

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, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis Report: Refer Note 37(b) to the financial statements which describe the uncertainty related to the outcome of supply of natural gas and related matters.
4.	Frequency of observation	First time

For B. K. Khare and Co.  
Chartered Accountants

*Naresh Kumar Kataria*

Naresh Kumar Kataria  
Partner

Firm's Registration No.: 105102W  
Membership No.: 37825

Deepak Fertilisers And Petrochemicals Corporation Limited

*S. C. Mehta*

S. C. Mehta  
Chairman &  
Managing Director

*N. C. Singhal*

N. C. Singhal  
Chairman of  
Audit Committee

*Somnath Patil*

*Somnath Patil*  
Somnath Patil  
President & CFO

# Resilience



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED

ANNUAL REPORT 2014-15

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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

### Guy R. Goves

President - Agribusiness

### Pandurang Landge

President - Projects

### Carl Anders Lindgren

President & Technical Advisor for TAN

### Naresh Kumar Piniseti

President - Human Resources

### Paresh Trivedi

President - Chemicals

## 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 Mahindra Bank Limited

## Solicitors

Crawford Bayley & Co.

AZB & Partners

Desai & Diwanji

## Auditors

### B. K. Khare & Co.

Chartered Accountants

## Registered Office

Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.

CIN: L24121MH1979PLC021360

E-mail: investorgrievance@dfpcl.com

Website: www.dfpcl.com

Phone: +91-20-2668 8117

Fax: +91-20-2668 3723

## Corporate Office

Sai Hira, Survey No. 93, Mundhwa,

Pune - 411 036. Phone : +91-20-6645 8000

## Plants

Plot K-1, K-7 & K-8, MIDC Industrial Area,

Taloja, A. V. 410 208, District Raigad, Maharashtra

Phone: +91-22-6768 4000, 6149 5001

Fax: +91-22-2741 2413, 6749 5151

\* Resigned as Independent Director of the Company w.e.f. 30<sup>th</sup> September, 2014. Appointed as Additional Director in the category of Non-Independent & Non-Executive Director w.e.f. 11<sup>th</sup> February, 2015.

