12	41.01	-	-	-	-
9.84% Air India NCD 27/09/2026 (#)	13	10	142.36	131.08	-	-	-	-
<b>Total</b>			<b>242.51</b>	<b>232.12</b>			<b>5,245.06</b>	<b>5,268.63</b>

## Investments in Tax Free Bonds

(₹ in Lacs)

Name of Securities	No of Units	As at 31 <sup>st</sup> March 2014			No of Units	As at 31 <sup>st</sup> March 2013		
		Face	Cost	Market		Face	Cost	Market
		Value		Value		Value		Value
7.34% IRFC Tax Free Bonds 2012 TRANCH A SR 2	-	-	-	-	1,00,000	1,000	1,000.00	1,000.00
7.22% RECL Tax-free Bonds 2022	1,00,000	1,000	1,002.20	936.78	1,00,000	1,009	1,002.20	1,002.14
7.51% HUDCO TaxFree Bonds TRANCHE A SR 2	50,000	1,000	500.00	454.57	50,000	1,000	500.00	500.00
<b>Total</b>			<b>1,502.20</b>	<b>1,391.35</b>			<b>2,502.20</b>	<b>2,502.14</b>

## Investment in Government Securities

(₹ in Lacs)

Name of Securities	No of Units	As at 31 <sup>st</sup> March 2014			No of Units	As at 31 <sup>st</sup> March 2013		
		Face	Cost	Market		Face	Cost	Market
		Value		Value		Value		Value
8.97% GOI 05/12/2030 (#)	1,000	1	1,081.50	980.00	1,000	1	1,081.50	1,067.14
<b>Total</b>			<b>1,081.50</b>	<b>980.00</b>			<b>1,081.50</b>	<b>1,067.14</b>



## Details of Investments in Mutual Funds

(₹ in Lacs)

Name of the Fund	As at 31 <sup>st</sup> March 2014			As at 31 <sup>st</sup> March 2013		
	No. of Units in Lacs	Cost	Market Value	No. of Units in Lacs	Cost	Market Value
IDFC Money Manager Fund	-	-	-	-	-	-
DSP Blackrock FMP - Series 38 - 12.5 Months - Growth	-	-	-	50	500.00	554.09
DWS Fixed Maturity Plan -Series 7 Growth Plan	-	-	-	50	500.00	554.34
IDFC Fixed Maturity Plan Thirteen Months Series 7 Growth	-	-	-	50	500.00	554.42
TATA Fixed Maturity Plan Series 39 Scheme G Growth	-	-	-	50	500.00	554.44
SBI Infrastructure Fund I - Dividend	2.50	25.00	19.02	2.50	25.00	18.22
DSP Blackrock Strategic Bond Fund - IP - Growth	-	-	-	1.11	1,500.00	1,513.90
DWS Premier Bond Fund - Regular Plan - Growth	-	-	-	51.91	1,000.00	1,009.53
HDFC Income Fund - Growth	-	-	-	55.95	1,500.00	1,509.09
ICICI Prudential Income Fund -Growth	-	-	-	40.72	1,500.00	1,510.93
IDFC D B F - Dir - Growth	-	-	-	72.05	1,000.00	1,016.25
Kotak Bond Scheme - Plan A - Growth	-	-	-	44.49	1,500.00	1,507.20
Reliance Income Fund - Retail - G P - Growth	-	-	-	39.07	1,500.00	1,508.24
Reliance Dynamic Bond Fund - Growth	-	-	-	64.06	1,000.00	1,005.36
SBI Dynamic Bond Fund - Growth	-	-	-	102.85	1,500.00	1,515.92
Tata Income Fund - Plan A - Growth	-	-	-	28.31	1,000.00	1,010.83
UTI Bond Fund - Growth	-	-	-	28.81	1,000.00	1,009.47
<b>Total</b>		<b>25.00</b>	<b>19.02</b>		<b>16,025.00</b>	<b>16,352.23</b>

All Mutual funds are having a face value of ₹ 10 each.

#) Includes earmarked investments against debentures.

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Aggregate cost of quoted investments	2,851.21	24,853.76
Market value of quoted investments	2,622.51	25,190.14

**Note-17 INVENTORIES** (Valued at lower of cost and net realisable value)

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Raw materials ₹ 3,978.16 Lacs (Nil) in transit	11,096.94	7,122.63
Packing materials ₹ 16.87 Lacs (Nil) in transit	1,258.36	924.45
Finished goods Nil (₹ 667.04 Lacs) in transit	5,695.14	4,169.97
Stock-in-trade ₹ 359.00 Lacs (Nil) in transit	8,214.92	4,928.84
Stores and spares - ₹ 29.24 Lacs (Nil) in transit	7,610.48	6,832.55
<b>Total</b>	<b>33,875.84</b>	<b>23,978.44</b>

**Note-18 TRADE RECEIVABLES** (Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

	Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Outstanding for a period exceeding six months:</b>		
- Considered good	6,207.14	9,762.14
- Considered doubtful	71.99	527.38
	6,279.13	10,289.52
Less: Provision for doubtful debts	(71.99)	(527.38)
	<b>6,207.14</b>	<b>9,762.14</b>
Others (Refer Note no. 45)	70,732.61	54,754.32
<b>Total</b>	<b>76,939.75</b>	<b>64,516.46</b>

## Note-19 CASH AND BANK BALANCES

(₹ in Lacs)

	Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Cash and cash equivalents:</b>		
- Cash on hand	13.52	24.25
- Cheques on hand	2,694.26	1,337.46
- Balance in current account with banks	4,142.02	4,349.04
- Short Term deposit with banks (less than 3 month and upto 12 month)	1,973.81	4,121.56
	<b>8,823.61</b>	<b>9,832.31</b>
<b>Other bank balances:</b>		
- On unpaid dividend (Earmarked balances)	423.95	368.91
<b>Total</b>	<b>9,247.56</b>	<b>10,201.22</b>

## Note-20 OTHER ASSETS

(₹ in Lacs)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Interest income accrued on deposits and others	-	-	414.39	699.21
Derivative contracts receivable	571.83	822.04	594.20	395.69
<b>Total</b>	<b>571.83</b>	<b>822.04</b>	<b>1,008.59</b>	<b>1,094.90</b>

## Note-21 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>A. Sale of products</b>		
<b>Finished goods</b>	2,58,346.59	1,90,589.80
Less: Excise duty	22,753.70	16,627.70
	2,35,592.89	1,73,962.10
Stock-in-trade	1,02,269.94	53,990.40
Subsidy on manufactured fertilisers	24,073.38	20,334.17
Subsidy on traded fertilisers	17,071.61	11,270.24
<b>Total</b>	<b>3,79,007.82</b>	<b>2,59,556.91</b>
Revenue from reality business	338.56	311.56
Less: Service tax	35.86	49.28
	<b>302.70</b>	<b>262.28</b>
Other operating revenues	2,416.91	984.63
Less: Service tax	99.48	8.92
	<b>2,317.43</b>	<b>975.71</b>
<b>Revenue from operations (Net)</b>	<b>3,81,627.95</b>	<b>2,60,794.90</b>

B. Details of Sale of products	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>Finished goods</b>		
Iso propyl alcohol	66,811.65	55,014.45
Nitrophosphate	64,030.40	49,218.78
Bentonite sulphur	3,466.72	2,432.08
Technical ammonium nitrate	80,211.84	56,016.36
Nitric acid	20,893.73	17,284.58
Methanol	11,394.88	3,549.24
Propane	9,364.13	7,223.91
Liquid CO <sub>2</sub>	1,565.09	1,257.45
Hydrogen	790.29	1,127.21
Power generated from windmills	790.99	779.99
Others	346.55	392.22
	(A) <b>2,59,666.27</b>	<b>1,94,296.27</b>
<b>Stock-in-trade</b>		
Muriate of potash	16,735.18	10,152.56
Specialty fertiliser	16,796.33	12,030.07
Single super phosphate	4,266.10	5,500.23
Mixture fertiliser	724.39	1,047.27
Ammonium sulphate	258.03	1,107.64
DAP	12,847.41	15,474.82
Complex fertiliser	16,597.92	18.40
Bulk chemicals	46,782.19	17,906.76
Others	4,334.00	2,022.89
	(B) <b>1,19,341.55</b>	<b>65,260.64</b>
<b>Total</b>	(A+B) <b>3,79,007.82</b>	<b>2,59,556.91</b>

Note: Above figures includes subsidies on manufactured and traded fertilisers.

#### Note-22 OTHER INCOME

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Interest on term deposits with banks	26.05	13.20
<b>Income from non current investments:</b>		
- Interest income bonds / debentures	134.01	-
<b>Dividend</b>		
a) Trade investments - Subsidiary Company	101.93	399.80
b) Non trade investments	-	1.93
<b>Income from current Investments:</b>		
- Dividend from Mutual funds	0.64	3.41
- Interest on bond and Government securities	100.43	20.31
- Profit on sale of current investments in Mutual Fund	1,215.44	883.87
- Other Interest income	710.29	1,942.26
Miscellaneous receipts (*)	2,415.19	2,764.36
<b>Total</b>	<b>4,703.98</b>	<b>6,029.14</b>

(\*) Includes income from Carbon Credit ₹ 1,152 lacs (₹ 1,426 Lacs).

**Note-23 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

Raw Material consumed	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Ammonia	51,845.13	27,938.62
Natural gas	27,233.17	24,001.42
Propylene	52,358.71	45,312.79
Phosphoric acid	26,595.29	22,148.06
Others	2,770.44	2,586.50
	<b>1,60,802.74</b>	<b>1,21,987.39</b>
<b>Packing material consumed</b>	<b>4,473.62</b>	<b>3,262.11</b>
<b>Total</b>	<b>1,65,276.36</b>	<b>1,25,249.50</b>

Note: Raw material consumption figures are derived from purchases and stock variations. Wastages if any are within the tolerable limit and included in above amounts.

**Note-24 PURCHASES OF STOCK-IN-TRADE**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
DAP	12,559.50	14,578.19
Muriate of potash	15,855.02	9,569.78
Mixture fertiliser	705.85	1,013.62
Single super phosphate	4,049.78	5,296.69
Specialty fertilisers	15,533.70	9,793.86
Bulk chemicals	46,794.60	16,443.71
Complex fertiliser	15,362.67	-
Others	3,523.09	6,320.90
<b>Total</b>	<b>1,14,384.21</b>	<b>63,016.75</b>

**Note-25 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>(Increase) / decrease in Inventory:</b>		
Inventories at the end of the year		
- Finished goods	5,695.14	4,169.97
- Stock-in-trade	8,214.92	4,928.84
	(A) <b>13,910.06</b>	<b>9,098.81</b>
Inventories at the beginning of the year		
- Finished goods	4,169.97	3,930.35
- Stocks-in-trade	4,928.84	1,967.75
	(B) <b>9,098.81</b>	<b>5,898.10</b>
<b>(Increase)/ decrease in excise duty on stock of finished goods</b>	(C) <b>(73.95)</b>	<b>(104.40)</b>
<b>Total</b>	(A-B-C) <b>(4,737.30)</b>	<b>(3,096.31)</b>

**Note-26 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Salary and wages	13,609.86	11,825.34
Contribution to provident and other funds	1,793.52	1,642.29
Staff welfare	938.57	1,034.01
<b>Total</b>	<b>16,341.95</b>	<b>14,501.64</b>

**Note-27 FINANCE COSTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Interest on fixed loans #	6,319.15	5,560.34
Interest - Others	3,557.92	2,488.28
Other financial charges	198.00	168.75
<b>Total</b>	<b>10,075.07</b>	<b>8,217.37</b>

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,625.62 Lacs (₹ 1,048.37 Lacs) and excluding amount capitalised ₹415.16 Lacs (₹ 74.75 Lacs)

**Note-28 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Depreciation of Tangible assets	9,953.36	9,443.84
Amortisation of Intangible assets	310.61	311.02
	10,263.97	9,754.86
Less: Transferred from Special reserve (Refer Note no. 3)	-	9.50
<b>Total</b>	<b>10,263.97</b>	<b>9,745.36</b>

**Note-29 OTHER EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Power, fuel and Water	2,536.09	2,586.14
Stores, spares, oils, chemicals and catalysts consumed	3,470.30	3,597.07
Repairs to:		
- Buildings	500.37	536.63
- Plant and machinery	3,683.16	3,338.79
- Others	667.47	526.12
	4,851.00	4,401.54
Insurance	1,450.68	1,286.35
Rent	947.04	1,113.58
Rates, taxes and duties	1,078.69	984.56
Directors' sitting fees	8.09	9.80
Auditors' remuneration	58.17	67.96
Carriage outward (net)	10,776.23	5,077.23
Cash discounts	992.73	447.64
Provision for diminution in value of investments (*)	734.30	51.89
Foreign exchange fluctuations (Net)	3,204.04	3,084.70
Legal and professional fees	2,213.45	1,482.51
Sales promotion expenses	591.75	463.31
Donation (#)	69.41	240.80
Miscellaneous expenses	6,971.48	4,236.92
<b>Total</b>	<b>39,953.45</b>	<b>29,132.00</b>

(\*) Consist of ₹ 227.21 Lacs (₹ 15.66 Lacs) related to current investments and ₹ 558 Lacs (₹ 36.23 Lacs) related to non-current investments.

(#) Includes donation to Delhi Pradesh Congress Committee of ₹ 25 Lacs (Nil).

**Note-30 EARNING PER SHARE**

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Profit after tax (₹ in lacs)	24,388.43	14,690.51
Average number of Equity Shares of ₹ 10 each	88,204,943	88,204,943
<b>Basic and diluted earning per Share</b>	<b>27.65</b>	<b>16.65</b>
Face value per Equity Shares	10.00	10.00

**Note-31 DETAILS OF PAYMENTS TO AUDITOR**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>As Auditor:</b>		
- Audit fees	34.00	31.50
- Tax audit	4.50	4.50
	<b>38.50</b>	<b>36.00</b>
<b>Other capacity:</b>		
- Certifications	13.62	11.03
- Taxation matters	4.22	19.42
- Reimbursement of expenses	1.83	1.51
<b>Total</b>	<b>58.17</b>	<b>67.96</b>

**Note-32 GRATUITY AND OTHER POST RETIREMENT BENEFIT PLANS**

(₹ in Lacs)

Particulars	Gratuity benefits (Funded)		Compensated absences (Unfunded)		Post retirement benefits	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>Components of employer expenses</b>						
Current service costs	413.40	371.52	158.75	136.40	53.88	26.11
Interest cost	236.95	199.99	97.36	89.99	17.07	16.77
Expected return on plan assets	(189.68)	(177.68)	-	-	-	-
Actuarial losses / (gains)	333.76	393.74	159.66	49.49	(70.72)	(21.81)
<b>Total expenses / (Income recognised in the Statement of Profit and loss)</b>	<b>794.43</b>	<b>787.57</b>	<b>415.77</b>	<b>275.88</b>	<b>0.23</b>	<b>21.07</b>
<b>Actual contributions and benefits paid during the year</b>						
Actual benefits paid	561.20	174.70	159.05	76.80	1.07	-
Actual contributions	317.88	294.19	-	-	-	-
<b>Total</b>	<b>879.08</b>	<b>468.89</b>	<b>159.05</b>	<b>76.80</b>	<b>1.07</b>	<b>-</b>
<b>Net asset / (liability) recognised in the Balance Sheet as on 31<sup>st</sup> March 2014</b>						
Present Value of Defined benefit obligations	(3,761.91)	(3,242.52)	(1,553.41)	(1,296.69)	(213.04)	(213.88)
Fair value of plan assets	2,182.32	2,139.48	-	-	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,579.59)</b>	<b>(1,103.04)</b>	<b>(1,553.41)</b>	<b>(1,296.69)</b>	<b>(213.04)</b>	<b>(213.88)</b>
<b>Change in Defined benefit obligations (DBO) during the year ended 31<sup>st</sup> March, 2014</b>						
Present Value of DBO at beginning of year	3,242.52	2,440.17	1,296.69	1,097.61	213.88	192.81
Current Service cost	413.40	371.52	158.75	136.40	53.88	26.11
Interest cost	236.95	199.99	97.36	89.99	17.07	16.77
Actuarial (gains)/losses	430.23	405.54	159.66	49.49	(70.72)	(21.81)
Benefits paid	(561.20)	(174.70)	(159.05)	(76.80)	(1.07)	-
<b>Present Value of Defined benefit obligations</b>	<b>3,761.91</b>	<b>3,242.52</b>	<b>1,553.41</b>	<b>1,296.69</b>	<b>213.04</b>	<b>213.88</b>

(₹ in Lacs)

Particulars	Gratuity benefits (Funded)		Compensated absences (Unfunded)		Post retirement benefits	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>Change in Fair Value of plan Assets during the year ended 31<sup>st</sup> March, 2014</b>						
Plan assets at beginning of year	2,139.48	1,830.52	-	-	-	-
Expected return on plan assets	189.68	177.68	-	-	-	-
Contributions	317.88	294.19	-	-	-	-
Actuarial (gains)/losses on Plan Assets	96.48	11.79	-	-	-	-
Benefits paid	(561.20)	(174.70)	-	-	-	-
<b>Plan assets at the end of year</b>	<b>2,182.32</b>	<b>2,139.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Actuarial Assumptions</b>						
Discount Rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Expected Return on plan assets	9.40%	9.40%	-	-	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The planned asset is represented by investment made under the Group Gratuity Scheme operated by Life Insurance Corporation of India.