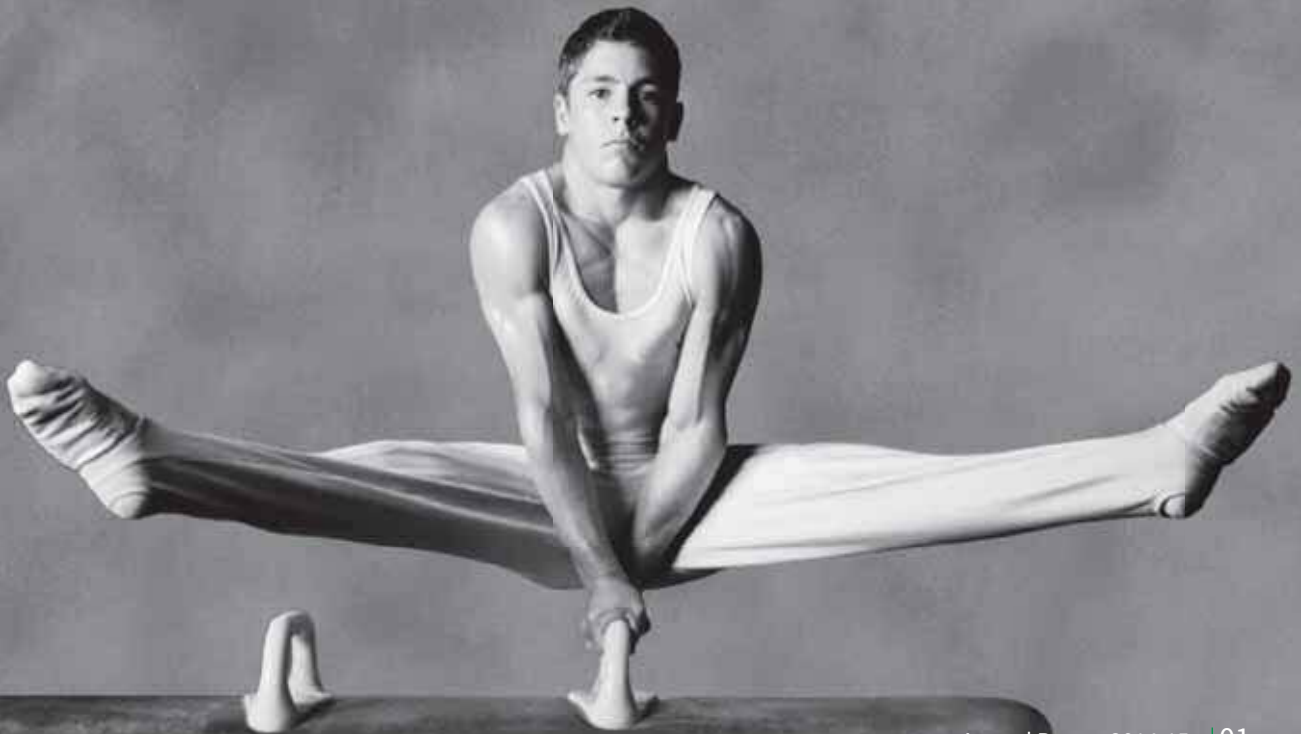
# Resilience

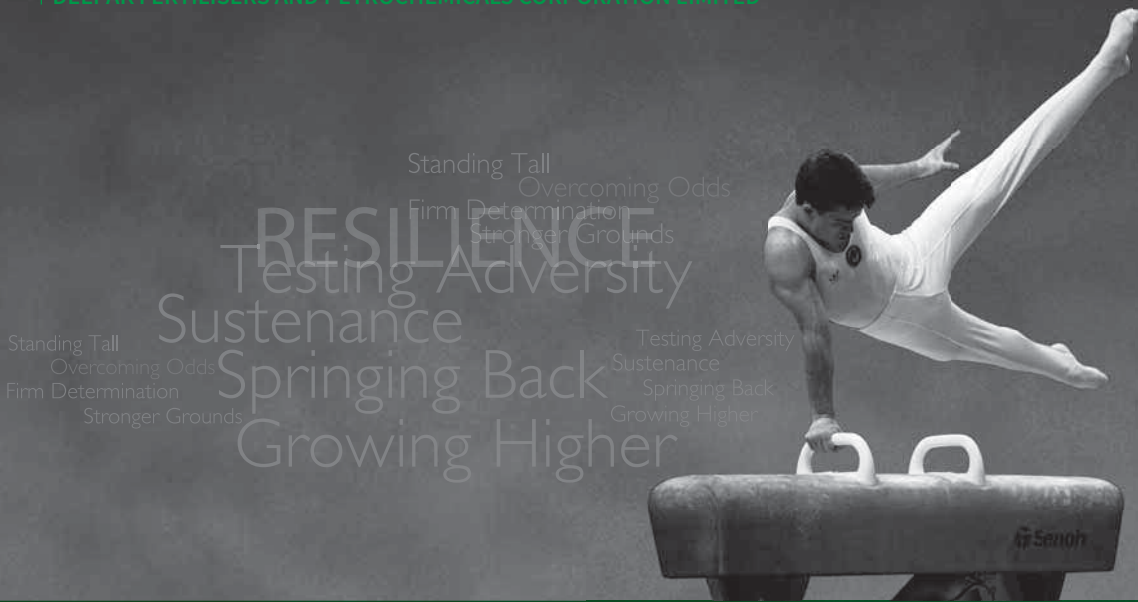
Tough times do not always call for tough actions. Quite often, they call for toughness of intent, of thinking, of strategic approach. Such toughness comes from within; it is the consequence of an inherent resilience and of intrinsic strengths.

At Deepak Fertilisers, FY 2014-15 was just such a year, which saw us dig deep into the recesses of our strengths to find the internal resilience that would steer us through the multitude of challenges we were faced with. It was a year that inspired us to re-examine our strategies and relook our business approach.

It led us to break out of our old and established mindset and realign our growth plans to the prevailing realities.

It was a year of finding anew the resilience that had stood us in good stead at times of crisis in the past, and that was once again guiding us through the current turbulence and turmoil to emerge stronger and even more resilient than before.

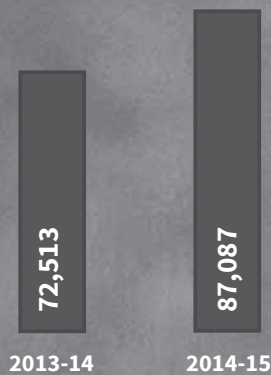




FY 2014-15 saw us put our best foot forward in terms of performance across our business segments, despite the multiple crisis that plagued us during the year. Emerging stronger through the challenges, which we battled forcefully on the back of our inherent resilience, we reported improved sales in Traded Fertilisers, Fresh Produce, TAN, Traded IC, Speciality Fertilisers and Acids over the previous fiscal.

### Traded Fertilisers Sales

(₹ in Lacs)



### Fresh Produce Sales

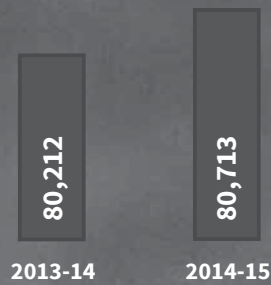
(₹ in Lacs)



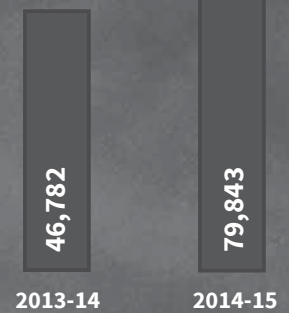
Resilience

TAN  
Sales

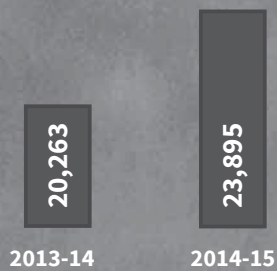
(₹ in Lacs)

Traded  
IC Sales

(₹ in Lacs)

Speciality  
Fertilisers  
Sales

(₹ in Lacs)

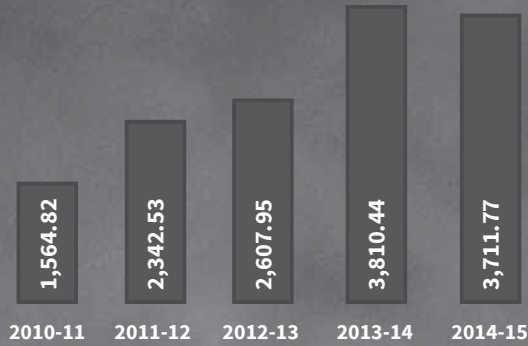
Acid  
Sales

(₹ in Lacs)

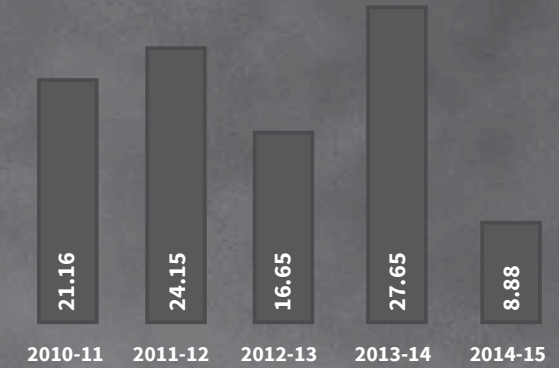


# Financial Snapshot

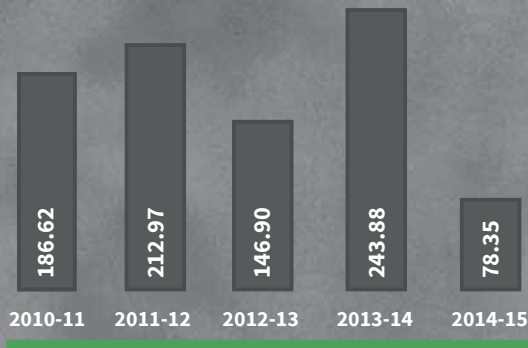
Income from Operations (₹ Crore)



Earnings per Share (₹)

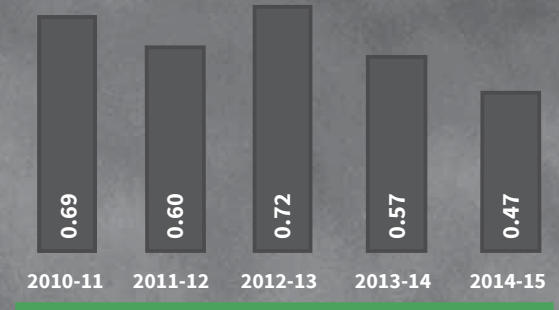


Net Profit (₹ Crore)

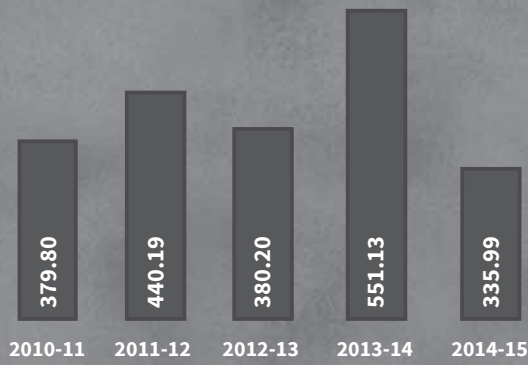


Long-Term Debt to Equity Ratio

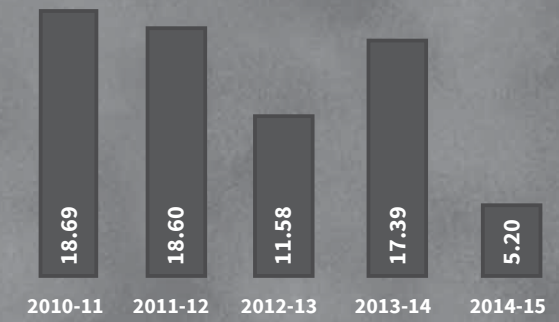
(Figures in times)



EBIDTA (₹ Crore)



Return on Net Worth (%)



Financial Snapshot  
Awards & Accolades

# Awards & Accolades



The Indian Chemical Council (ICC) has conferred the 'ICC Lifetime Achievement Award for the year 2013' on Mr. C. K. Mehta, Chairman Emeritus, in recognition of his exceptional contributions towards industrial development and societal upliftment.

He continues to be the inspiring force and is a role model to those who dare to dream big.

*Mr. Ananth Kumar, Hon'ble Minister for Chemicals & Fertilisers, Govt. of India and Padma Vibhushan Dr. Anil Kakodkar, Former Chairman, Atomic Energy Commission of India seen felicitating Mr. C. K. Mehta, Chairman Emeritus.*



Received the 'Gold Award for Best HR Practices' from National Institute of Personnel Management.



Received Safety Award – 2014 from National Safety Council of India in recognition of appreciable achievement in Occupational Safety & Health during the assessment period 2011-13.



Received Greentech Gold Award – 2014 for the most outstanding achievement in Fire, Safety and Health for the K-1 unit at Talaja.



Received Greentech Silver Award – 2014 in Fertiliser sector for outstanding achievement in Environment Management.



Received the Excellence in Manufacturing Supply Chain in Chemical Division at the 8<sup>th</sup> Express, Logistics & Supply Chain Leadership Awards.



Received the CPO India Awards 2014 for 'Outstanding Procurement Team' and Runner-up Award for 1<sup>st</sup> Choice Vendor/Supplier Development Programme.



Felicitated by the Revenue Department of Central Government for consistent growth in Excise and Service Tax payments for past 3 years.



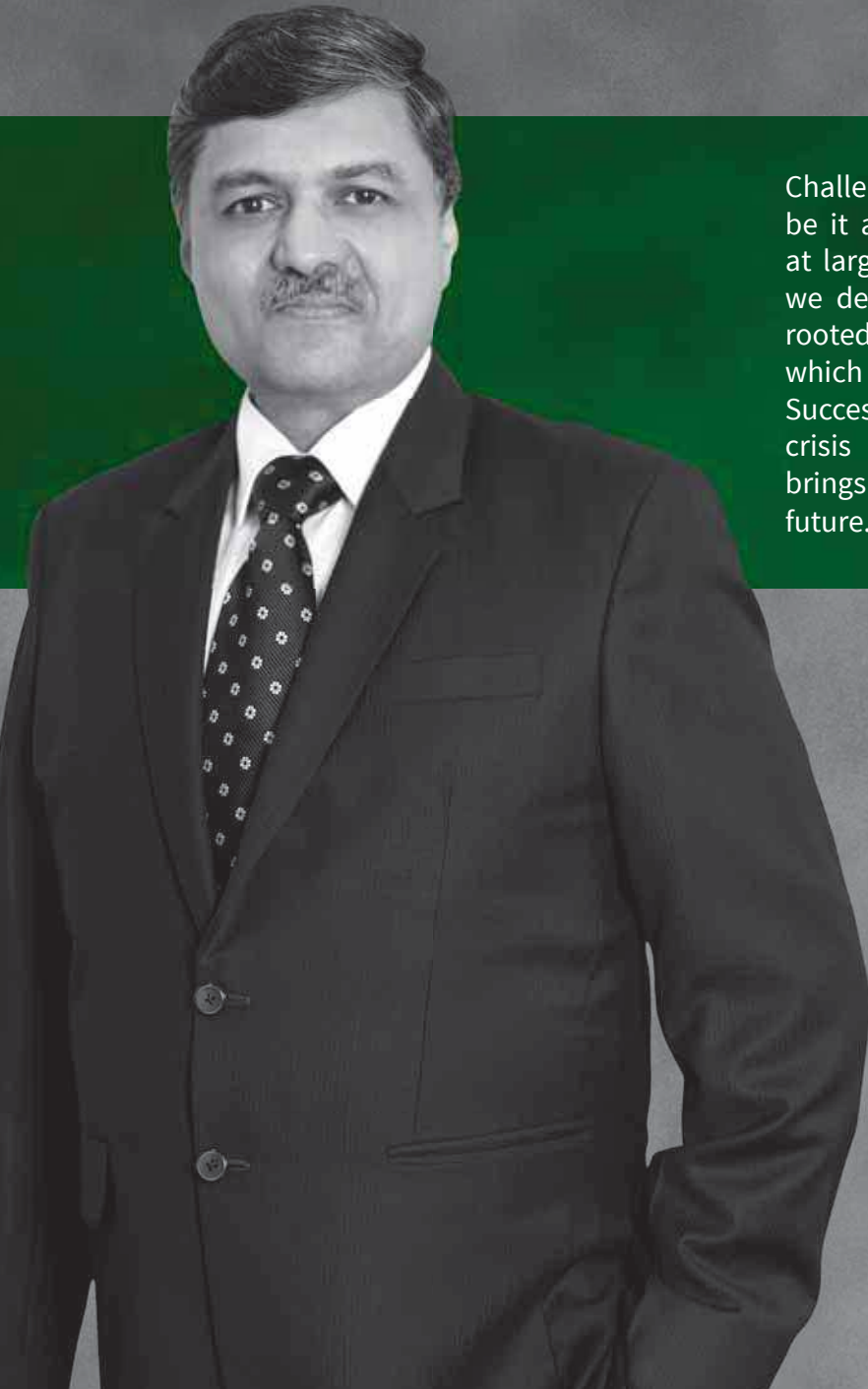
Naresh Kumar Piniseti, President – HR has been awarded 'The 100 most Talented Global HR Leaders' by the World HRD Congress.