**Experience adjustments for gratuity benefits:**

(₹ in Lacs)

Experience adjustments	Gratuity Benefits				
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Defined Benefit Obligations	3,761.91	3,242.52	2,440.17	2,366.21	1,798.84
Plan Assets	2,182.32	2,139.48	1,830.52	1,539.25	1,301.16
Surplus / (Deficit)	(1,579.59)	(1,103.04)	(609.65)	(826.95)	(497.69)
Experience Adjustments on Plan Liabilities	(549.33)	(367.59)	181.04	(299.73)	(90.14)
Experience Adjustments on Plan Assets	<b>96.48</b>	<b>11.79</b>	<b>11.27</b>	<b>14.47</b>	-

**Experience adjustments for Post retirement benefits:**

(₹ in Lacs)

Experience adjustments	Post Retirement Benefits	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Defined Benefit Obligation		
Plan assets	213.04	213.88
Surplus / (Deficit)	-	-
Experience adjustments on plan liabilities	(213.04)	(213.88)
Experience adjustments on plan assets	<b>51.11</b>	<b>60.88</b>

The expected contribution is based on same assumptions used to measure the Company's gratuity obligations as of 31<sup>st</sup> March, 2014. The Company is expected to contribute ₹ 175 Lacs (₹ 250 Lacs) for the year ended 31<sup>st</sup> March, 2015.

**Note-33** The proportionate share of assets, liabilities, revenue and expenditure, contingent liabilities and capital commitments of the Joint Controlled entity is given as dated below: (based on audited accounts for current year and unaudited accounts for previous year):

(₹ in Lacs)

Particulars	Desai Fruits and Vegetables Private Limited	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Country of incorporation	India	India
Percentage of ownership interest	49%	49%
Liabilities	499.31	285.65
Assets	2,217.93	2,028.84
Income	1,606.17	1,287.66
Expenditure	2,538.42	2,110.20
Profit/(Loss) after tax for the year	(930.58)	(821.70)
Contingent liabilities	18.38	18.38
Capital commitments	2.19	2.53

**Note-34 RELATED PARTY DISCLOSURES****Name of the related parties and relationship**

<b>ASSOCIATES</b>	<b>JOINTLY CONTROLLED ENTITY</b>	<b>ENTITIES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE:</b>	<b>ENTITY OVER WHICH RELATIVES OF KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE:</b>
Ishanya Brand Services Limited Ishanya Realty Corporation Limited	Desai Fruits and Vegetables Private Limited	Blue Shell Investments Private Limited Nova Synthetic Limited The Lakaki Works Private Limited	Deepak Nitrite Limited
<b>SUBSIDIARIES</b>	<b>KEY MANAGERIAL PERSONNEL</b>	Superpose Credits And Capital Private Limited Storewell Credits And Capital Private Limited High Tide Investments Private Limited  Deepak Asset Reconstruction Private Limited Mahadhan Investment and Finance Private Limited SCM Fertichem Limited  Ishanya Foundation Deepak Foundation	
Smartchem Technologies Limited Deepak Nitrochem Pty. Limited Deepak Mining Services Private Limited Yerowda Investments Limited RungePincocKMinarco India Private Limited SCM Soilfert Limited	Shri S.C. Mehta  Shri Partha Bhattacharyya		

**Note-35A RELATED PARTY TRANSACTIONS**

Nature of Transactions	31 <sup>st</sup> March, 2014					31 <sup>st</sup> March, 2013				
	Subsidiaries	Jointly Controlled Entity	Key Managerial Personnel	Entities under Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Managerial Personnel	Entities under Significant Influence	Total
Sale of goods	945.61	10.15	-	6,231.82	7,187.58	352.94	-	-	5,184.88	5,537.82
Purchase of goods	(359.00)	-	-	(0.10)	(359.10)	-	-	-	(0.10)	(0.10)
Donation given	-	-	-	(35.00)	(35.00)	-	-	-	(219.00)	(219.00)
Rendering of services	5.80	12.32	-	4.00	22.12	0.56	4.67	-	5.49	10.72
Receiving of services	(140.00)	(1.91)	(1,546.82)	-	(1,688.73)	(135.59)	-	(883.05)	-	(1,018.64)
Leasing or hire purchase arrangements	-	-	(15.62)	2.36	(13.26)	-	-	(11.63)	9.91	(1.72)
Purchase of equity shares	-	(906.00)	(5.00)	-	(911.00)	-	(621.16)	-	-	(621.16)
Interest on investment in debentures	130.18	-	-	-	130.18	-	-	-	-	-
Investment in debentures	(18,000.00)	-	-	-	(18,000.00)	-	-	-	-	-
Purchase of DEPB licenses	-	(31.73)	-	-	(31.73)	-	(74.91)	-	-	(74.91)
Purchase of fixed assets	-	-	-	-	-	-	-	-	(1,258.25)	(1,258.25)
Dividend received	100.00	-	-	-	100.00	400.00	-	-	-	400.00
Dividend paid	-	-	(956.55)	(1,019.10)	(1,975.65)	-	-	(956.55)	(1,019.10)	(1,975.65)
Loans and advances	(5.00)	-	-	-	(5.00)	(10.00)	-	-	-	(10.00)
<b>Balance receivable/(payable)</b>										
Loans and advances	5.00	-	-	-	5.00	(10.00)	-	-	-	(10.00)
Other receivable/(payable)	(192.75)	-	(896.76)	624.92	(464.59)	370.44	-	(417.26)	1,233.39	1,186.57



**Note-35B DETAILS OF THE TRANSACTIONS OF THE RELATED PARTIES EXCEEDING 10% OF THE TRANSACTION VALUE**

Nature of Transactions	31 <sup>st</sup> March, 2014					31 <sup>st</sup> March, 2013				
	Subsidiaries	Jointly Controlled Entity	Key Managerial Personnel	Entities under significant influence	Total	Subsidiaries	Jointly Controlled Entity	Key Managerial Personnel	Entities under significant influence	Total
<b>Sale of Goods</b>										
Smartchem Technologies Limited	945.61	-	-	-	945.61	352.94	-	-	-	352.94
Deepak Nitrite Limited	-	-	-	6,231.82	6,231.82	-	-	-	5,184.88	5,184.88
<b>Purchase of Goods</b>										
Ishanya Foundation	-	-	-	-	-	-	-	-	(0.10)	(0.10)
SCM Soilfert Limited	(359.00)	-	-	-	(359.00)	-	-	-	-	-
<b>Donation Given</b>										
Ishanya Foundation	-	-	-	(35.00)	(35.00)	-	-	-	(119.00)	(119.00)
Deepak Foundation	-	-	-	-	-	-	-	-	(100.00)	(100.00)
<b>Rendering of Services/Reimbursement of Expenses</b>										
Desai Fruits and Vegetables Private Limited	-	12.32	-	-	12.32	-	4.67	-	-	4.67
Ishanya Foundation	-	-	-	4.00	4.00	-	-	-	4.00	4.00
Deepak Nitrite Limited	-	-	-	-	-	-	-	-	1.49	1.49
<b>Receiving of Services/Reimbursement of Expenses</b>										
Yerrowda Investments Limited	-	-	-	-	-	(135.59)	-	-	-	(135.59)
Shri S. C. Mehta (Remuneration)/(Commission)	-	-	(1,265.82)	-	(1,265.82)	-	-	(779.67)	-	(779.67)
Shri Partha Bhattacharyya (Remuneration)/(Commission)	-	-	(281.00)	-	(281.00)	-	-	(103.38)	-	(103.38)
<b>Leasing or Hire Purchase arrangements</b>										
Deepak Nitrite Limited	-	-	-	2.36	2.36	-	-	-	9.91	9.91
Shri S.C. Mehta	-	-	(9.00)	-	(9.00)	-	-	(9.00)	-	(9.00)
Shri Partha Bhattacharyya	-	-	(6.62)	-	(6.62)	-	-	(2.63)	-	(2.63)
<b>Purchase of Equity Shares</b>										
Desai Fruits and Vegetables Private Limited	-	(906.00)	-	-	(906.00)	-	(621.16)	-	-	(621.16)
<b>Interest on Investment in Debentures</b>										
SCM Soilfert Limited	130.18	-	-	-	130.18	-	-	-	-	-
<b>Investment in Debentures</b>										
SCM Soilfert Limited	(18,000.00)	-	-	-	(18,000.00)	-	-	-	-	-
<b>Purchase of DEPB licenses</b>										
Desai Fruits and Vegetables Private Limited	-	(31.73)	-	-	(31.73)	-	(74.91)	-	-	(74.91)
<b>Purchase of Fixed Assets</b>										
Deepak Nitrite Limited	-	-	-	-	-	-	-	-	(1,258.25)	(1,258.25)
<b>Dividend Received</b>										
Smartchem Technologies Limited	100.00	-	-	-	100.00	400.00	-	-	-	400.00
<b>Dividend Paid</b>										
Nova Synthetic Limited	-	-	-	(949.69)	(949.69)	-	-	-	(949.69)	(949.69)
Shri S. C. Mehta	-	-	(956.55)	-	(956.55)	-	-	(956.55)	-	(956.55)
<b>Loans and Advances</b>										
Deepak Mining Services Private Limited	-	-	-	-	-	(10.00)	-	-	-	(10.00)
SCM Soilfert Limited	(5.00)	-	-	-	(5.00)	-	-	-	-	-
<b>Balance Receivable / (Payable)</b>										
Smartchem Technologies Limited	27.69	-	-	-	27.69	353.50	-	-	-	353.50
Deepak Nitrite Limited	-	-	-	624.92	624.92	-	-	-	1,233.39	1,233.39
SCM Soilfert Limited	(221.92)	-	-	-	(221.92)	-	-	-	-	-
Deepak Mining Services Private Limited	14.56	-	-	-	14.56	-	-	-	-	-
Shri S. C. Mehta	-	-	(846.76)	-	(846.76)	-	-	(407.26)	-	(407.26)
Shri Partha Bhattacharyya	-	-	(50.00)	-	(50.00)	-	-	(10.00)	-	(10.00)

Note : Figures in bracket are outflows.

Refer note 39 for details of letter of comfort in respect of Desai Fruits And Vegetables Private Limited.

**Note-36 CAPITAL COMMITMENTS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Capital commitments:		
Related to projects	9,223.32	2,585.85
Related to realty (Ishanya)	368.11	514.88
Other commitments:		
Desai Fruits and Vegetables Private Limited (Unpaid amount of Equity and Premium)	130.70	931.79
<b>Total</b>	<b>9,722.13</b>	<b>4,032.52</b>

**Note-37 CONTINGENT LIABILITIES**

(₹ in Lacs)

**Liabilities classified and considered contingent due to contested claims and legal disputes**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Claim by suppliers	3,989.96	3,308.37
Income tax demands	3,298.99	665.08
Excise demands	2,866.97	2,212.28
Sale tax /VAT demands	2,735.81	2,585.14
<b>Total</b>	<b>12,891.73</b>	<b>8,770.87</b>

**Note-38** The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfill quantified exports against which future obligation aggregates to ₹ 945.00 Lacs (₹ 941.84 Lacs) over a period of six / eight years from the date of license.

**Note-39** The Company has provided Letter of Comfort of ₹ 700.00 Lacs (Nil) to a Bank in respect of credit facilities granted by the bank to Desai Fruit and Vegetables Private Limited.

**Note-40** Exceptional items for the current year represents cost of voluntary separation scheme to employees at Taloja unit.

**Note-41** The Company entered into long term settlement with the employees of Taloja unit effective from 30<sup>th</sup> September, 2011. Employee benefit expenses includes additional cost of ₹ 256.23 Lacs arising out of the settlement over and above provision of ₹ 688.91 Lacs made in the previous year.

**Note-42** Provisions for others as at 31<sup>st</sup> March, 2014 included in Note no. 7 represents provision towards price differences.

**Note-43** The Company has made significant capital investments in Ishanya Mall. The said Mall has been incurring losses due to larger break-even period associated with the operations of the Mall which is extended due to continuing adverse economic environment since the launch of the Mall in 2007-08. The management of the Company is hopeful of turnaround in performance of the Mall in the coming years due to expected improvements in the economic environment and strategic initiatives being planned in this regard. The Company has, however, in accordance with the requirements of Accounting Standard 28-"Impairment of Assets", carried out impairment review of carrying value of the assets of the Mall, which has not indicated any impairment in its value.

**Note-44** The Company has long term investment in the joint venture entity, namely Desai Fruits and Vegetables Private Limited (J/V). The J/V has been incurring losses resulting in substantial erosion of net worth as at 31<sup>st</sup> March, 2014. The investment is long term and strategic in nature. The J/V is in the process of stabilizing and restructuring its operations and the management of the Company expects improvements in its operations. In the interim period, the Company along with its joint venture partner will continue to support its operation. However, based on the current assessment, the Company has on prudent basis made a provision of ₹ 507.09 Lacs towards diminution in value that is other than temporary.

**Note-45** Under the Special banking arrangement made by Department of Fertiliser, Government of India for payment of Fertiliser subsidy, under which Government of India guarantees the repayment of subsidy to the bank directly and till the time of repayment the amount of subsidy remains hypothecated to the bank. The Company has received disbursement of ₹ 1,370 Lacs. The Subsidy receivable (Included in Trade Receivables Note No. 18) is net of the amount of ₹ 1,370 lacs received under the said arrangement.

**Note-46 EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Interest and repayments of Loans and NCDs	70,669.09	43,517.89
Technical Fees to foreign vendors	190.12	169.67
Foreign travel	189.93	129.11
Others (Net of reimbursements)	1,184.02	1,603.27
<b>Total</b>	<b>72,233.16</b>	<b>45,419.94</b>

**Note-47 REMITTANCE OF DIVIDENDS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Number of Shareholders 313 (324) and number of shares 3,41,450 (3,54,750)	18.78	19.51
<b>Total</b>	<b>18.78</b>	<b>19.51</b>

**Note-48 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, SPARE PARTS CONSUMED**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	%	Year ended 31 <sup>st</sup> March, 2013	%
- Raw Material:				
- Imported	66,638.64	41%	29,711.38	24%
- Indigenous	94,164.10	59%	92,276.01	76%
(A)	<b>1,60,802.74</b>	<b>100%</b>	<b>1,21,987.39</b>	<b>100%</b>
Components and Spares:				
- Imported	219.44	6%	1,242.88	35%
- Indigenous	3,250.86	94%	2,354.19	65%
(B)	<b>3,470.30</b>	<b>100%</b>	<b>3,597.07</b>	<b>100%</b>
<b>Total</b> (A+B)	<b>1,64,273.04</b>		<b>1,25,584.46</b>	

**Note-49 EARNING IN FOREIGN CURRENCY**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Export of goods (on FOB basis)	8,058.72	7,845.85
Other income	1,516.63	1,381.78
<b>Total</b>	<b>9,575.35</b>	<b>9,227.63</b>

**Note-50 CIF VALUE OF IMPORTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Raw material	69,625.22	25,149.46
Components and spare parts	708.60	709.24
Capital goods	737.87	670.45
Stock-in-trade	41,413.99	40,566.20
<b>Total</b>	<b>1,12,485.68</b>	<b>67,095.35</b>

**Note-51 The following foreign currency transactions remain outstanding as at 31<sup>st</sup> March, 2014**

	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)
<b>Hedged Positions (*)</b>				
Foreign Currency Loans (in USD)	20,833,333	12,479	25,000,000	11,679
Creditors (in USD)	17,860,369	10,698	4,469,982	2,475
Buyers Credit (in USD)	35,285,045	21,136	55,666,640	30,374
<b>Unhedged Positions</b>				
Foreign Currency Loans (including interest) (in USD)	16,617,387	9,954	18,652,418	10,125
Creditors (in USD)	4,838,659	2,898	5,438,031	2,952
Creditors (in Euro)	69,934	58	133,407	93
Creditors (in CHF)	28,808	19	-	-
Buyers Credit (in USD)	3,142,432	1,882	2,750	1
Exports (in USD)	488,880	293	1,077,301	585
Bank Balances (in USD)	537,600	322	852,061	462

Note : The Company has also hedged the interest rate on foreign currency loans of USD 20.83 million (USD 25.00 million) by swapping floating interest rate of LIBOR+300 basis point to fixed interest rate of 6.09% p.a.

(\*) The above transactions are hedged by following derivative contracts:

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)
Forward Contracts	2,304,560	1,380	19,346,299	10,854
Options Contracts	71,674,187	42,933	65,790,323	33,675

**Note-52** The Company has taken residential accommodation, office premises and warehouses on lease/ rental basis. Lease period varies from one month to twelve months. These lease are cancellable in nature. Lease rental recognised in the Statement of Profit and Loss is ₹ 947.04 Lacs (₹ 1,113.58 Lacs).

**Note-53 Clause 32 of the Listing Agreement disclosures**

Loans and advances in the nature of loans to subsidiaries / entity in which Deepak Fertilisers And Petrochemicals Corporation Limited has significant influence. (₹ in Lacs)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Loans to Deepak Mining Services Private Limited	-	10.00
Balance as at the end of the year	14.56	14.56
Maximum amount outstanding at any time during the year	14.56	14.56
Loans to SCM Soilfert Limited	5.00	-
Balance as at the end of the year	5.00	-
Maximum amount outstanding at any time during the year	5.00	5.00

**Note-54** Current tax of ₹ 9,561.92 Lacs for the year includes MAT availment of ₹ 564.79 Lacs (Nil). MAT credit adjustment for the year represents reversal of excess MAT entitlement of ₹ 141.57 Lacs relating to previous year.

## Note-55 SEGMENT REPORTING

(₹ in Lacs)

Sr. No	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1	<b>Revenue</b>							
	a) <b>External Sales</b>							
	l) <b>Manufactured</b>	1,91,378.15	67,497.13	-	790.99	-	-	2,59,666.27
	<i>Previous Year</i>	1,41,865.41	51,650.87	-	779.99	-	-	1,94,296.27
	ii) <b>Traded</b>	46,782.19	72,513.26	46.10		-	-	1,19,341.55
	<i>Previous Year</i>	17,906.76	47,353.88	-		-	-	65,260.64
	b) <b>Inter-segment sales</b>	12,097.31	-	-	-	(12,097.31)	-	-
	<i>Previous Year</i>	8,596.89	-	-	-	(8,596.89)	-	-
	c) <b>Other operating income</b>	1,365.46	951.97	302.70	-	-	-	2,620.13
	<i>Previous Year</i>	512.44	463.27	262.28	-	-	-	1,237.99
	d) <b>Unallocated Corporate other income</b>	-	-	-	-	-	4,703.98	4,703.98
	<i>Previous Year</i>	-	-	-	-	-	6,029.14	6,029.14
	<b>Total Revenue</b>	2,51,623.11	1,40,962.36	348.80	790.99	(12,097.31)	4,703.98	3,86,331.93
	<i>Previous Year</i>	1,68,881.50	99,468.02	262.28	779.99	(8,596.89)	6,029.14	2,66,824.04
2	<b>Segment Result</b>	35,879.31	15,640.39	(2,124.88)	424.26	-	4,703.98	54,523.06
	<i>Previous Year</i>	24,949.86	11,085.00	(1,855.67)	404.28	-	6,029.14	40,612.61
3	<b>Unallocated Corporate expenses</b>	-	-	-	-	-	30,134.63	30,134.63
	<i>Previous Year</i>	-	-	-	-	-	25,922.10	25,922.10
4	<b>Net profit</b>	-	-	-	-	-	-	24,388.43
	<i>Previous Year</i>	-	-	-	-	-	-	14,690.51
5	<b>Other Information</b>							
	a) <b>Segment Assets</b>	1,70,930.87	38,829.22	26,850.09	3,104.86	-	-	2,39,715.04
	<i>Previous Year</i>	1,41,456.13	48,964.31	27,649.13	3,441.59	-	-	2,21,511.16
	<b>Unallocated corporate Assets</b>	-	-	-	-	-	76,203.98	76,203.98
	<i>Previous Year</i>	-	-	-	-	-	74,603.20	74,603.20
	<b>Total Assets</b>	-	-	-	-	-	-	3,15,919.02
	<i>Previous Year</i>	-	-	-	-	-	-	296,114.36
	b) <b>Segment Liabilities</b>	11,869.76	20,175.70	1,491.04	-	-	-	33,536.50
	<i>Previous Year</i>	9,023.14	11,117.38	1,551.99	1.87	-	-	21,694.38
	<b>Unallocated corporate Liabilities</b>	-	-	-	-	-	1,33,271.07	1,33,271.07
	<i>Previous Year</i>	-	-	-	-	-	1,42,994.92	1,42,994.92
	<b>Total Liabilities</b>	-	-	-	-	-	-	1,66,807.57
	<i>Previous Year</i>	-	-	-	-	-	-	1,64,689.30
	c) <b>Capital Expenditure incurred during the year.</b>	11,657.67	433.65	673.72	-	-	1,735.87	14,500.91
	<i>Previous Year</i>	6,693.56	1,695.72	923.65	-	-	3,697.64	13,010.57
	d) <b>Depreciation/Amortisation</b>	8,071.25	456.61	942.50	245.49	-	548.12	10,263.97
	<i>Previous Year</i>	7,576.38	460.98	924.34	245.49	-	538.17	9,745.36
	e) <b>Other non-cash expenditures</b>	-	-	-	-	-	-	-
	<i>Previous Year</i>	-	-	-	-	-	-	-

**Segment information:**

1. Primary segment reporting (by business segments)

*Composition of business segment*

Segment	Products covered
a) Chemicals	Ammonia, Methanol, DNA, CNA, SNA, CO <sub>2</sub> , AN, IPA, Propane, Bulk and Speciality Chemicals
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Seeds, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables, Pesticides
c) Realty	Real Estate Business
d) Others	Windmill Power

2. Inter-segment Sales Pricing: Inter-segment revenue has been recognised as estimated under Excise Regulations.
3. Secondary Segment Information: 'There are no reportable geographical segments since the Company caters mainly to needs of Indian Markets.

**Note-56** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-57** Previous year figures are given in bracket.

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1.	Name of the Subsidiary	Smartchem Technologies Limited	Deepak Nitrochem Pty. Limited	Deepak Mining Services Private Limited	Yerowda Investments Limited	RungePincock-Minarco India Private Limited	SCM Soilfert Limited
2.	Financial Year of the Subsidiary Company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
3.	Date from which it became Subsidiary	09.12.2003	27.08.2004	20.08.2009	25.01.2012	05.11.2012	01.07.2014
4.	(a) Number of Shares held by Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary	9,99,994 Equity Shares of ₹ 10 each fully paid-up	1,60,000 Shares of AUD1 each fully paid-up	9,998 Equity Shares of ₹ 10 each fully paid-up	2,04,000 Equity Shares of ₹ 10 each fully paid up	9,999 Equity Shares of ₹ 10 each fully paid up	49,993 Equity Shares of ₹10 each
	(b) Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary	99.99%	100.00%	99.98%	85.00%	50.98%	99.99%
5.	The Net aggregate amount of the Subsidiary's Profit/ (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's accounts						
	(i) For the Financial Year ended 31st March, 2014	₹ 844.32 Lacs	-	₹ (0.94) Lacs	₹ 40.39 Lacs	₹ (2.35) Lacs	₹ 224.89 Lacs
	(ii) For the Previous Year	₹ 5.42 Lacs	₹ (0.06) Lacs	₹ (28.76) Lacs	₹ (183.02) Lacs	₹ (3.06) Lacs	N.A.
6.	The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company						
	(i) For the Financial Year ended 31 <sup>st</sup> March, 2014	₹ 100 Lacs	-	-	-	-	-
	(ii) For the Previous Year	₹ 400 Lacs	-	-	-	-	-
7.	Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**N. C. SINGHAL**  
Director

**Dr. S. RAMA IYER**  
Director

**PARTHA BHATTACHARYYA**  
Executive Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal) &  
Company Secretary

Mumbai  
Dated: 15<sup>th</sup> May, 2014

## DETAILS OF SUBSIDIARY COMPANIES FOR 2013-14

Sr. No.	Name of the Subsidiary	Smartchem Technologies Limited	Deepak Nitrochem Pty. Limited	Deepak Mining Services Private Limited	Yerrowda Investments Limited	RungePincocK-Minarco India Private Limited	SCM Soilfert Limited
	Financial Year ends on	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
a	Share Capital	100.00	88.48	1.00	24.00	1.00	5.00
b	Reserves	4,014.28	(56.41)	(12.04)	4,254.30	(5.88)	224.44
c	Total Assets	5,356.63	32.07	27.00	4,353.72	25.18	710.62
d	Total Liabilities	5,356.63	32.07	27.00	4,353.72	25.18	710.62
e	Details of Investments						
	Investments in Equity Shares	3.68	-	-	-	-	18,001.61
	Investments in Mutual Funds	-	-	-	-	-	330.00
f	Turnover	9,782.01	-	-	99.84	-	359.00
g	Profit Before Taxation	1,234.71	-	(0.45)	40.39	(2.82)	230.15
h	Provision for Taxation	390.39	-	0.49	36.00	-	5.25
l	Profit after taxation	844.33	-	(0.94)	4.39	(2.82)	224.90
j	Proposed Dividend	250.00	-	-	-	-	-

Accounts of Deepak Nitrochem Pty. Limited has been converted into Indian Rupees at exchange rate prevailing on 31<sup>st</sup> March, 2014 AUD1 = ₹ 55.30

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**N. C. SINGHAL**  
Director

**Dr. S. RAMA IYER**  
Director

**PARTHA BHATTACHARYYA**  
Executive Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal) &  
Company Secretary

Mumbai  
Dated: 15<sup>th</sup> May, 2014



# Consolidated Financial Statements

## Independent Auditors' Report

To the Board of Directors of

### DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

1. We have audited the accompanying consolidated financial statements of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries 31<sup>st</sup> March, 2014 and joint venture as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the profit for the Group for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### 5. Other Matter

We did not audit the financial statements of:

- Two subsidiaries whose financial statements reflect total assets (net) of ₹ 23,682.79 Lacs as at 31<sup>st</sup> March, 2014, total revenues of ₹ 10,548.81 Lacs and net cash flows amounting to ₹ 64.16 Lacs for the year then ended.
- One jointly controlled entities whose financial statements reflect Company's share of such net assets of ₹ 652.05 Lacs as at 31<sup>st</sup> March, 2014, share of revenues of ₹ 1,586.92 Lacs and net cash flows amounting to ₹ (33.88 Lacs), respectively for the year then ended, as considered in the consolidated financial statements.
- One subsidiary whose financial statements reflect total assets (net) of ₹ 32.07 Lacs as at 31<sup>st</sup> March, 2014, total revenues of ₹ Nil, net cash flows amounting to ₹ 0.68 Lacs, respectively, for the year then ended, as considered in the consolidated financial statements.

The financial statements referred to in (a) and (b) have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to these financial statements, is based solely on the reports of the other auditors. The financial statements referred to in (c) are included in the financial statements based on the unaudited financial statements certified by the management of the subsidiary, and our opinion in so far as it relates to these financial statements, is based solely on the unaudited financial statements certified by management.

Our opinion is not qualified in respect of this matter.

For **B. K. KHARE & CO.**

Chartered Accountants

Firm's Registration Number: 105102W

**NARESH KUMAR KATARIA**

Partner

Membership Number: 37825

Mumbai,  
15<sup>th</sup> May, 2014

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2014

(₹ in Lacs)

	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	8,820.49	8,820.49
Reserves and surplus	3	1,36,498.19	1,19,275.41
		<b>1,45,318.68</b>	<b>1,28,095.90</b>
Minority interest		13.61	0.01
<b>Non-current liabilities</b>			
Long term borrowings	4	59,206.84	71,415.04
Deferred tax liabilities (Net)	5	11,993.09	12,501.93
Other long term liabilities	6	21.91	77.02
Long-term provisions	7	2,427.69	2,069.22
		<b>73,649.53</b>	<b>86,063.21</b>
<b>Current liabilities</b>			
Short-term borrowings	8	23,162.47	30,443.02
Trade payables	9	35,998.09	21,240.97
Other current liabilities	10	27,661.30	21,018.22
Short-term provisions	7	8,129.88	7,030.72
		<b>94,951.74</b>	<b>79,732.93</b>
<b>Total</b>		<b>3,13,933.56</b>	<b>2,93,892.05</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	1,40,308.47	1,42,733.12
- Intangible assets	12	2,429.04	3,097.51
Capital work-in-progress	13	9,529.88	2,671.41
		<b>1,52,267.39</b>	<b>1,48,502.04</b>
Non-current investments	14	18,083.96	169.81
Long term loans and advances	15	4,265.47	5,978.46
Other non-current assets	20	619.10	870.23
		<b>1,75,235.92</b>	<b>1,55,520.54</b>
<b>Current assets</b>			
Current investments	16	2,951.60	25,282.62
Inventories	17	34,622.33	24,681.54
Trade receivables	18	78,906.12	65,173.71
Cash and bank balances	19	9,568.51	10,476.00
Short-term loans and advances	15	11,754.37	11,643.69
Other current assets	20	894.71	1,113.95
		<b>1,38,697.64</b>	<b>1,38,371.51</b>
<b>Total</b>		<b>3,13,933.56</b>	<b>2,93,892.05</b>
Significant Accounting Policies	1		
The accompanying notes are integral parts of the Financial Statements.			