Pranav Thakkar, Head – Corporate Communication, was recognised as one of 'The 50 Most Talented Corporate Communication Leaders' by World CSR Congress.



# Message from the Chairman & Managing Director



Challenges and crisis are a part of life, be it an individual or an organisation at large. It is only in trying times that we delve deep within and find deep-rooted strength, meaning and resilience which takes us decisively forward in life. Success lies not in how one tackles such crisis alone but how effectively one brings comprehensive learnings for the future.

Message from the Chairman  
& Managing Director

“Life is not about how hard of a hit you can give...  
It's about how many you can take, and still keep moving forward...  
I will rise above resilience”

–Sylvester Stallone Rocky

The year gone by saw your Company face four unprecedented and challenging situations, that had a significant impact on our overall performance. As they say, “troubles never come singly” and we were left battling multiple crises. The major crisis thrust upon us was a sudden, unfair and discriminatory cut in our 33 years of gas supplies leading to total absence of our manufactured fertiliser - Mahapower; extreme volatility in global commodity prices, restriction in coal mining and a sea-change in Ammonium Nitrate (AN) rules added to our woes.

Each event not only impacted us but was clearly outside our zone of control. However, it was our past experience of handling major challenges that built our resilience and stood us in good stead during the year.

Deepak Fertilisers had its first massive crisis in 1991, when the Government, without notice, announced a discriminatory partial decontrol of the fertiliser industry. This was coupled with a massive accident in our Methanol plant, thus at one go, two of our key investments were rendered non-remunerative.

In 2005, torrential rains and unprecedented river overflow drowned our complete manufacturing complex, including the electronic control systems of each plant.

And now, in 2014, these four crises.

Each crisis has been a unique opportunity for us to question our past paradigms, no matter how successful they may have been, and enabled us to draw deep-rooted learnings for the future. Each crisis has brought in new meaning to team-work, higher focus on performance and internal resilience in every corner.

The current scenario has also been an experience in similar stress handling where we were pushed into a soul-searching journey to bring a paradigm shift into each of our businesses leading to...

- o a fast track, strong drive to pursue reasonably priced global gas sources and newer domestic feedstock options for all our energy needs.
- o a redefining, with renewed vigour, business models of each of our sectors and sharply repositioning ourselves

from a commodity player focussed on customers/dealers to a value-added speciality/segment player focussed on final consumers.

- o a re-casting of the organisation structures and work environment to align with the business strategies and empowerment for stretched and out-of-box team-working.

While Q4 of 2014 saw green shoots, it will be coming years that will fully unfold the positive long-term impact of these learnings.

The last quarter 2014-15 also witnessed improved performance in Technical Ammonium Nitrate (TAN) and Nitric Acid businesses on the back of higher demand for these products with improved margins that partially offset the losses emanating from non-availability of our fertiliser, Mahapower. On an annual basis, our sales of all varieties of Nitric Acids were significantly higher than the previous year. We also reported enhanced performance in the sale of Iso Propyl Alcohol (IPA), while the volume of Traded Chemicals was twice as much than the previous year – a remarkable feat indeed, given the overall global commodity scenario that prevailed during the year.

Despite the massive impact of a situation where one of the key feedstocks was unfairly cut off, the resilience of your Company's basket of products, customer bonds and quality of the management team came as a redeemer.

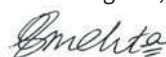
In the quarters to come and year ahead, we will see the implementation of our new NPK fertiliser facilities, doubling of our Bentonite Sulphur capacity and active evaluation steps in the manufacturing of water soluble fertilisers, enhancing of TAN, IPA capacities as well as further growth based on the Propane/Propylene building blocks besides innovative coal-based energy management. Each of our business sectors/SBUs, are expected to emerge stronger and attain a size worthy of flying on its own.

Indeed, as Robert H. Sculler said,

“Tough times never last, but tough people do”

The challenging times of last year seem to be a thing of the past and have left us tougher and geared up to take on the opportunities of tomorrow.

Warm Regards,



**S. C. Mehta**

Chairman & Managing Director

# Notice

NOTICE is hereby given that the Thirty-Fifth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Wednesday, 5<sup>th</sup> August, 2015 at 11.30 a.m. at Mahatma Phule Sanskrutik Bhawan, Vitthal Rao Shivarkar Road, Next to Shivarkar Garden, Fatima Nagar, Wanawadi, Pune - 411 040 to transact the following business:

## ■ ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2015, Directors' Report and the Auditors' Report thereon; and
  - b. the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2015.
2. To declare a dividend for the Financial Year ended 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Shri Partha Bhattacharyya (DIN: 00329479), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of Statutory Auditors to hold office from conclusion of this Meeting until the conclusion of Thirty-Sixth 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 ₹ 5,00,000/- (Rupees Five 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, 2016, to M/s. Y. R. Doshi & Company, Cost Accountants, for conducting Cost Audit of all applicable 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 appoint Shri R. A. Shah as a 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 Shri. R. A. Shah (DIN: 00009851), who was appointed an Additional Director of the Company

w.e.f 11<sup>th</sup> February, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Non-Independent and Non-Executive Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as 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 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.”