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director

# Consolidated Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2014

(₹ in Lacs)

	Note No.	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>CONTINUING OPERATIONS</b>			
<b>Revenue:</b>			
Revenue from operations (Gross)	21	4,16,002.28	2,84,631.35
Less: Excise duty		23,962.84	17,318.51
<b>Revenue from operations (Net)</b>		<b>3,92,039.44</b>	<b>2,67,312.84</b>
Other Income	22	4,902.64	5,751.40
<b>Total Revenue</b>		<b>3,96,942.08</b>	<b>2,73,064.24</b>
<b>Expenses:</b>			
Cost of material consumed	23	1,71,338.12	1,29,165.23
Purchase of stock-in-trade	24	1,15,240.04	63,573.41
Change in Inventory of finished goods and stock-in-trade- (Increase) /decrease	25	(4,775.03)	(3,112.82)
Employee benefits expenses	26	16,885.32	15,083.52
Finance costs	27	10,097.84	8,233.25
Depreciation, amortisation and impairment	28	11,428.44	10,817.65
Other expenses	29	41,897.89	31,005.41
<b>Total expenses</b>		<b>3,62,112.62</b>	<b>2,54,765.65</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>34,829.46</b>	<b>18,298.59</b>
Exceptional items - Expense/(Income)	46	1,135.20	(0.10)
<b>Profit before extraordinary items and tax</b>		<b>33,694.26</b>	<b>18,298.69</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>33,694.26</b>	<b>18,298.69</b>
Tax expenses:	45		
Current tax		10,011.83	3,976.81
MAT credit entitlement		141.57	(706.37)
Deferred tax charge/(credit)		(508.84)	2,097.83
Total tax expenses		9,644.56	5,368.27
<b>Profit for the year before minority interest</b>		<b>24,049.70</b>	<b>12,930.42</b>
Minority interest		(0.46)	-
<b>Profit for the year</b>		<b>24,050.16</b>	<b>12,930.42</b>
Earning per equity share: Face value ₹ 10 each (₹ 10)	30		
i) Basic (in ₹)		27.27	14.66
ii) Diluted (in ₹)		27.27	14.66
Significant Accounting Policies	1		
The accompanying notes are integral parts of the Financial Statements.			

As per our report of even date

For and on behalf of the Board of Directors

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

**S. C. MEHTA**  
Chairman & Managing Director

**N. C. SINGHAL**  
Director

**Dr. S. RAMA IYER**  
Director

**PARTHA BHATTACHARYYA**  
Executive Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated: 15<sup>th</sup> May, 2014

Mumbai  
Dated: 15<sup>th</sup> May, 2014

# Consolidated Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2014

	(₹ in Lacs)	
	2013-14	2012-13
<b>(A) Cash flow from operating activities</b>		
<b>Net profit before tax and exceptional items</b>	<b>34,829.46</b>	<b>18,298.59</b>
Adjustments for-		
Depreciation and amortisation	11,309.83	10,817.65
Exchange fluctuations (net)	3,204.04	3,076.96
Profit on sale of investments	(1,225.31)	(893.82)
Provision for diminution in the value of investments	227.30	51.89
Provision for doubtful debts	(0.76)	69.53
Bad debts written off	1,697.44	75.09
Loss/(profit) on sale of assets	71.70	172.97
Interest/dividends (net)	8,868.32	6,211.90
<b>Operating profit before working capital changes</b>	<b>58,982.02</b>	<b>37,880.76</b>
Adjustments for-		
Trade and other receivables	(16,032.04)	(11,054.62)
Inventories	(9,581.78)	(3,549.33)
Trade payables	18,088.27	2,421.51
Cash generated from operations	<b>51,456.47</b>	<b>25,698.32</b>
Direct taxes paid/refund	(8,957.49)	(3,222.21)
Cash flow before exceptional items	<b>42,498.98</b>	<b>22,476.11</b>
Exceptional items	(1,135.20)	0.10
<b>Net cash from operating activities</b>	<b>(A) 41,363.78</b>	<b>22,476.21</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets	(16,006.08)	(14,319.36)
Sale of fixed assets	1,155.75	957.55
Movement in capital advances	1,789.70	(1,579.13)
Acquisition of investments- others (net)	(18,228.89)	(19,462.00)
Sale of investments	23,643.77	-
Deposits placed	(85.46)	1,235.32
Interest received	507.58	1,631.11
Dividend received	369.35	45.85
<b>Net cash used in investing activities</b>	<b>(B) (6,854.28)</b>	<b>(31,490.66)</b>
<b>(C) Cash flow from financing activities</b>		
Exchange fluctuations (net)	(3,329.22)	(3,093.44)
Working capital borrowings - Proceeds / (repayment) (net)	(7,155.37)	3,386.18
External commercial borrowings - Proceeds / (repayment) (net)	(1,251.31)	797.88
Term loans - Proceeds / (repayment) (net)	-	(8,510.83)
Debentures - Proceeds / (repayment) (net)	(7,500.00)	25,833.33
Interest paid	(10,725.76)	(7,802.14)
Equity dividend and corporate dividend tax paid	(5,603.84)	(5,622.18)
<b>Net cash generated/ (used) in financing activities</b>	<b>(C) (35,565.50)</b>	<b>4,988.80</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) (1,056.00)</b>	<b>(4,025.65)</b>
<b>Cash and cash equivalents opening balance</b>	<b>10,041.54</b>	<b>14,067.19</b>
<b>Cash and cash equivalents closing balance</b>	<b>8,985.54</b>	<b>10,041.54</b>
<b>Earmarked balances with the bank</b>	<b>423.95</b>	<b>368.91</b>
<b>Short term bank deposits</b>	<b>159.02</b>	<b>65.55</b>
<b>Cash and bank balances at the end of the year</b>	<b>Note 19 9,568.51</b>	<b>10,476.00</b>

Note: (i) Figures in brackets are outflows.

(ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI.

(iii) Previous Years figures have been re-grouped wherever necessary to conform to current year's classification.

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2014

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

#### A. The Group and nature of its operations:

Deepak Fertilisers And Petrochemicals Corporation Limited, Corporate Office in Pune, Maharashtra, India carries on business in fertilisers, agri services, bulk chemicals, mining, and value added real estate. The Company along with subsidiaries and joint venture entity which are consolidated (Refer Note B below) are referred to as the "Group" or the "Company".

#### B. Subsidiaries considered in Consolidated Financial Statements:

##### List of subsidiary companies:

##### List of jointly controlled entity:\*

Name of the Companies	Country of incorporation	Percentage of ownership interest	Name of the Company	Country of incorporation	Percentage of ownership interest
Smartchem Technologies Limited *	India	99.99%	Desai Fruits and Vegetables Private Limited	India	49%
Deepak Nitrochem Pty. Limited *	Australia	100.00%			
Deepak Mining Services Private Limited *	India	99.98%			
RungePincockMinarco India Private Limited	India	50.98%			
SCM Soilfert Limited**	India	99.99%			

\* No change in share holding compared to previous year.

\*\* Consolidated for the first time in the current year.

#### Note 1 SIGNIFICANT ACCOUNTING POLICIES

##### A) Basis for preparation of financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and the other relevant provisions of the Companies Act, 1956.

##### B) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debt, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Future results could differ from these estimates.

##### C) Basis of consolidation

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intragroup balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The financial statements of the Company and its jointly controlled entity are combined on proportionate consolidation method on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intragroup balances and intra-group transactions

resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 on “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

- The difference between the cost of investment in the subsidiary and joint venture entity, over the Company’s share in the net assets at the time of acquisition of shares in the subsidiary and the joint venture entity is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- Goodwill arising on subsidiary acquired on or before 31<sup>st</sup> March, 2012 viz Smartchem Technologies Limited is being amortised over a period of 10 years. Goodwill arising on interest acquired in joint venture (Desai Fruits and Vegetables Private Limited) is not being amortised and will be tested for impairment.
- Minority Interests’ share of the net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority interests’ share of net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the shareholders of the Company.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements. Variation in the respective accounting policies is given effect to in the consolidated financial statement only if the impact is significant.
- The Company follows non-integral basis for translation of foreign currency transactions in respect of its subsidiary, Deepak Nitrochem Pty. Limited registered in Australia.
- The Company holds certain rights in immoveable properties by virtue of Equity Shares held in a subsidiary (as stated in Note (a) and (b) of Note 12). Since the equity shares so held do not really represent financial investments but rather the means to acquire and hold the properties for use in Company’s operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard (AS)-10 on “Fixed Assets”. Accordingly the requirements of Accounting Standard (AS) 13 on “Accounting for Investments” and Accounting Standard (AS) 21 on “Consolidated Financial Statements” are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.
- The investments in associate companies of Ishanya Brand Services Limited and Ishanya Realty Corporation Limited are required to be accounted as per equity method as per Accounting Standard (AS) 23 “Accounting for Investments in Associates Consolidated Financial Statements”. However, since these companies have not commenced the commercial operations as on 31<sup>st</sup> March, 2014, the amounts invested in the share capital of these companies are reflected as the total investments. The effect of the same on the consolidated financial statements is not significant.

#### D) Revenue recognition

- Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership are passed on to the customers, and are stated net off trade discounts, rebates, sales tax, value added tax and excise duty.
- Export sales are recognised based on the date of bill of lading.
- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from Ministry of Agriculture /Ministry of Fertilisers.
- Grants and subsidies from the government are recognised when there is reasonable certainty of realisation thereof the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest (other than on deposits with banks and others/investments, which are accounted on accrual basis), on deposits, Insurance claims, Subsidy and Reimbursement of cost escalation claimed from Ministry of Agriculture/Ministry of Fertilisers beyond the notified retention price and price concession on fertilisers pending acceptance of claims by the concerned parties is recognised to the extent the Company is reasonably certain of their ultimate realisation.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N<sub>2</sub>O reduction in its Nitric Acid plant are recognised as revenue on the actual realisation of the applicable credits.

- Credits on account of Duty Drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.
- Dividend income is accounted for when the right to receive is established.

#### E) Tangible assets, intangible assets and capital work-in-progress

- Fixed Assets (including major modifications/betterments) are recorded at cost of acquisition or construction (including interest/financial charges, project restructuring cost and other expenditure incidental and related to such acquisition/construction).
- Intangible Assets (Goodwill, Patent, Trademark, Software Licenses etc.) are capitalised at cost of acquisition or development and expenditure incidental and related to such acquisition/ development.
- Exchange variation arising from repayment/restatement of the long term debts/borrowings in foreign currencies for acquisition of fixed assets is capitalised in terms of the option exercised by the Company as per the MCA circular Notification No. G.S.R.378 (E) dated 11<sup>th</sup> May, 2011 and further amended by pursuant to Circular number 25/2012 dated 9<sup>th</sup> August, 2012 issued by Ministry of Corporate Affairs.
- Machinery Spares other than those required for regular maintenance are capitalised at cost.
- Refer note (J) and (L) for capitalisation of exchange difference of long term loans and interest on borrowings to acquire qualifying assets.
- Relief/Incentive granted by the Government of India by way of refund of Customs Duty paid on NP Project imports, is treated as a special reserve and adjusted against depreciation, over the remaining useful life of Fixed Assets of NP Project.

#### F) Depreciation and amortisation

##### Tangible assets

- Depreciation is provided by Straight Line Method, except for relocated DNA-III Plant which is depreciated by Written Down Value method.
- Tangible assets, owned by the Company, are depreciated in accordance with the rates prescribed in Schedule XIV to the Companies Act, 1956 except in the following cases where higher rates are applied to the factors of accelerated obsolescence, relocation of plant, modifications of existing plants etc.

Computers and related Equipments	25.00%
Air-Conditioning System	9.50%
Furniture, Fixtures and Office Equipments	9.5%, 13.5%, 19.00%
Vehicles	25.00%
Relocated DNA III Plant (WDV)	25.89%
Relocated other Plants	6.68%
Modification of existing Ammonia Plant	6.33%
Modification of existing Ammonium Nitrate Plant	10.00%

- Depreciation on exchange rate variances capitalised as part of the cost of Fixed Assets, has been provided prospectively over the residual useful life of the assets.
- Capitalised machinery spares are depreciated over remaining useful life of the related machinery/equipments. Costs of such spares are charged to Statement of Profit and Loss when issued for actual use at written down value.
- Cost of Leasehold Land is amortised over the lease period.

**Intangible assets**

- Intangible assets are amortised over a period not exceeding 60 months except in the case of right to use of properties which are amortised over a period of effective useful life of such right.

**Capital work-in-progress:**

- Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

**Assets taken on operating lease:**

- Assets taken on operating lease are recognised in the Statement of Profit and Loss as per the terms of the contract.

**Assets given on operating lease:**

- Assets given on operating lease are recognised as income in the Statement of Profit and Loss as per the terms of the contract.

**G) Impairment of assets**

- The carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment loss is recognised whenever carrying amount exceeds the recoverable amount. Conversely, previously recognised losses are reversed when the estimated recoverable amount exceeds the carrying amount.

**H) Inventories**

- Raw materials are valued at lower of moving weighted average cost, written down to realisable value if the costs of the related finished goods exceed their net realisable value.
- Stores, regular spares, oil, chemicals, catalysts and packing material are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable CENVAT / VAT credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost (Including Depreciation excise duty payable/paid where applicable but excluding interest cost) or and net realisable value.
- Traded goods are valued at lower of cost and net realisable value.
- Value of Work-in-Process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

**I) Investments**

- Long term investments are valued at cost after appropriate adjustment, if necessary, for diminution in their value which are other than temporary in nature.
- Current Investments are stated at lower of cost and fair value.

**J) Foreign currency transactions, forward contracts and derivatives**

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the dates of the transactions. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet.
- Exchange differences either on settlement or on translation are dealt with in the Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of long-term borrowings used for acquisition of fixed assets are capitalised.
- In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which they arise. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.



- Wherever the variable interest in respect of External Commercial Borrowings is swapped for fixed interest rates, the fixed interest expense is recognised in the Statement of Profit and Loss.
- The Company has taken option contracts to hedge its currency risks on liabilities in foreign currency. These contracts are Marked to Market (MTM) as at the year end and net loss after considering offsetting effect on the underlying liabilities is charged to Statement of Profit and Loss and capitalised if it is in respect of long term foreign currency loans taken for acquisition of qualifying assets. Net gain, if any is not recognised.
- Premium on option contracts are amortised and recognised in Statement of Profit and Loss over the period of contract.
- For the purpose of consolidation, income and expenses are translated at average rates and assets and liabilities are stated at closing rate. The net impact of such change is accumulated under Foreign Currency Translation Reserve.

#### K) Employee benefits

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

##### Provident fund

- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.

##### Gratuity

- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a Trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity fund and recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

##### Superannuation

- The Company has a Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary. The plan is managed by a Trust and the funds are invested with Life Insurance Corporation of India under its Group Superannuation Scheme. Annual contributions as specified under the Trust deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

##### Compensated absences

- The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

##### Wealth Creation Scheme

- The Company had a Wealth Creation Scheme for its executives - a defined contribution plan. The Company had been making annual contributions at 3% of the covered employees' salary which were then invested by the Company in securities. Subject to Company's Policy the vested employees were eligible to receive accumulated balance at retirement, death while in employment or on termination of employment. Annual contributions made by the Company were recognised as an expense in the Statement of Profit and Loss Account in the year of incurrence of the liability. The Scheme was operational till 31<sup>st</sup> March, 2012.

**Medical Benefits**

- The Company has a medical benefit plan according to which employees are entitled to be covered under mediclaim policy for the next five years post their superannuation. The amount being insignificant, the liability towards such benefit is recognised based on the actual premium payable.

**Post Retirement Benefits**

- The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

**L) Borrowing costs**

- Borrowing costs that are attributable to the construction/acquisition of qualifying fixed assets are capitalised as a part of the cost of these capitalised assets till the date of completion of physical construction/mechanical completion of the assets.

**M) Provisions and contingents liabilities**

- A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the reporting date.
- Contingent Liabilities are disclosed in respect of:
  - Possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
  - Any present obligation, where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made. However, in situations where the likelihood of an outflow of resources is assessed to be remote, no disclosure is made as such items not in the nature of Contingent liabilities
- Contingent Assets are not recognised or disclosed in the financial statements.

**N) Taxes Incomes**

- Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

**O) Cash and cash equivalents**

- In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, with original maturities of three months or less.

**P) Earnings Per Share**

- Basic earnings per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per Share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. For the purpose of calculating diluted earnings per Share, the net profit or loss for the year attributable to Equity Shareholders and the weighted average number of Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.

**Note-2 SHARE CAPITAL**

(₹ in Lacs)

Share capital	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹10 each	12,500.00	12,500.00
10,00,000 Cumulative Redeemable Preference Shares of ₹100 each	1,000.00	1,000.00
	<b>13,500.00</b>	<b>13,500.00</b>
<b>Issued subscribed and fully paid up</b>		
8,82,04,943 Equity Shares of ₹ 10 each fully paid-up	8,820.49	8,820.49
<b>Total</b>	<b>8,820.49</b>	<b>8,820.49</b>

**a. Reconciliation of the number of Shares**

Equity Shares	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Balance as at the beginning of the year	8,82,04,943	8,820.49	8,82,04,943	8,820.49
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	8,82,04,943	8,820.49	8,82,04,943	8,820.49

**b. Terms/ Rights attached with equity shares**

The Company has only one class of issued Equity Shares having at par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

The Company declares and pay dividend in Indian Rupee except in the case of overseas Shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company the holders of Equity Share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**c. Details of the Shares held by Shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholders	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
	(₹ in Lacs)		(₹ in Lacs)	
Mr. S. C. Mehta	192.81	21.86%	173.92	19.72%
Nova Synthetic Limited	172.67	19.58%	172.67	19.58%
Fidelity Puriton trust Fund-Fidelity low prices stock fund	75.69	8.58%	75.69	8.58%
<b>Total</b>	<b>441.17</b>	<b>50.02%</b>	<b>422.28</b>	<b>47.88%</b>

## Note-3 RESERVE AND SURPLUS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Capital reserve</b>	<b>0.13</b>	<b>0.13</b>
<b>Capital redemption reserve</b>	<b>1,950.00</b>	<b>1,950.00</b>
<b>Securities premium reserves</b>	<b>10,798.95</b>	<b>10,798.95</b>
<b>Special reserve (*)</b>		
Balance as at the beginning of the year	-	9.50
Less: Transferred to the Statement of Profit and Loss for recoupment of depreciation	-	9.50
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Revaluation reserve</b>		
Balance as at the beginning of the year	814.73	933.34
Less: Transferred to the Statement of Profit and Loss (Refer note no. 28)	118.61	118.61
<b>Balance as at the end of the year</b>	<b>696.12</b>	<b>814.73</b>
<b>Debenture redemption reserve</b>		
Balance as at the beginning of the year	6,916.63	5,751.00
Add: Transferred from Surplus in the Statement of Profit and Loss.	958.30	1,165.63
<b>Balance as at the end of the year</b>	<b>7,874.93</b>	<b>6,916.63</b>
<b>General reserve</b>		
Balance as at the beginning of the year	15,166.69	13,691.15
Add: Transfer from the Statement of Profit and Loss	2,470.00	1,475.54
<b>Balance as at the end of the year</b>	<b>17,636.69</b>	<b>15,166.69</b>
<b>Foreign currency translation reserve</b>	<b>(6.30)</b>	<b>0.43</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	83,627.85	79,378.79
Add: Profit during the year	24,050.16	12,930.42
Pre-consolidation profit/(loss) in jointly controlled entity	-	(434.24)
Less: Appropriations		
Proposed dividend on Equity Shares Amount (dividend per share ₹ 6.50 (₹ 5.50)) (#)	5,733.45	4,851.40
Tax on proposed dividend on Equity Shares (Net of credit of tax on dividend distributions by the Subsidiary Company ₹ 16.99 Lacs (₹ 16.23 Lacs) (@)	968.59	754.55
Transfer to debenture redemption reserve	958.30	1,165.63
Transfer to General reserve	2,470.00	1,475.54
<b>Total appropriations</b>	<b>10,130.34</b>	<b>8,247.12</b>
<b>Net Surplus in the Statement of Profit and loss</b>	<b>97,547.67</b>	<b>83,627.85</b>
<b>Total</b>	<b>1,36,498.19</b>	<b>1,19,275.41</b>

(\*) Represents relief/Incentive granted by Government of India by way of refund of 90% of custom duty paid on NP projects imports. This amount is being adjusted against Depreciation over the remaining useful life of Fixed Assets of NP project.

(@) Includes relating to previous years ₹ 36.70 Lacs (Nil).

(#) Net of adjustments of ₹ 0.13 Lacs (₹ 0.13 Lacs) relating to previous year.

## Note-4 LONG-TERM BORROWINGS-SECURED

(₹ in Lacs)

	Non Current		Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>External commercial borrowings (ECBs)</b>				
Bank of Baroda	8,386.00	8,957.03	1,497.50	1,085.70
HSBC Bank	7,487.50	11,624.69	4,991.67	1,946.56
(A)	<b>15,873.50</b>	<b>20,581.72</b>	<b>6,489.17</b>	<b>3,032.26</b>
<b>Bond / Debentures - Secured (Listed)</b>				
500, 9.31% Redeemable Privately Placed Non Convertible Debentures (NCDs) of ₹ 10 Lacs each	5,000.00	5,000.00	-	-
500, 10 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	1,666.67	3,333.33	1,666.67	1,666.67
500, 9.75 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	1,666.67	3,333.33	1,666.67	1,666.67
1250, 10.80 % Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	4,166.66	4,166.67	4,166.67
1000, 9.70% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	10,000.00	10,000.00	-	-
2500, 9.71% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	25,000.00	25,000.00	-	-
(B)	<b>43,333.34</b>	<b>50,833.32</b>	<b>7,500.01</b>	<b>7,500.01</b>
<b>Total</b> (A+B)	<b>59,206.84</b>	<b>71,415.04</b>	<b>13,989.18</b>	<b>10,532.27</b>
Less : Current maturity of long term Borrowings disclosed under the "Other Current Liabilities". (Refer note no. 10)			<b>13,989.18</b>	<b>10,532.27</b>

## NOTE

Sr. No.	Particulars	Rate and Repayment schedule	Security
1	ECBs from Bank of Baroda, ₹ 9,883.50 Lacs (₹ 10,042.73 Lacs). ₹ 299.40 (271.37 Lacs) kept as fixed deposit with Bank of Baroda as a lien for ECBs (refer note no. 15)	At variable interest rate of Libor plus 325 basis points payable quarterly (average for the year 3.89%) (3.87%). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 and last installment is payable on 30 <sup>th</sup> June, 2017	Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/ to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, remuneration of the Trustees and all other monies thereto.
2	ECBs from HSBC Bank, ₹12,479.17 Lacs (₹ 13,571.25 Lacs)	At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating rate to fixed rate of 6.09 % Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 and last installment is payable on 29 <sup>th</sup> July, 2016	

Sr. No.	Particulars	Rate and Repayment schedule	Security
3	Redeemable Privately Placed NCDs ₹5,000 Lacs (₹5,000 Lacs)	9.31% per annum payable annually. Redeemable in single installment on 15 <sup>th</sup> July, 2015	Pari-passu first charge on the Company's fixed assets, plant and machinery pertaining to Iso Propyl Alcohol (IPA) Plant located at Plot No. K-2, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debenture costs, charges, expenses and remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
4	Redeemable Privately Placed NCDs ₹3,333.33 Lacs (₹5,000 Lacs)	10% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/ to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans. remuneration of the Trustees and all other monies to rank pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
5	Redeemable Privately Placed NCDs ₹3,333.33 Lacs (₹5,000 Lacs)	9.75% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	
6	Redeemable Privately Placed NCDs ₹4,166.66 Lacs (₹8,333.33 Lacs)	10.80% per annum payable annually. Redeemable in three equal installments from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014	Pari-passu charge on the entire assets of the Company's immovable properties, plant and machinery, whether immovable or movable, pertaining to the Company's undertaking situated at Plot Nos. K-1 and K-2, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra to rank pari-passu with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favor of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
7	Redeemable Privately Placed Non Convertible Debentures ₹ 10,000 Lacs (₹10,000 Lacs)	9.70% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2016	Pari-passu charge on the present and future immovable and movable fixed assets (i.e. Land, Building and Plant and Machinery) pertaining to Ammonia, WNA, CNA, LDAN, ANP, Bagging, ETP, DNA4, Methanol, CO <sub>2</sub> plants located at Plot K1, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra of the Company, ensuring a minimum asset cover of 1.25 times of the gross value of assets over the outstanding debenture issue amount, at all times.
8	Redeemable Privately Placed Non Convertible Debentures ₹ 25,000 Lacs (₹ 25,000 Lacs)	9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018	

**Note-5 DEFERRED TAX LIABILITIES (NET)**

(₹ in Lacs)

		As at 1 <sup>st</sup> April, 2013	Increase/ (Decrease)	As at 1 <sup>st</sup> April, 2014
<b>Deferred tax liabilities</b>				
- Timing Difference on account of depreciation		13,937.82	608.56	14,546.38
- Others		86.79	-	86.79
	(A)	<b>14,024.61</b>	<b>608.56</b>	<b>14,633.17</b>
<b>Deferred tax assets</b>				
- Provision for doubtful debts / loan and advances		335.93	463.05	798.98
- Accrued expenses deductible on actual payments		1,186.75	654.35	1,841.10
	(B)	<b>1,522.68</b>	<b>1,117.40</b>	<b>2,640.08</b>
<b>Total</b>	(A-B)	<b>12,501.93</b>	<b>(508.84)</b>	<b>11,993.09</b>
Previous year		10,405.94	2,097.83	12,501.93

**Note-6 OTHER LONG TERM LIABILITIES**

(₹ in Lacs)

	As at 1 <sup>st</sup> April, 2013	As at 1 <sup>st</sup> April, 2014
Retention money	21.91	13.95
Others liabilities	-	63.07
<b>Total</b>	<b>21.91</b>	<b>77.02</b>

**NOTE-7 PROVISIONS**

(₹ in Lacs)

	Long term		Short Term	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Provision for employee benefits</b>				
Compensated absences	1,298.37	1,092.91	281.93	228.53
Gratuity	984.05	795.90	672.72	378.10
Post Retirement Benefit	145.27	170.47	67.77	43.41
Wealth Creation Scheme	-	9.94	9.24	38.15
Others (Refer Note no. 41)	-	-	-	699.81
	(A)	<b>2,427.69</b>	<b>1,031.66</b>	<b>1,388.00</b>
<b>Others</b>				
Provision for tax (Net)	-	-	44.43	20.67
Proposed Dividend	-	-	5,733.32	4,851.27
Dividend Distribution Tax on Proposed Dividend	-	-	931.89	770.78
Others (Refer Note no. 42)	-	-	388.58	-
	(B)	-	<b>7,098.22</b>	<b>5,642.72</b>
<b>Total</b>	(A+B)	<b>2,427.69</b>	<b>8,129.88</b>	<b>7,030.72</b>

**Note-8 SHORT-TERM BORROWINGS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Secured</b>		
From banks:	-	-
Buyer's credit (in foreign currency)	23,093.07	29,327.09
Cash credit facilities	69.40	1,115.93
<b>Total</b>	<b>23,162.47</b>	<b>30,443.02</b>

Note:

- (i) Buyer's credits are generally due within 180 days and carry variable average interest rate for the year 0.97% (1.71%) are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- (ii) Cash credit is repayable on demand and carries variable interest rate average for the year is 11.62% (13.25%).
- (iii) Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

**Note-9 TRADE PAYABLE**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Micro, Small and Medium Enterprises	7.19	5.07
Others	35,990.90	21,235.90
<b>Total</b>	<b>35,998.09</b>	<b>21,240.97</b>

**Note-10 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Current maturities of long-term debts (Refer note no. 4)	13,989.18	10,532.27
Interest accrued but not due on borrowings	1,628.43	1,841.18
Advances from customers	1,409.80	727.30
Unclaimed dividend (#)	423.95	368.91
Other payables (*)	5,664.65	3,829.77
Due to directors	1,182.08	722.58
Security deposits	1,760.53	1,382.72
Statutory liabilities	603.12	759.85
Creditors for capital goods	999.56	853.64
<b>Total</b>	<b>27,661.30</b>	<b>21,018.22</b>

(#) ₹ 34.98 Lacs (Nil) transferred to the Investors Education and Protection Fund.

(\*) Other payables includes ₹ 2,706.95 Lacs (₹ 1,860.04 Lacs) related to employees and ₹ 2,648.97 Lacs (₹ 1,337.56 Lacs) related to sales marketing.

**Note-11 TANGIBLE ASSETS**

(₹ in Lacs)

	Land (Freehold)	Land (lease- hold)	Building	Plant & Equipment	Electric Installation	Furniture & Fixtures	Office equipments	Vehicles	Total
<b>Gross block as at:</b>									
<b>1<sup>st</sup> April, 2013</b>	9,345.60	1,371.87	39,189.17	1,69,675.72	3,234.63	1,145.47	2,079.46	1,742.30	2,27,784.22
Additions	18.22	245.80	1,455.59	4,226.94	241.62	175.57	223.47	263.86	6,851.07
Disposals	30.91	-	-	1,748.43	-	3.28	28.22	174.50	1,985.34
Other Adjustments									
Exchange Differences	-	-	-	2,112.22	-	-	-	-	2,112.22
<b>Gross carrying amount 31<sup>st</sup> March, 2014</b>	9,332.91	1,617.67	40,644.76	1,74,266.45	3,476.25	1,317.76	2,274.71	1,831.66	2,34,762.17
<b>Accumulated depreciation on 1<sup>st</sup> April, 2013</b>		162.77	4,947.03	76,492.02	804.96	641.62	1,305.48	697.22	85,051.10
Deduction/adjustment	-	-	-	671.24	-	2.58	26.33	57.72	757.87
Depreciation for the current year (*) (Refer Note no. 28)	-	19.55	887.77	8,362.10	246.14	87.97	204.58	352.36	10,160.47
<b>Accumulated Depreciation on 31<sup>st</sup> March, 2014</b>	-	182.32	5,834.80	84,182.88	1,051.10	727.01	1,483.73	991.86	94,453.70
<b>Net carrying amount as on 31<sup>st</sup> March, 2014</b>	9,332.91	1,435.35	34,809.96	90,083.57	2,425.15	590.75	790.98	839.80	1,40,308.47
<b>Net carrying amount as on 31<sup>st</sup> March, 2013</b>	9,345.60	1,209.10	34,242.14	93,183.70	2,429.67	503.85	773.98	1,045.08	1,42,733.12
(*) Depreciation for the previous year	-	17.48	849.22	7,837.44	227.13	77.52	230.35	402.82	9,641.96



**Note-12 INTANGIBLE ASSETS**

(₹ in Lacs)

	Computer Software	Technical Know how/ Engineering Fee	License/ Franchise fees	Upfront fees/ Way leave charges	Design	Goodwill on Consolidation	Total
<b>Gross block as at:</b>							
<b>1<sup>st</sup> April, 2013</b>	<b>610.75</b>	<b>142.26</b>	<b>973.65</b>	<b>511.37</b>	<b>5.96</b>	<b>7,015.75</b>	<b>9,259.74</b>
Addition	37.91	-	111.31	-	-	450.28	599.50
Disposal	-	-	-	-	-	-	-
Other Adjustment							
- Exchange Difference	-	-	-	-	-	-	-
<b>Gross carrying amount 31<sup>st</sup> March, 2014</b>	<b>648.66</b>	<b>142.26</b>	<b>1,084.96</b>	<b>511.37</b>	<b>5.96</b>	<b>7,466.03</b>	<b>9,859.24</b>
<b>Accumulated amortisation on 1<sup>st</sup> April, 2013</b>	<b>470.23</b>	<b>142.23</b>	<b>467.82</b>	<b>116.03</b>	<b>4.11</b>	<b>4,961.81</b>	<b>6,162.23</b>
Deduction/adjustment	-	-	-	-	-	-	-
Amortisation for the current year (*) (Refer Note no. 28)	78.18	-	204.05	31.89	1.85	952.00	1,267.97
<b>Accumulated amortisation on 31<sup>st</sup> March, 2014</b>	<b>548.41</b>	<b>142.23</b>	<b>671.87</b>	<b>147.92</b>	<b>5.96</b>	<b>5,913.81</b>	<b>7,430.20</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2014</b>	<b>100.25</b>	<b>0.03</b>	<b>413.09</b>	<b>363.45</b>	<b>-</b>	<b>1,552.22</b>	<b>2,429.04</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2013</b>	<b>140.52</b>	<b>0.03</b>	<b>505.83</b>	<b>395.34</b>	<b>1.85</b>	<b>2,053.94</b>	<b>3,097.51</b>
(*) Amortisation for previous year	77.86	-	206.91	29.26	1.99	869.17	1,185.19

- (a) Freehold land includes: - ₹ 3,600 Lacs (₹3,600 Lacs) represented by 24,000 Equity Shares of ₹10 each in a Company, which is the legal owner of the land in respect of which the Company has acquired exclusive rights of development.  
- ₹ 2,442.54 Lacs (₹ 2,442.54 Lacs) represented by 1,41,764 Equity Shares (1,41,764) of ₹10 each in the said Company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.
- (b) Buildings include a sum of ₹11,398.32 Lacs (₹11,398.32 Lacs) represented by 38,236 (38,236) Equity Shares of ₹10 each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.
- (c) The above equity shares so held do not really represent financial investments but rather the means to acquire and hold the properties for use in Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard - 10 on "Fixed Assets".
- (d) Gross Block of Plant and Machinery includes ₹ 9,949.76 Lacs (₹7,837.54 Lacs) towards foreign exchange fluctuations on Long Term Loans.
- (e) The gross block of fixed assets includes an increased amount of ₹ 2,251.44 Lacs on account of revaluation of assets of a subsidiary Company Smartchem Technologies Limited, done as on 1<sup>st</sup> April, 2011.