Dated 21<sup>st</sup> May, 2015

By Order of the Board of Directors,

Registered Office:  
Opp. Golf Course,  
Shastri Nagar,  
Yerawada, Pune - 411 006

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

## Notice

## ■ 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 Thursday, 30<sup>th</sup> July, 2015 to Wednesday, 5<sup>th</sup> August, 2015 (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 5<sup>th</sup> August, 2015, 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 Depositories for the purpose.

(4) Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, M/s. Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, 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 modifications or re-enactments thereof) 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.dfpcpl.com](http://www.dfpcpl.com) for details.

(8) Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") is provided by Central Depository Services Limited (CDSL).

The voting period begins on Sunday, 2<sup>nd</sup> August, 2015 (10.00 a.m.) and ends on Tuesday, 4<sup>th</sup> August, 2015 (05.00 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 29<sup>th</sup> July, 2015, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting after 4<sup>th</sup> August, 2015 (05.00 p.m.)

Any person, who acquires shares of the Company and becomes member of the Company after the notice dispatch date and holds shares as of the cut-off date i.e. 29<sup>th</sup> July, 2015 and whose PAN is not updated nor received the intimation of sequence number, may obtain the login ID and sequence number by sending a request to Sharepro Services (India) Private Limited.

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 Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For 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.
- iv. Next enter the Image Verification as displayed and Click on "Login".
- v. 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.

vi. If you are a first time user follow the steps given below:

<b>For Members 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 the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence 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. Eg. If your name is Ramesh Kumar with sequence 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#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>#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.</p>

- vii. After entering these details appropriately, Click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly to the Company Selection screen. However, Members holding shares in demat form will now reach to '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.
- ix. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- x. Click on the Electronic Voting Sequence Number (EVSN) of "DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED".
- xi. 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.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. 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.
- xvii. (a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) 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 a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

## Notice

- (d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts Institutional shareholders would be able to cast their vote.
- (e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii. Shri. S. V. Deulkar, Partner SVD & Associates Company Secretaries, (Membership No. FCS 1321 CP No. 965) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote E-voting process in a fair and transparent manner.
- xix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote E-voting facility.
- xx. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxi. The Results declared alongwith the report of the Scrutinizer shall be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
- xxii. For members who wish to vote through Ballot Forms:
- (a) The Ballot Form is provided for the benefit of shareholders, who do not have access to remote E-voting facility.
- (b) Pursuant to Clause 35B of the Listing Agreement, members who do not have access to remote E-voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form enclosed to this Annual Report.
- (c) Shareholders may fill in the Ballot Form enclosed with the Annual Report (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to the Scrutinizer, viz. Shri. S. V. Deulkar, Partner, SVD & Associates, Company Secretaries C/o Deepak Fertilisers And Petrochemicals Corporation Limited, Sai Hira, Survey No.93, Mundhwa, Pune 411 036, so as to reach by 5.00 p.m. on 4<sup>th</sup> August, 2015. The Ballot Form received thereafter will be strictly treated as not received.
- (d) A shareholder can opt for only one mode of voting either through remote E-voting or by the Ballot or by Poll. If a shareholder casts votes by all modes, then voting done through remote E-voting shall prevail and the Ballot Form shall be treated as invalid.
- (e) Shareholders who do not have access to E-voting and intend to cast their vote through the Ballot Form should follow instructions as mentioned in Ballot Form.
- B. In case of Members receiving physical copy of Notice of AGM:**
- i. Please follow all steps from Sr. No. (i) to Sr. No. (xvii) above, to cast vote.
- ii. 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.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- C. General Instruction:**
- 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 & Ballot 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 at their meeting held on 21<sup>st</sup> May, 2015 has considered and approved appointment of M/s. Y. R. Doshi & Company, Cost Accountants, for conducting of Cost Audit of all applicable products at a remuneration of ₹ 5,00,000/- (Rupees Five 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, 2016.

The Board of Directors recommend the proposed resolution for your approval.

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 Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee), appointed Shri R. A. Shah as Additional Director with effect from 11<sup>th</sup> February, 2015.

Shri R. A. Shah is Solicitor and Senior Partner of M/s. Crawford Bayley & Co., a well known firm of Solicitors in Mumbai, having rich and vast experience of over 60 years in the field of Corporate Laws and Corporate Governance.

The other details of Shri R. A. Shah in terms of Clause 49 of the Listing Agreement, is annexed to this Notice. In terms of Section 161(1) of the Companies Act, 2013 Shri R. A. Shah holds office as Additional Director only up to the date of the ensuing Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from one of the members signifying his intention to propose the appointment of Shri R. A. Shah as a Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the

Company and hence recommends the Resolution at Item No. 6 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

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 R. A. Shah and his relatives.

#### Item No. 7

The Company is planning 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 secured redeemable non-convertible bonds/debentures.

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 secured redeemable non-convertible bonds/debentures upto an amount not exceeding ₹ 1,000/- Crore (Rupees One Thousand Crore only) during the Financial Year 2015-16 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 21<sup>st</sup> May, 2015 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.

Dated 21<sup>st</sup> May, 2015

By Order of the Board of Directors,

Registered Office:

Opp. Golf Course,

Shastrri Nagar,

Yerawada, Pune - 411 006

**TUSHAR DEY**

Executive Vice-President (Legal)