Consequent to the said revaluation there is an additional charge of depreciation of ₹ 118.61 Lacs for the year charged to the Statement of Profit and Loss. Similar amount is withdrawn from the revaluation reserve and credited to the Statement of Profit and Loss for the year.

**Note-13 CAPITAL WORK-IN-PROGRESS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Projects	7,571.90	2,002.18
Others	1,957.98	669.23
<b>Total (*)</b>	<b>9,529.88</b>	<b>2,671.41</b>

(\*) Includes borrowing cost of ₹ 415.16 Lacs (₹ 74.75 Lacs).

**Note-14 NON CURRENT INVESTMENTS (AT COST):**

(₹ in Lacs)

Trade Investments (Unquoted)	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Investments in others (Fully paid up)</b>		
88,448 (88,448) Equity Shares of Sterling Pound 1 each of Deepak International Limited	68.69	68.69
49,994 (49,994) Equity Shares of ₹ 10 each of Ishanya Realty Corporation Limited	5.00	5.00
49,994 (49,994) Equity Shares of ₹ 10 each of Ishanya Brand Service Limited	5.00	5.00
	<b>78.69</b>	<b>78.69</b>
<b>Non trade investments (Quoted)</b>		
Investment in Equity Shares	3.68	141.25
Less: Provision for diminution in value	-	(50.13)
	<b>3.68</b>	<b>91.12</b>
2,89,91,150 (Nil) Equity Shares of ₹ 10 each of Mangalore Chemicals And Fertilisers Limited (Refer note no. 43)	18,001.59	-
<b>Total</b>	<b>18,083.96</b>	<b>169.81</b>

**Details of Investment in Equity (Quoted)**

Equity (All Fully paid up)	Face Value		As at 31 <sup>st</sup> March, 2014		Face Value		As at 31 <sup>st</sup> March, 2013	
	(₹)	No. of Shares	Amount (₹ in Lacs)	(₹)	No. of Shares	Amount (₹ in Lacs)		
HDFC Limited	-	-	-	2	5,000	26.76		
Infosys Technologies Limited	-	-	-	5	750	20.39		
ITC Limited	-	-	-	1	16,400	18.61		
IVRCL Infrastructures Limited	-	-	-	2	15,239	31.97		
Sterlite Industries Limited	-	-	-	1	20,000	39.84		
Panjab National Bank Limited	10	943	3.68	10	943	3.68		
Mangalore Chemicals And Fertilisers Limited	10	2,89,91,150	18,001.59	-	-	-		
<b>Total</b>	-	-	<b>18,005.27</b>	-	-	<b>141.25</b>		

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Aggregate amount of quoted investments	18,005.27	141.25
Market value of quoted investments	17,989.01	135.34
Aggregate amount of unquoted investments	78.69	78.69

**NOTE-15 LOANS AND ADVANCES-(Unsecured, considered good unless otherwise stated)**

(₹ in Lacs)

	Long Term		Short Term	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Capital advance	1,423.08	3,212.75	-	-
Deposits with original maturity for more than 12 months (*)	299.60	276.62	-	-
Security deposits	1,612.71	1,555.05	25.37	20.55
Balance with Central Excise and Customs	590.37	624.85	1,913.67	810.54
Loans and advances from related parties (@)	200.00	200.00	-	-
Advances recoverable in cash or kind or for value to be received				
- Advances/ loans to employees	-	-	166.86	185.12
- Advances to suppliers	-	-	2,830.60	3,520.11
- Others (#)	-	-	4,363.40	3,530.98
Other loan and advance	-	-	0.87	-
Prepaid expenses	139.71	109.19	1,720.20	1,667.50
Advance payment of taxes (**) (Net)	-	-	733.40	1,202.52
MAT Credit entitlement	-	-	-	706.37
<b>Total</b>	<b>4,265.47</b>	<b>5,978.46</b>	<b>11,754.37</b>	<b>11,643.69</b>

(\*) ₹ 299.40 Lacs (271.37 Lacs) kept as fixed deposit with Bank of Baroda as a lien for ECBs and ₹ 0.20 Lacs (₹ 0.19 Lacs) with Sales Tax Authorities.

(#) Other advances include VAT/Sales Tax receivable of ₹ 2,962.09 lacs (₹ 2,480.40 lacs) and Duty Drawback Receivable of ₹ 200.04 Lacs (₹ 170.23 Lacs).

(\*\*) Other than one subsidiary all advance taxes are net.

**(@) LOANS AND ADVANCES - Related Parties**

(₹ in Lacs)

	Long Term		Short Term	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Security deposit placed with Chairman and Managing Director towards lease of residential premises.	200.00	200.00	-	-
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>-</b>	<b>-</b>

**Note-16 CURRENT INVESTMENTS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Quoted Bonds/Securities (Non-trade)</b>		
Investment in debt PMS	242.51	5,245.06
Investment in Tax free bonds	1,502.20	2,502.20
Investment in Government Securities	1,081.50	1,081.50
Less: Provision for diminution in value	(223.63)	(14.36)
	(A) <b>2,602.58</b>	<b>8,814.40</b>
<b>Quoted Mutual Funds (Non-trade)</b>		
Mutual Funds	355.00	16,475.00
Less: Provision for diminution in value	(5.98)	(6.78)
	(B) <b>349.02</b>	<b>16,468.22</b>
<b>Total</b>	(A+B) <b>2,951.60</b>	<b>25,282.62</b>

## Investment in Debt PMS

(₹ in Lacs)

Name of Securities	No of Units	As at 31 <sup>st</sup> March, 2014			No of Units	As at 31 <sup>st</sup> March, 2013		
		Face value	Cost	Market Value		Face value	Cost	Market Value
10.75% DPSC BONDS 03/11/2016	-	-	-	-	200	2	424.48	426.40
10.75% DPSC BONDS 03/11/2017	-	-	-	-	50	2	103.51	106.23
10.75% DPSC BONDS 03/11/2017	-	-	-	-	41	2	84.89	87.11
10.75% DPSC BONDS 03/11/2017	-	-	-	-	28	2	59.33	59.49
10.75% DPSC BONDS 03/11/2018	-	-	-	-	98	2	207.88	208.43
10.75% DPSC BONDS 03/11/2018	-	-	-	-	16	2	33.47	34.03
10.75% DPSC BONDS 03/11/2018	-	-	-	-	95	2	201.40	202.05
10.75% DPSC BONDS 03/11/2020	-	-	-	-	60	2	127.34	127.92
9.70% IFCI BONDS 04/05/2030	-	-	-	-	6	10	66.79	67.00
9.90% IFCI Limited BONDS 05/11/2022	-	-	-	-	400	0.25	99.92	100.11
9.90% IFCI Limited BONDS 05/11/2027	-	-	-	-	160	0.25	39.91	40.00
9.90% IFCI Limited BONDS 05/11/2032	-	-	-	-	376	0.25	93.79	94.01
9.90% IFCI Limited BONDS 31/10/2027	-	-	-	-	520	0.25	127.21	130.01
9.90% IFCI Limited BONDS 31/10/2032	-	-	-	-	520	0.25	127.21	130.01
9.90% IFCI Limited BONDS 31/10/2037	-	-	-	-	520	0.25	127.21	130.01
12.75% INDIA INFOLINE FIN. NCD 17/09/2018	-	-	-	-	5,069	0.01	51.19	51.26
9.40% RRVP NIGAM Limited BONDS 22/03/2025	-	-	-	-	215	10	2,150.00	2,151.72
10.00% RELIANCE CAPITAL Limited NCD 03/11/2017	-	-	-	-	21	10	212.14	214.18
10.10% RELIANCE CAP F SERIES B-NCD260 28/09/2022	-	-	-	-	10	10	102.01	102.32
10.20% RELIANCE CAPITAL NCD (RCAP F SERIES B-NCD 2	-	-	-	-	31	10	318.80	319.05
10.20% RELIANCE CAPITAL BONDS 31/07/2022	-	-	-	-	6	10	60.97	61.21
11.15% WELSPUN CORP Limited BONDS 28/08/2019	-	-	-	-	5	10	50.88	50.95
11.15% WELSPUN CORP Limited BONDS 28/08/2019	-	-	-	-	1	10	10.04	10.19
11.15% WELSPUN CORP Limited BONDS 28/08/2019	-	-	-	-	2	10	20.34	20.38
12.50% MAGMA FINCORP Limited PERPETUAL BONDS	-	-	-	-	25	10	253.20	253.35
12.50% MAGMA FINCORP Limited PERPETUAL BONDS	-	-	-	-	9	10	91.15	91.21
10.15% TMFL NCD 28/05/2023	6	10	60.03	60.03	-	-	-	-
9.80% GSPC NCD SERIES 2 22/03/2073	4	10	40.12	41.01	-	-	-	-
9.84% Air India NCD 27/09/2026 (#)	13	10	142.36	131.08	-	-	-	-
<b>Total</b>			<b>242.51</b>	<b>232.12</b>			<b>5,245.06</b>	<b>5,268.63</b>

Notes

**Investment in tax free bonds** (₹ in Lacs)

Name of Securities	No of Units	As at 31 <sup>st</sup> March, 2014			No of Units	As at 31 <sup>st</sup> March, 2013		
		Face value	Cost	Market Value		Face value	Cost	Market Value
7.34% IRFC Tax Free Bonds 2012 TRANCHE A SR 2	-	-	-	-	1,00,000	1,000	1,000.00	1,000.00
7.22% RECL Tax-free Bonds 2022	1,00,000	1,000	1,002.20	936.78	1,00,000	1,000	1,002.20	1,002.14
7.51% HUDCO TaxFree Bonds TRANCHE A SR 2	50,000	1,000	500.00	454.57	50,000	1,000	500.00	500.00
<b>Total</b>			<b>1,502.20</b>	<b>1,391.35</b>			<b>2,502.20</b>	<b>2,502.14</b>

**Investment in Government Securities** (₹ in Lacs)

Name of Securities	No of Units	As at 31 <sup>st</sup> March, 2014			No of Units	As at 31 <sup>st</sup> March, 2013		
		Face value	Cost	Market Value		Face value	Cost	Market Value
8.97% GOI 05/12/2030 (#)	1,000	1	1,081.50	980.00	1,000	1	1,081.50	1,067.14
<b>Total</b>			<b>1,081.50</b>	<b>980.00</b>			<b>1,081.50</b>	<b>1,067.14</b>

**Details of Mutual Fund** (₹ in Lacs)

Name of the Fund	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	No. of Units in Lacs	Cost	Market Value	No. of Units in Lacs	Cost	Market Value
DSP BlackRock FMP - Series 38 - 12.5 Months - Growth	-	-	-	50.00	500.00	554.09
DWS Fixed Maturity Plan -Series 7 Growth Plan	-	-	-	50.00	500.00	554.34
IDFC Fixed Maturity Plan Thirteen Months Series 7 Growth	-	-	-	50.00	500.00	554.42
TATA Fixed Maturity Plan Series 39 Scheme G Growth	-	-	-	50.00	500.00	554.44
SBI Infrastructure Fund I - Dividend	2.50	25.00	19.02	2.50	25.00	18.22
DSP BlackRock Strategic Bond Fund - IP - Growth	-	-	-	1.11	1,500.00	1,513.90
DWS Premier Bond Fund - Regular Plan - Growth	-	-	-	51.91	1,000.00	1,009.53
HDFC Income Fund - Growth	-	-	-	55.95	1,500.00	1,509.09
ICICI Prudential Income Fund -Growth	-	-	-	40.72	1,500.00	1,510.93
IDFC D B F - Dir - Growth	-	-	-	72.05	1,000.00	1,016.25
Kotak Bond Scheme - Plan A - Growth	-	-	-	44.49	1,500.00	1,507.20
Reliance Income Fund - Retail - G P - Growth	-	-	-	39.07	1,500.00	1,508.24
Reliance Dynamic Bond Fund - Growth	-	-	-	64.06	1,000.00	1,005.36
SBI Dynamic Bond Fund - Growth	-	-	-	102.85	1,500.00	1,515.92
Tata Income Fund - Plan A - Growth	-	-	-	28.31	1,000.00	1,010.83
UTI Bond Fund - Growth	-	-	-	28.81	1,000.00	1,009.47
JM High Liquidity Fund – growth	-	-	-	6.26	200.00	200.20
Birla Sunlife Savings Fund – Growth	-	-	-	0.89	200.00	200.00
HDFC Top 200 Fund	-	-	-	0.25	50.00	53.19
Axis Liquidity Fund	15	15.00	15.24	-	-	-
Birla Sunlife Cash Plus	100	100.00	101.69	-	-	-
ICICI Prudential Liquid	100	100.00	101.62	-	-	-
J P Morgan India Liquid	100	100.00	101.53	-	-	-
Religare Invesco Liquid	15	15.00	15.24	-	-	-
<b>Total</b>		<b>355.00</b>	<b>354.34</b>		<b>16,475.00</b>	<b>16,805.62</b>

\* All Mutual funds are having a face value of ₹ 10 each.

# Includes earmarked investments against debentures.

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Aggregate amount of quoted investments	3,181.21	25,303.76
Market value of quoted investments	2,957.81	25,643.53

**Note-17 INVENTORIES (Valued at lower of cost and net realisable value)**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Raw materials (₹ 3,978.16 Lacs (Nil) in Transit)	11,305.70	7,412.31
Packing materials (₹ 16.87 Lacs (Nil) in Transit)	1,315.83	956.71
Work-in-progress	3.78	-
Finished goods, (Nil (₹ 667.04 Lacs) in Transit)	5,781.66	4,215.04
Stock-in-trade ₹ 359.00 Lacs (Nil) in transit	8,214.92	4,928.84
Stores and spares (₹ 29.24 Lacs (Nil) in Transit)	8,000.44	7,168.64
<b>Total</b>	<b>34,622.33</b>	<b>24,681.54</b>

**Note-18 TRADE RECEIVABLES (Unsecured considered good unless stated otherwise)**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Outstanding for a period exceeding six months:</b>		
Considered good	6,252.44	9,797.17
Considered doubtful	72.19	527.58
	<b>6,324.63</b>	<b>10,324.75</b>
Less: Provision for doubtful debts	(72.19)	(527.58)
	<b>6,252.44</b>	<b>9,797.17</b>
Others (Refer Note no. 40)	72,653.68	55,376.54
<b>Total</b>	<b>78,906.12</b>	<b>65,173.71</b>

**Note-19 CASH AND BANK BALANCES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Cash and Cash equivalents:</b>		
Cash on hand	13.99	24.88
Cheques on hand	2,694.26	1,337.46
Balance in current account with banks	4,303.48	4,557.64
Short term deposit with banks (less than 3 months and upto 12 months)	1,973.81	4,121.56
	<b>8,985.54</b>	<b>10,041.54</b>
<b>Other Bank balances:</b>		
On unpaid dividend (Earmarked balances)	423.95	368.91
Deposits with maturity for more than 3 months but less than 12 months	159.02	65.55
	<b>582.97</b>	<b>434.46</b>
<b>Total</b>	<b>9,568.51</b>	<b>10,476.00</b>

**Note-20 OTHER ASSETS**

(₹ in Lacs)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Sale tax paid under protest	47.19	48.19	-	-
Interest accrued on deposits	0.07	822.04	300.44	710.42
Derivative contracts receivable	571.84	-	594.27	403.53
<b>Total</b>	<b>619.10</b>	<b>870.23</b>	<b>894.71</b>	<b>1,113.95</b>

**Note-21 REVENUE FROM OPERATIONS**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
<b>A. Sale of products</b>		
Finished goods	2,68,379.14	1,97,719.61
Less: Excise duty	23,962.84	17,318.51
	<b>2,44,416.30</b>	<b>1,80,401.10</b>
Stock-in-trade	1,03,812.03	53,990.40
Subsidy on manufactured fertilisers	24,073.38	20,334.17
Subsidy on traded fertilisers	17,071.61	11,270.24
	<b>3,89,373.32</b>	<b>2,65,995.91</b>
<b>Revenue from realty business</b>	338.56	311.56
Less: Service tax	35.86	49.28
	<b>302.70</b>	<b>262.28</b>
<b>Other operating revenues</b>	2,462.90	1,063.57
Less: Service tax	99.48	8.92
	<b>2,363.42</b>	<b>1,054.65</b>
<b>Revenue from operations (Net)</b>	<b>3,92,039.44</b>	<b>2,67,312.84</b>
<b>B. Details of Sales of goods</b>		
Finished goods		
Iso propyl alcohol	66,811.65	55,014.45
Nitrophosphate	64,030.40	49,218.78
Bentonite sulphur	3,466.72	2,432.08
Technical ammonium nitrate	89,035.25	60,992.32
Nitric acid	20,893.73	17,554.17
Methanol	11,394.88	3,549.24
Propane	9,364.13	7,223.91
Liquid CO <sub>2</sub>	1,565.09	1,257.45
Hydrogen	790.29	1,127.21
Power generated from windmill	790.99	779.99
Others	346.55	392.22
	(A) <b>2,68,489.68</b>	<b>1,99,541.82</b>
<b>Traded goods</b>		
Muriate of potash	16,735.18	10,152.56
Specialty fertiliser	16,796.33	12,030.07
Single super phosphate	4,266.10	5,500.23
Mixture fertiliser	724.39	1,047.27
Ammonium sulphate	258.03	1,107.64
DAP	12,847.41	15,474.82
Complex fertiliser	16,597.92	18.40
Bulk chemicals	46,782.19	17,906.76
Others	5,876.09	3,216.34
	(B) <b>1,20,883.64</b>	<b>66,454.09</b>
<b>Total</b>	(A+B) <b>3,89,373.32</b>	<b>2,65,995.91</b>

Note: Above figures includes subsidies on manufactured and traded fertilisers.

**Note-22 OTHER INCOME**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Interest on term deposits with banks (Gross)	33.91	21.39
<b>Dividend</b>		
a) Trade investments	367.05	39.18
b) Non trade investments	2.30	2.16
<b>Income from current Investments:</b>		
- Dividend from Mutual funds	0.83	4.50
- Interest on bond and Government securities	100.43	20.31
- Profit on sale of current investments in Mutual funds	1,225.31	893.82
- Other Interest income	725.83	1,954.11
Foreign exchange gains (net)	27.86	-
Miscellaneous receipts (*)	2,419.12	2,815.93
<b>Total</b>	<b>4,902.64</b>	<b>5,751.40</b>

(\*) Includes income from Carbon Credit ₹ 1,152 Lacs (₹ 1,426 Lacs).

**Note-23 COST OF MATERIAL CONSUMED**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
<b>Raw materials consumed</b>		
Ammonia	33,469.30	31,738.54
Natural gas	27,233.17	24,001.42
Propylene	45,312.79	45,312.79
Phosphoric acid	26,595.29	22,148.06
Others	34,141.78	2,642.75
	<b>1,66,752.33</b>	<b>1,25,843.56</b>
<b>Packing material consumed</b>	<b>4,585.79</b>	<b>3,321.67</b>
<b>Total</b>	<b>1,71,338.12</b>	<b>1,29,165.23</b>

**Note-24 PURCHASE OF STOCK-IN-TRADE**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
DAP	12,559.50	14,578.19
Muriate of potash	15,855.02	9,569.78
Mixture fertiliser	705.85	1,013.62
Single super phosphate	4,049.78	5,296.69
Specialty fertilisers	15,533.70	9,793.86
Bulk chemicals	46,794.60	16,443.71
Complex fertiliser	15,362.66	-
Others	4,378.93	6,877.56
<b>Total</b>	<b>1,15,240.04</b>	<b>63,573.41</b>



**Note-25 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK-IN-TRADE**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Inventories at the end of the year		
- Finished Goods	5,781.66	4,215.04
- Stock-in-trade	8,214.92	4,928.84
	(A) <b>13,996.58</b>	<b>9,143.88</b>
Inventories at the beginning of the year		
- Finished Goods	4,215.04	3,940.10
- Stock-in-trade	4,928.84	1,967.75
- Opening inventory in Jointly controlled entity	-	16.59
	(B) <b>9,143.88</b>	<b>5,924.44</b>
(Increase)/Decrease in Excise duty on stock of finished goods	(C) (77.67)	(106.62)
(Increase)/Decrease in Inventory	<b>Total (A-B-C) (4,775.03)</b>	<b>(3,112.82)</b>

**Note-26 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Salary and Wages	14,084.58	12,327.54
Contribution to provident and other funds	1,831.00	1,684.53
Staff welfare	969.74	1,071.45
<b>Total</b>	<b>16,885.32</b>	<b>15,083.52</b>

**Note-27 FINANCE COSTS**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Interest on fixed loans #	6,322.99	5,561.09
Interest - Others	3,564.24	2,498.95
Other financial charges	210.61	173.21
<b>Total</b>	<b>10,097.84</b>	<b>8,233.25</b>

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,625.62 Lacs (₹ 1,048.37 Lacs) and excluding amount capitalised ₹415.16 Lacs (₹ 74.75 Lacs)

**Note-28 DEPRECIATION, AMORTISATION AND IMPAIRMENT**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Depreciation of tangible assets	10,279.08	9,760.57
Amortisation of Intangible assets	1,267.97	1,185.19
	11,547.05	10,945.76
Less: Transferred from Special reserve (Refer note 3)	-	9.50
Less: Transferred from Revaluation reserve (Refer note 3)	118.61	118.61
<b>Total</b>	<b>11,428.44</b>	<b>10,817.65</b>

**Note-29 OTHER EXPENSES**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Power, fuel and water	3,412.41	3,176.30
Stores, spares, oils, chemicals and catalysts consumed	3,697.36	3,725.79
Repairs to:		
- Buildings	520.49	547.33
- Plant and machinery	3,705.18	3,354.89
- Others	676.44	531.13
	4,902.11	4,433.35
Insurance	1,470.50	1,302.55
Rent	947.97	1,116.03
Rates, taxes and duties	1,090.67	992.84
Directors' sitting fees	8.09	9.80
Auditors' remuneration	73.76	86.67
Carriage outward (net)	10,881.91	5,129.11
Cash discounts	992.73	447.64
Provision for diminution in value of investments (*)	227.30	51.89
Foreign exchange fluctuations( Net)	3,204.04	3,085.20
Legal and professional fees	2,232.51	1,528.47
Sales promotion expenses	591.75	463.31
Donations (#)	69.41	240.80
Miscellaneous expenses	8,095.37	5,215.66
<b>Total</b>	<b>41,897.89</b>	<b>31,005.41</b>

(\*) Consist of ₹ 227.21 Lacs (₹ 15.66 Lacs) related to current investments.

(#) Includes donation to Delhi Pradesh Congress Committee of ₹ 25 Lacs (Nil).

**Note-30 EARNING PER SHARE**

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
<b>Profit after tax (₹ in lacs)</b>	<b>24,050.16</b>	<b>12,930.42</b>
Average number of Equity Shares of ₹ 10 each	8,82,04,943	8,82,04,943
<b>Basic and diluted earning per Share</b>	<b>27.27</b>	<b>14.66</b>
Face value per Equity Share	10.00	10.00

**Note-31 DETAILS OF PAYMENT TO AUDITOR**

(₹ in Lacs)

	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
<b>As Auditor:</b>		
- Audit fees	40.59	39.61
- Tax audit	5.50	6.12
<b>Other Capacity:</b>		
- Certification	15.62	13.03
- Taxation matters	10.22	26.40
- Reimbursement of expenses	1.83	1.51
<b>Total</b>	<b>73.76</b>	<b>86.67</b>

**Note-32 RELATED PARTY DISCLOSURE**

Name of the related parties and relationship

ASSOCIATES	KEY MANAGERIAL PERSONNEL	ENTITIES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE:	ENTITY OVER WHICH RELATIVES OF KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE
Ishanya Brand Services Limited	Shri S. C. Mehta	Blue Shell Investments Private Limited Nova Synthetic Limited	Deepak Nitrite Limited
Ishanya Realty Corporation Limited	Shri Partha Bhattacharyya	The Lakaki Works Private Limited  Superpose Credits And Capital Private Limited Storewell Credits And Capital Private Limited	
<b>Jointly Controlled Entity</b> Desai Fruits And Vegetables Private Limited		High Tide Investments Private Limited Deepak Asset Reconstruction Private Limited Mahadhan Investment And Finance Private Limited SCM Fertichem Limited Ishanya Foundation Deepak Foundation	

**Note-33 A RELATED PARTY TRANSACTIONS**

(₹ in Lacs)

Nature of Transactions	31 <sup>st</sup> March, 2014				31 <sup>st</sup> March, 2013			
	Jointly Controlled Entity	Key Managerial Personnel	Entities under significant influence	Total	Jointly Controlled Entity	Key Managerial Personnel	Entities under significant influence	Total
Sale of goods	10.15	-	6,231.82	<b>6,241.97</b>	-	-	5,184.88	<b>5,184.88</b>
Purchase of goods	-	-	(0.10)	<b>(0.10)</b>	-	-	(0.10)	<b>(0.10)</b>
Donation given	-	-	(35.00)	<b>(35.00)</b>	-	-	(219.00)	<b>(219.00)</b>
Rendering of services/ Reimbursement of expenses	12.32	-	4.00	<b>(16.32)</b>	4.67	-	5.49	<b>10.16</b>
Receiving of Services/ Reimbursement of expenses	(1.91)	(1,546.82)	-	<b>(1,548.73)</b>	-	(914.87)	-	<b>(914.87)</b>
Leasing or hire purchase arrangements	-	(15.62)	2.36	<b>(13.26)</b>	-	(11.63)	9.91	<b>(1.72)</b>
Purchase of Equity Shares	(906.00)	(5.00)	-	<b>(911.00)</b>	(621.16)	-	-	<b>(621.16)</b>
Purchase of DEPB licenses	(31.73)	-	-	<b>(31.73)</b>	(74.91)	-	-	<b>(74.91)</b>
Purchase of fixed assets	-	-	-	-	-	-	(1,258.25)	<b>(1,258.25)</b>
Dividend paid	-	(956.55)	(1,019.10)	<b>(1,975.65)</b>	-	(956.55)	(1,019.10)	<b>(1,975.65)</b>
<b>Balance receivable/ (payable)</b>	-	<b>(896.76)</b>	<b>624.92</b>	<b>271.84</b>	-	<b>(417.26)</b>	<b>1,233.39</b>	<b>816.13</b>

## Note-33 B Details of the transactions of the related parties exceeding 10% of the transaction value:

(₹ in Lacs)

Nature of Transactions	31 <sup>st</sup> March, 2014				31 <sup>st</sup> March, 2013			
	Jointly Con- trolled Entity	Key Managerial Personnel	Entities under significant influence	Total	Jointly Con- trolled Entity	Key Managerial Personnel	Entities under significant influence	Total
<b>Sale of goods</b>								
Deepak Nitrite Limited	-	-	6,231.82	6,231.82	-	-	5,184.88	5,184.88
<b>Purchase of goods</b>								
Ishanya Foundation	-	-	(0.10)	(0.10)	-	-	(0.10)	(0.10)
<b>Donation given</b>								
Ishanya Foundation	-	-	(35.00)	(35.00)	-	-	(119.00)	(119.00)
Deepak Foundation	-	-	-	-	-	-	(100.00)	(100.00)
<b>Rendering of Services/Reimbursement of Expenses</b>								
Desai Fruits and Vegetables Private Limited	12.32	-	-	12.32	4.67	-	-	4.67
Ishanya Foundation	-	-	4.00	4.00	-	-	4.00	4.00
Deepak Nitrite Limited	-	-	-	-	-	-	1.49	1.49
<b>Receiving of Services/Reimbursement of Expenses</b>								
Shri S. C. Mehta (Remuneration/Commission)	-	(1,265.82)	-	(1,265.82)	-	(779.67)	-	(779.67)
Shri Partha Bhattacharyya (Remuneration/Commission)	-	(281.00)	-	(281.00)	-	(103.38)	-	(103.38)
<b>Leasing or hire purchase arrangements</b>								
Deepak Nitrite Limited	-	-	2.36	2.36	-	-	9.91	9.91
Shri S. C. Mehta	-	(9.00)	-	(9.00)	-	(9.00)	-	(9.00)
Shri Partha Bhattacharyya	-	(6.62)	-	(6.62)	-	(2.63)	-	(2.63)
<b>Purchase of Equity Shares</b>								
Desai Fruits and Vegetables Private Limited	(906.00)	-	-	(906.00)	(621.16)	-	-	(621.16)
<b>Purchase of DEPB licenses</b>								
Desai Fruits and Vegetables Private Limited	(31.73)	-	-	(31.73)	(74.91)	-	-	(74.91)
<b>Purchase of fixed assets</b>								
Deepak Nitrite Limited	-	-	-	-	-	-	(1,258.25)	(1,258.25)
<b>Dividend paid</b>								
Nova Synthetic Limited	-	-	(949.69)	(949.69)	-	-	(949.69)	(949.69)
Shri S. C. Mehta	-	(956.55)	-	(956.55)	-	(956.55)	-	(956.55)
<b>Balance receivable / (payable)</b>								
Deepak Nitrite Limited	-	-	624.92	624.92	-	-	1,233.39	1,233.39
Shri S. C. Mehta	-	(846.76)	-	(846.76)	-	(407.26)	-	(407.26)
Shri Partha Bhattacharyya	-	(50.00)	-	(50.00)	-	(10.00)	-	(10.00)

Note : Figures in bracket are outflows.