& Company Secretary

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

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

- Name of Director:** Shri Partha Bhattacharyya; **Age :** 64 Years; **Qualification :** M.Sc (Physics), FCMA, Programme on Investment Appraisal and Management from the Harvard University and Advanced Management Program from Cambridge University; **Date of Appointment :** 31<sup>st</sup> October, 2012; **Expertise :** Rich and vast expertise in strategy, project execution, administration and finance; **Directorships as on 31<sup>st</sup> March, 2015 :** Karam Chand Thapar & Bros (Coal Sales) Limited; Usha Martin Limited; The Orissa Minerals Development Company Limited; RungePincocKMinarco India Private Limited **Chairman/Member of the Audit Committee as on 31<sup>st</sup> March, 2015:** The Orissa Minerals Development Company Limited- Chairman; Karam Chand Thapar & Bros (Coal Sales) Limited - Chairman; **Chairman/Member of the Stakeholder Relationship Committee as on 31<sup>st</sup> March, 2015:** Nil; **Chairman/Member of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2015:** Karam Chand Thapar & Bros (Coal Sales) Limited- Chairman; **Shareholding in the Company :** Nil.
- Name of Director:** Shri R. A. Shah; **Age :** 83 Years; **Qualification :** B.A., L.L.B., Solicitor; **Date of Appointment :** 11<sup>th</sup> February, 2015; **Expertise :** Solicitor having rich and vast experience of over 60 years in the field of Corporate Laws and Corporate Governance; **Directorships as on 31<sup>st</sup> March, 2015 :** Procter & Gamble Hygiene and Healthcare Limited; Pfizer Limited; BASF India Limited; Godfrey Phillips India Limited; The Bombay Dyeing & Manufacturing Company Limited; Abbott India Limited; Colgate-Palmolive (India) Limited; Lupin Limited; Atul Limited; Precision Value (India) Private Limited; Preval Pumps and Accessories (India) Private Limited; ThyssenKrupp Industrial Solutions (India) Private Limited; Jumbo World Holdings Limited (Foreign Company); Firm - M/s. Crawford Bayley & Co. (Senior Partner) **Chairman/Member of the Audit Committee as on 31<sup>st</sup> March, 2015:** Colgate-Palmolive (India) Limited - Chairman; Pfizer Limited - Chairman; Procter & Gamble Hygiene and Healthcare Limited - Chairman; BASF India Limited - Member; The Bombay Dyeing & Manufacturing Company Limited - Member; Abbott India Limited - Member; Godfrey Phillips India Limited - Member; **Chairman/ Member of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2015:** Abbott India Limited - Member; **Chairman/ Member of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2015:** Colgate-Palmolive (India) Limited - Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Lupin Limited - Member; Pfizer Limited - Member; Procter & Gamble Hygiene and Healthcare Limited -Member; BASF India Limited- Member; Abbott India Limited- Member; Atul Limited- Member **Shareholding in the Company :** 37,800 equity shares of ₹ 10/- each.

### 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 shareholders from the Company’s website i.e. [www.dfpl.com](http://www.dfpl.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.dfpl.com](http://www.dfpl.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 Fifth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.

## ■ FINANCIAL RESULTS

The summarised financial results for the year are as under:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total Revenue (including Other Operating Revenues)	3,71,176.63	3,81,043.94	3,81,244.87	3,91,455.44
Profit Before Exceptional and Extraordinary Items and Tax	10,857.20	34,774.22	8,924.87	34,829.46
Less: Exceptional and Extraordinary Items	34.85	1,135.20	(857.32)	1,135.20
Profit Before Tax (PBT)	10,822.35	33,639.02	9,782.19	33,694.26
Less: a) Current Tax (Net)	2,543.75	9,703.49	2,704.26	10,153.40
b) Deferred Tax	443.45	(452.90)	419.02	(508.84)
Profit for the year before Minority Interest	7,835.15	24,388.43	6,658.91	24,049.70
Minority Interest	-	-	(139.92)	(0.46)
Net Profit / (Loss) for the period	7,835.15	24,388.43	6,798.83	24,050.16
Transitional impact of change in useful life of assets (net of deferred tax)	(359.17)	-	(359.35)	-
Add: Surplus brought forward	1,03,757.04	89,498.95	97,547.67	83,627.85
Amount available for Appropriations	1,11,233.02	1,13,887.38	1,03,987.15	1,07,678.01
Appropriations:				
a) Transferred to Debenture Redemption Reserve	229.20	958.30	229.20	958.30
b) Transferred to General Reserve	-	2,470.00	-	2,470.00
c) Proposed Dividend on Equity Shares (Net)	3,528.32	5,733.45	3,528.32	5,733.45
d) Tax on Proposed Dividend (Net)	572.89	968.59	717.35	968.59
Surplus carried to Balance Sheet	1,06,902.61	1,03,757.04	99,512.28	97,547.67

## ■ STATE OF COMPANY'S AFFAIRS

The operations of your Company were adversely affected during the year under review, in view of the stoppage of supply of domestic gas pursuant to an order by Ministry of Petroleum & Natural Gas (MoPNG) w.e.f. 15<sup>th</sup> May, 2014. Your Company has since challenged the order of MoPNG in the Hon'ble High Court of Delhi. All proceedings in the Hon'ble High Court of Delhi have been completed and the final order is awaited. As a result of stoppage of supply of domestic natural gas the Nitrophosphate Plant at Talaja has been closed since 15<sup>th</sup> May, 2014.

The closure of the Nitrophosphate plant at Talaja led to a major drop in production and correspondingly, in profits of the Company. However, your Company was

able to largely contain the consequent reduction of topline at ₹ 3,711.77 Crore (including ₹ 1,672.63 Crore from trading operations) for the year under review, which was marginally below the previous year's level of ₹ 3,810.44 Crore (including ₹ 1,193.42 Crore from trading operations). Profit Before Tax (PBT) for the year under review was ₹ 108.22 Crore as against ₹ 336.39 Crore in the previous year. Net Profit for the current year was recorded at ₹ 78.35 Crore as compared to ₹ 243.88 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 performance of the Company during the year under review, the Directors of your Company recommend a dividend @ 40% i.e. ₹ 4.00 per Equity Share (Previous Year 65% i.e. ₹ 6.50 per Equity Share) of ₹ 10 each of the Company for the year ended 31<sup>st</sup> March, 2015. The proposed dividend (including tax on proposed dividend) will absorb ₹ 4,101.09 Lacs.

## ■ BOARD OF DIRECTORS

The Board of Directors of the Company has 11 Directors. Details of Directors and their category are as under:

Sr. No	Name of Director	Category
1	Shri S. C. Mehta	Promoter and Executive Director
2	Smt. Parul S. Mehta	Promoter and Non-Executive Director
3	Shri Partha Bhattacharyya	Executive Director
4	Shri R. A. Shah	Non-Independent & Non-Executive Director
5	Shri D. Basu	Independent Director
6	Shri N. C. Singhal	Independent Director
7	Shri U. P. Jhaveri	Independent Director
8	Shri S. R. Wadhwa	Independent Director
9	Dr. S. Rama Iyer	Independent Director
10	Shri Anil Sachdev	Independent Director
11	Shri Pranay Vakil	Independent Director

Shri R. A. Shah had resigned from the position of Independent Director w.e.f. 30<sup>th</sup> September, 2014. Subsequently, the Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee, appointed Shri R. A. Shah as Additional Director w.e.f. 11<sup>th</sup> February, 2015 in the category of Non-Independent & Non-Executive Director.