Refer note 39 for details of letter of comfort in respect of Desai Fruits And Vegetables Private Limited.

**Note-34** The proportionate share of assets, liabilities, revenue and expenditure, contingent liabilities and capital commitments of the Joint Controlled entity is given as dated below: (based on audited accounts for current year and unaudited accounts for previous year):

(₹ in Lacs)

Particulars	Desai Fruits and Vegetables Private Limited	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>i) Assets</b>		
Fixed assets	1,937.26	1,817.25
Deferred tax assets	-	-
Loan and advances	29.80	14.87
Current assets	266.95	196.72
<b>ii) Liabilities</b>		
Non-Current liabilities & Provisions	7.53	8.15
Current liabilities and provisions	491.78	277.50
<b>iii) Income</b>	1,606.17	1,287.66
<b>iv) Expenses</b>	2,538.42	2,110.20
<b>v) Contingent liabilities</b>	18.38	18.38
<b>vi) Capital commitments</b>	2.19	2.53

**Note-35 CAPITAL AND OTHER COMMITMENTS**

(₹ in Lacs)

Capital commitments:	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Related to projects	9,223.32	2,585.85
Related to Reality (Ishanya)	368.11	514.88
Related to fixed assets	32.03	27.88
	<b>9,623.46</b>	<b>3,128.61</b>
<b>Other commitments:</b>		
Desai Fruit and Vegetables Private Limited (Unpaid amount of Equity and premium)	130.70	931.79
<b>Total</b>	<b>9,754.16</b>	<b>4,060.40</b>

**Note-36 CONTINGENT LIABILITIES**

(₹ in Lacs)

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Claim by suppliers	3,989.96	3,308.37
Other claims	0.40	0.40
Income tax demands	3,326.28	674.27
Excise demands	2,880.75	2,230.12
Sale tax /Vat demands	2,783.03	2,632.36
<b>Total</b>	<b>12,980.41</b>	<b>8,845.52</b>

**Note-37** The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfill quantified exports against which future obligation aggregates to ₹ 945.00 Lacs (₹ 941.84 Lacs) over a period of six / eight years from the date of license.

**Note-38** The Company has made significant capital investments in Ishanya Mall. The said Mall has been incurring losses due to larger break-even period associated with the operations of the Mall which is extended due to continuing adverse economic environment since the launch of the Mall in 2007-08. The management of the Company is hopeful of turnaround in performance of the Mall in the coming years due to expected improvements in the economic

environment and strategic initiatives being planned in this regard. The Company has, however, in accordance with the requirements of Accounting Standard 28-“Impairment of Assets”, carried out impairment review of carrying value of the assets of the Mall, which has not indicated any impairment in its value.

**Note-39** The Company has provided Letter of Comfort of ₹ 700 Lacs (Nil) given to Bank in respect of credit facility granted by bank to Desai Fruit and Vegetables Private Limited.

**Note-40** Under the Special banking arrangement made by Department of Fertilisers, Government of India for payment of Fertilisers subsidy, under which Government of India guarantees the repayment of subsidy to Bank directly and till the time of repayment subsidy remains hypothecated to Bank, the Company has received disbursement of ₹1,370 Lacs. The Subsidy receivable (Included in Trade Receivables - Note No 18) is net of the amount of ₹ 1,370 Lacs received under the said arrangement.

**Note-41** The Company entered into long term settlement with the employees of Taloja unit effective from 30<sup>th</sup> September, 2011. Employee benefit expenses includes additional cost of ₹ 256.23 Lacs arising out of the settlement over and above provision of ₹ 688.91 Lacs made in the previous year.

**Note-42** Provisions for other assets as at 31<sup>st</sup> March, 2014 included in Note no. 7 represents provision towards price differences.

**Note-43** The Group is having investment of ₹18,001.59 Lacs In Mangalore Chemical and Fertiliser Limited representing 24.46% of Share Capital of the said entity. However, the said entity has not been considered for consolidation as based on the facts, the Group is not having significant influence in the said entity, hence it is not an Associate as per Accounting Standard (AS) 23 on “Accounting for Investments in Associates in Consolidated Financial Statements”

**Note-44 THE FOLLOWING FOREIGN CURRENCY TRANSACTIONS REMAIN OUTSTANDING:**

	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)
<b>Hedged Positions (*)</b>				
Foreign Currency Loans (in USD)	20,833,333	12,479	25,000,000	11,679
Creditors (in USD)	17,860,369	10,698	4,469,982	2,475
Buyers Credit (in USD)	35,285,045	21,136	55,666,640	30,374
<b>Unhedged Positions</b>				
Foreign Currency Loans (including interest) (in USD)	16,617,387	9,954	18,652,418	10,125
Creditors (in USD)	4,838,659	2,898	5,438,031	2,952
Creditors (in Euro)	69,934	58	133,407	93
Creditors (in CHF)	28,808	19	-	-
Buyers Credit (in USD)	3,142,432	1,882	2,750	1
Exports (in USD)	488,880	293	1,077,301	585
Bank Balances (in USD)	537,600	322	852,061	462

Note : The Company has also hedged the interest rate on foreign currency loans of USD 20.83 million (USD 25.00 million) by swapping floating interest rate of LIBOR+300 basis point to fixed interest rate of 6.09% p.a.

(\*) The above transactions are hedged by following derivative contracts:

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)	Notional Amount in Foreign Currency	Equivalent Amount at the year end (₹ Lacs)
Forward Contracts	2,304,560	1,380	19,346,299	10,854
Options Contracts	71,674,187	42,933	65,790,323	33,675

**Note-45** Current tax of ₹ 9,561.92 Lacs for the year includes MAT avilment of ₹ 564.79 Lacs (Nil). MAT credit adjustment for the year represents reversal of excess MAT entitlement of ₹ 141.57 Lacs relating to previous year.

**Note-46** Exceptional item represent cost of voluntary separation scheme to employees at Tajola unit ₹ 1,135.20 Lacs.

**Note-47 SEGMENT REPORTING**

Sr. No	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
<b>1</b>	<b>Revenue</b>							
	a) External Sales							
	l) Manufactured	2,00,201.56	67,497.13	-	790.99	-	-	2,68,489.68
	Previous Year	1,47,110.96	51,650.87	-	779.99	-	-	1,99,541.82
	ii) Traded	46,782.19	74,055.35	46.10	-	-	-	1,20,883.64
	Previous Year	17,906.76	48,547.33	-	-	-	-	66,454.09
	b) Inter-segment sales	12,097.31	-	-	-	(12,097.31)	-	-
	Previous Year	8,596.89	-	-	-	(8,596.89)	-	-
	c) Other operating income	1,379.06	984.36	302.70	-	-	-	2,666.12
	Previous Year	512.44	542.21	262.28	-	-	-	1,316.93
	d) Unallocated Corporate other income	-	-	-	-	-	4,902.64	4,902.64
	Previous Year	-	-	-	-	-	5,751.40	5,751.40
	<b>Total Revenue</b>	<b>2,60,460.12</b>	<b>1,42,536.84</b>	<b>348.80</b>	<b>790.99</b>	<b>(12,097.31)</b>	<b>4,902.64</b>	<b>3,96,942.08</b>
	Previous Year	1,74,127.05	1,00,740.41	262.28	779.99	(8,596.89)	5,751.40	2,73,064.24
<b>2</b>	<b>Segment Result</b>	<b>36,682.70</b>	<b>14,955.17</b>	<b>(2,124.88)</b>	<b>424.26</b>	<b>-</b>	<b>4,902.64</b>	<b>54,839.89</b>
	Previous Year	24,414.98	10,276.39	(1,855.67)	404.28	-	5,751.40	38,991.38
<b>3</b>	<b>Unallocated Corporate expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,789.73</b>	<b>30,789.73</b>
	Previous Year	-	-	-	-	-	26,060.96	26,060.96
<b>4</b>	<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,050.16</b>
	Previous Year	-	-	-	-	-	-	12,930.42
<b>5</b>	<b>Other Information</b>							
	a) Segment Assets	1,76,303.48	40,914.13	26,850.09	3,104.86	-	-	2,47,172.56
	Previous Year	1,46,603.48	50,993.15	27,649.13	3,441.59	-	-	2,28,687.35
	Unallocated corporate assets	-	-	-	-	-	66,761.00	66,761.00
	Previous Year	-	-	-	-	-	65,204.70	65,204.70
	<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,13,933.56</b>
	Previous Year	-	-	-	-	-	-	2,93,892.05
	b) Segment Liabilities	12,588.48	20,476.60	1,491.04	-	-	-	34,556.12
	Previous Year	9,566.94	11,405.62	1,551.99	1.87	-	-	22,526.42
	Unallocated corporate Liabilities	-	-	-	-	-	1,34,045.15	1,34,045.15
	Previous Year	-	-	-	-	-	1,43,269.72	1,43,269.72
	<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,68,601.27</b>
	Previous Year	-	-	-	-	-	-	1,65,796.14
	c) Capital Expenditure incurred during the year.	11,826.29	521.56	673.72	-	-	1,735.87	14,757.44
	Previous Year	6,819.41	1,727.74	923.65	-	-	3,697.64	13,168.44
	d) Depreciation/ Amortisation	8,753.16	939.17	942.50	245.49	-	548.12	11,428.44
	Previous Year	8,252.67	856.97	924.34	245.49	-	538.18	10,817.65
	e) Other non-cash expenditure	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-

**Segment information**

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, DNA, CNA, SNA, CO <sub>2</sub> , AN, IPA, Propane, Bulk and Speciality Chemicals
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Seeds, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables, Pesticides
c) Realty	Real Estate Business
d) Others	Windmill Power

2. Intersegment Sales Pricing: Intersegment revenue has been recognised as estimated under Excise Regulations.
3. Secondary Segment Information: 'There are no reportable geographical segments since the Company caters mainly to needs of Indian Markets.

**Note-48** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-49** Previous year figures are given in bracket.

As per our report of even date

**For B. K. KHARE and CO.**  
Chartered Accountants  
**NARESH KUMAR KATARIA**  
Partner  
Firms Registration No.: 105102W  
Membership No.: 37825

Mumbai  
Dated: 15<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**S. C. MEHTA**  
Chairman & Managing Director

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai  
Dated: 15<sup>th</sup> May, 2014

**N. C. SINGHAL**  
Director

**S. R. WADHWA**  
Director

**TUSHAR DEY**  
Executive Vice President (Legal)  
& Company Secretary

**Dr. S. RAMA IYER**  
Director





**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

Registered Office: Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.  
CIN: L24121MH1979PLC021360

**FORM OF PROXY**

Thirty Fourth Annual General Meeting, 31<sup>st</sup> July, 2014

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No./ Client Id\* : \_\_\_\_\_  
DP Id\* : \_\_\_\_\_

I/ We being the Member(s) of the Company holding \_\_\_\_\_ shares, hereby appoint;

1	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

or failing him

2	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

or failing him

3	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Thirty Fourth Annual General Meeting** of the Company, to be held on Thursday, 31<sup>st</sup> July, 2014 at 11.30 a.m. at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso- lution No.	Resolution(s)	Vote (Optional see Note 2)	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the Financial Year ended 31 <sup>st</sup> March, 2014 together with the Directors' Report and the Auditors' Report thereon.		
2	Declare a dividend for the Financial Year ended 31 <sup>st</sup> March, 2014.		
3	Appoint a Director in place of Smt. Parul S. Mehta, who retires by rotation and being eligible, offers herself for re-appointment.		
4	Appoint Statutory Auditors for a period of 3 (Three) years commencing from conclusion of this Meeting until the conclusion of Thirty Seventh Annual General Meeting and to fix their remuneration.		
<b>SPECIAL BUSINESS</b>			
5	Ratification and confirmation for payment of remuneration to Shri Y. R. Doshi, Cost Accountants.		
6	Consent to change the term of retirement of Shri Partha Bhattacharyya from 'not be liable to retire by rotation' to 'liable to retire by rotation'.		
7	Appoint Shri N. C. Singhal as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
8	Appoint Shri U. P. Jhaveri as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
9	Appoint Shri S. R. Wadhwa as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
10	Appoint Shri R. A. Shah as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
11	Appoint Shri D. Basu as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
12	Appoint Dr. S. Rama Iyer as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
13	Appoint Shri Anil Sachdev as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
14	Appoint Shri Pranay Vakil as an Independent Director up to Annual General Meeting for the Financial Year 2016-17 or 30 <sup>th</sup> July, 2017 whichever is earlier.		
15	Consent to offer or invite subscriptions for unsecured / secured redeemable non-convertible bonds / debentures, aggregating upto ₹ 1,000 Crore, on private placement.		
16	Consent to borrow moneys upto ₹ 1,000 Crore (Rupees One Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves.		
17	Consent to mortgage / charge / hypothecate / encumber any of the Company's movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature \_\_\_\_\_

15 Paise  
Revenue  
Stamp

\* Applicable to Members holding shares in electronic form.

**NOTES :**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

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**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

Registered Office: Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.

CIN: L24121MH1979PLC021360

## ATTENDANCE SLIP

Thirty Fourth Annual General Meeting, 31<sup>st</sup> July, 2014

DP Id*		Registered Folio No.	
Client Id*		No. of Shares held	

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my attendance at the Thirty Fourth Annual General Meeting of the Company at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007 on Thursday, 31<sup>st</sup> July, 2014.

\_\_\_\_\_  
(Member's / Proxy's name in BLOCK letters)

\_\_\_\_\_  
(Member's / Proxy's signature)

\* Applicable to Members holding shares in electronic form.

NOTE : Please fill in this Attendance Slip and hand it over at the entrance of the hall.

..... (Cut here) .....  


# FINANCIALS AT A GLANCE

(₹ in Crore)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Capital	88.20	88.20	88.20	88.20	88.20	88.20
Net Worth	1,491.11	1,314.25	1,223.50	1,066.12	930.40	803.11
Gross Block (Incl. of CWIP)	2,399.56	2,261.99	2,164.76	1,946.18	1,763.52	1,509.46
Income from Opeartions	3,816.27	2,607.95	2,342.53	1,564.82	1,287.98	1,412.11
Operating Profit	401.45	222.46	318.62	272.52	214.17	219.78
Profit Before Tax	336.39	200.57	290.06	261.06	237.78	212.00
Profit After Tax	243.88	146.90	212.97	186.62	172.05	148.70
Earning Per Share (₹)	27.65	16.65	24.15	21.16	19.51	16.86
Dividend	65%	55%	55%	50%	45%	40%
Dividend Payout	27.50%	38.38%	26.25%	27.46%	25.91%	25.57%
Debt to Equity Ratio*	0.49	0.62	0.51	0.62	0.65	0.47
Net Profit Margin	6.43%	5.66%	9.13%	12.04%	13.54%	10.71%
Return on Net Worth	17.39%	11.58%	18.60%	18.69%	19.86%	19.80%

\* Excluding Deferred Tax Liability

*If undelivered, please return to:*



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

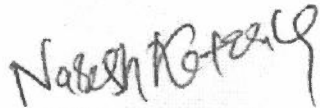
Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006

CIN: L24121MH1979PLC021360

FORM A

1.	Name of the company	Deepak Fertilisers And Petrochemicals Corporation Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014.
3.	Type of Audit observation	Un-qualified.
4.	Frequency of observation	Not Applicable.

For B. K. Khare and Co.  
Chartered Accountants




Naresh Kumar Kataria  
Partner

Firm's Registration No.: 105102W  
Membership No.: 37825


Deepak Fertilisers  
And Petrochemicals Corporation Ltd.

  
S. C. Mehta

Chairman &  
Managing Director

  
N. C. Singhal

Chairman of  
Audit Committee

  
x Somnath Patil  
President & CFO