Shri Partha Bhattacharyya, Executive Director, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of Companies Act, 2013 and being eligible, offers himself for re-appointment.

Six Board Meetings were held during the year. These meetings were held on 22<sup>nd</sup> April, 2014, 15<sup>th</sup> May, 2014, 31<sup>st</sup> July, 2014, 4<sup>th</sup> November, 2014, 11<sup>th</sup> February, 2015 and 20<sup>th</sup> March, 2015.

Independent Directors have given declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

## ■ DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the accounting policies had been selected and applied consistently and made judgements and estimates that are 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, 2015 and of the profit and loss of the Company for that period;

- proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts had been prepared on a going concern basis;
- internal financial controls, to be followed by the Company are duly laid down and these controls are adequate and were operating effectively; and
- systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## ■ STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company in their Thirty Fourth Annual General Meeting held on 31<sup>st</sup> July, 2014 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of Companies Act, 2013 and Rules made there under to appoint M/s. B. K. Khare & Co., Chartered Accountants, as the Statutory Auditor of the Company for the period of three years commencing from the conclusion of Thirty Fourth Annual General Meeting until the conclusion of Thirty Seventh Annual General Meeting.

The Board of Directors of the Company has, pursuant to the provisions of Section 139, recommended the

ratification of appointment of M/s. B. K. Khare & Co., Chartered Accountants, for the approval of the Shareholders from the conclusion of Thirty Fifth Annual General Meeting till the conclusion of Thirty Sixth Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

#### ■ SECRETARIAL AUDIT

The Secretarial Auditors, M/s. SVD & Associates, Company Secretaries, has issued Secretarial Audit Report for the Financial Year 2014-15 pursuant to Section 204 of the Companies Act, 2013, which is annexed to Directors' Report. (Refer Annexure-1)

The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

#### ■ COST AUDITOR

Your Directors have appointed M/s. Y. R. Doshi & Company, Cost Accountants, as the Cost Auditors for the Financial Year 2015-16. M/s. Y. R. Doshi & Company, Cost Accountants will submit the cost audit report alongwith annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within 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, 2014 was duly filed with the Central Government (Ministry of Corporate Affairs) on 30<sup>th</sup> September, 2014.

Pursuant to the provisions of Section 148 of Companies Act, 2013, Board of Directors of the Company has appointed M/s Y. R. Doshi & Company, Cost Accountants, for conducting Cost Audit of the Company for the Financial Year ending 31<sup>st</sup> March, 2016 at a

Consequently your Company has the following Subsidiaries, Associate / and Jointly Controlled Companies:

Sr. No.	Name of the Company	Wholly Owned Subsidiary/ Subsidiary/ Associate/ Jointly Controlled Companies
1.	Smartchem Technologies Limited	Wholly Owned Subsidiary
2.	Platinum Blasting Services Pty. Ltd	Step down Subsidiary*
3.	SCM Soilfert Limited	Wholly Owned Subsidiary
4.	SCM Fertichem Limited	Wholly Owned Subsidiary
5.	Deepak Mining Services Private Limited	Wholly Owned Subsidiary
6.	Deepak Nitrochem Pty. Limited	Wholly Owned Subsidiary
7.	RungePincockMinarco India Private Limited	Step down Subsidiary**
8.	Yerrowda Investments Limited	Subsidiary
9.	Ishanya Brand Services Limited	Associate
10.	Ishanya Realty Corporation Limited	Associate
11.	Desai Fruits and Vegetables Private Limited	Jointly Controlled

\* Subsidiary of Smartchem Technologies Limited

\*\* Subsidiary of Deepak Mining Services Private Limited

Report on the performance and financial position of subsidiaries, associates and joint venture companies in specified format is annexed to Directors' Report. (Refer Annexure-2).

remuneration, of ₹ 5,00,000/- (Rupees Five Lacs only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

#### ■ PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Details of investments made and loans advanced by the Company have been given in note no. 14, 15 & 16 to the Financial Statement.

The Company has not given any guarantee pursuant to the provisions of Section 186 of Companies Act, 2013.

#### ■ RELATED PARTY TRANSACTIONS

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

#### ■ 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.

#### ■ SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE 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 Fertichem Limited. Thereby, SCM Fertichem Limited became wholly owned subsidiary of your Company.

Further, during the year under review Smartchem Technologies Limited, wholly owned subsidiary of your Company had incorporated a Joint Venture, namely Platinum Blasting Services Pty Ltd. in Australia.

## Directors' Reports

## ■ INVESTMENT IN MANGALORE CHEMICALS & FERTILISERS LIMITED

During the year under review, SCM Soilfert Limited (SSL), a wholly owned subsidiary of your Company acquired 70,44,397 (5.94%) equity shares of MCFL at a price of ₹ 93.60 per share plus interest through an open offer made by SSL in October, 2014, in which your Company was "person acting in concert"(PAC). Subsequent to the open offer, the shareholding of SSL reached 31.25% represented by 3,70,36,856 equity shares of MCFL. Thereafter, SSL sold 2,94,11,831 (24.82%) equity shares of MCFL in the open market through Stock Exchanges.

In April/May 2015, Zuari Fertilisers and Chemicals Limited made an open offer to the shareholders of MCFL to acquire upto 36% shares of MCFL equity share capital @ ₹ 91.92 per share plus interest. In response, SSL sold 61,84,928 (5.22%) equity shares of MCFL in the aforesaid open offer. SSL continues to hold balance 1.21% equity shares of MCFL.

As mentioned above, the transactions in MCFL shares has been carried out by SSL and its financial impact has been detailed in Annexure 2 to this Report. Your Company received an interim dividend of ₹ 705.54 Lacs from SSL during the year under review in view of the financial gain SSL received on account of the aforesaid transaction in MCFL shares.

## ■ AWARDS AND ACCOLADES

The following recognitions were received by the Company and others during the year under review:

- The Indian Chemical Council (ICC) has conferred the 'ICC Lifetime Achievement Award for the year 2013' on Shri C. K. Mehta, Chairman Emeritus, in recognition of his exceptional contributions towards industrial development and societal upliftment.
- 'Gold Award for Best HR Practices' from National Institute of Personnel Management.
- Safety Award – 2014 from National Safety Council of India in recognition of appreciable achievement in Occupational Safety & Health during the assessment period 2011-13.
- Greentech Gold Award – 2014 for the most outstanding achievement in Fire, Safety and Health for the K-1 unit at Taloja.
- Greentech Silver Award – 2014 in Fertiliser sector for outstanding achievement in Environment Management.
- Excellence in Manufacturing Supply Chain in Chemical Division at the 8<sup>th</sup> Express, Logistics & Supply Chain Leadership Awards.
- CPO India Awards 2014 for 'Outstanding

Procurement Team' and Runner up Award for 1<sup>st</sup> Choice Vendor/Supplier Development Programme.

- Felicitated by the Revenue Department of Central Government for consistent growth in Excise and Service Tax payments for past 3 years.
- Shri Naresh Kumar Piniseti, President – HR has been awarded 'The 100 most Talented Global HR Leaders' by the World HRD Congress.
- Shri Pranav Thakkar, Head – Corporate Communication, was recognised as one of the '50 Most Talented Corporate Communication Leaders' by World CSR Congress.

## ■ NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted Nomination and Remuneration Committee having following members:

1.	Shri D. Basu	Chairman
2.	Shri Pranay Vakil	Member
3.	Shri Anil Sachdev	Member
4.	Shri S. C. Mehta	Member

The Board of Directors of the Company has approved the Nomination and Remuneration (NRC) Policy which *inter-alia* contains appointment criteria, qualifications, positive attributes and independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

Nomination and Remuneration Policy is annexed to Directors' Report (**Refer Annexure-3**) and is also available on the website of the Company [www.dfpcl.com](http://www.dfpcl.com)

## ■ RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee to assess risks in the operations of business units of the Company, to mitigate and minimize risks assessed in the operations of business units, periodic monitoring of risks in the operations of business units and other matters delegated to the Committee by Board of Directors of the Company from time to time.

Following are the members of the Committee:

1.	Shri S. R. Wadhwa	Chairman
2.	Shri Partha Bhattacharyya	Member
3.	Shri Somnath A Patil	Member

The Board of Directors of the Company has also approved the Risk Management Policy. The objective of the policy is to assist the Board of Directors through the Risk Management Committee (RMC) in overseeing the

Company's risk management systems, practices and procedures.

#### ■ CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee having following members:

- |                              |          |
|------------------------------|----------|
| 1. Shri Pranay Vakil         | Chairman |
| 2. Smt. Parul Mehta          | Member   |
| 3. Shri Partha Bhattacharyya | Member   |

Your Company is engaged in concerted CSR initiatives through Ishanya Foundation and Deepak Foundation and with the introduction of statutory requirements for CSR initiatives as per the Companies Act, 2013, the CSR initiatives of your Company have been reaffirmed and the entire approach has become more structured. The Board of Directors of the Company has approved a comprehensive CSR Policy which is available on the website of the Company at [www.dfpl.com](http://www.dfpl.com)

The details of the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure forming part of this report. (Refer Annexure-4)

#### ■ ANNUAL RETURN

The extract of Annual Return is annexed to Directors' Report. (Refer Annexure-5).

#### ■ PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, *inter-alia*, of the following parameters:

- Directors bring an independent judgment on the Board's discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management.
- Directors demonstrate awareness and concerns about norms relating to Corporate Governance, disclosure and legal compliances.
- Directors contribute new ideas/insights on business issues raised by Management.
- Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- The Board receives adequate and timely

information to enable discussions/ decision making during Board meetings.

- The Board addresses interests of all stakeholders of the Company.
- The Committee is delivering on the defined objectives.
- The Committee has the right composition to deliver its objectives.

The performance evaluation of Chairman, Directors, Board and Committees was undertaken by the Nomination and Remuneration Committee for the year under review and the results were reported to the Board of Directors.

#### ■ FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

#### ■ WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy under which the employees are free to report violations of the applicable laws and regulations and the Code of Conduct.

Whistle Blower Policy is available on the website of the Company at [www.dfpl.com](http://www.dfpl.com)

#### ■ ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's internal financial control systems are commensurate with the nature, size, and complexity of the businesses and operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and the follow up action are reported to the Audit Committee.

#### ■ PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to the provisions of Section 136(1) of the Act and as advised, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(1) and 5(2) of the Companies

## Directors' Reports

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection at the Registered Office of the Company during working hours and Members interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request. Hence, the Annual Report and the Accounts are being sent to all the Members of the Company excluding the aforesaid information.

#### ■ FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rules 8 (v) and 8 (vi) of the Companies (Accounts) Rules, 2014 are reported.

#### ■ DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the internal committee constituted under the said act has confirmed that no complaint / case has been filed / pending with the Company during the year.

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

As required by the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to Directors' Report. (Refer Annexure-6).

#### ■ ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

*Mumbai*  
Dated 21<sup>st</sup> May, 2015

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

## ANNEXURE-1

Form No. MR-3  
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Deepak Fertilisers And Petrochemicals Corporation Limited  
Opp. Golf Course,  
Shastri Nagar, Yerawada,  
Pune - 411006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deepak Fertilisers And Petrochemicals Corporation Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (**in so far as they are made applicable**);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the Company during the Audit Period**);
- (vi) The specific laws applicable to the Company:-
  - (a) Petroleum Act, 1944 and Rules, 2002;
  - (b) Foreign Trade Development & Regulation Act, 1992;

- (c) The Competition Act, 2002;
- (d) Explosive Substance Act, 1908;
- (e) Inflammable Substance Act, 1952;
- (f) The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
- (g) Hazardous Waste (Management, Handling and Transboundry Movement) Rules, 2008;
- (h) Ammonium Nitrate Rules, 2012;
- (i) Fertilizer Control Order, 1985;
- (j) Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**not applicable as on today**).
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **We further report that during the audit period:-**

- (i) The supply of domestic natural gas was stopped at the Company's plant situated at Plot No. K-1, Taloja MIDC, District Raigad, Maharashtra.
- (ii) The Company acted as Person Acting in Concert (PAC) in open offer made by SCM Soilfert Limited, Wholly Owned Subsidiary (WOS) of the Company for acquisition of 26% equity shares of Mangalore Chemicals & Fertilizers Limited;
- (iii) The Competition Commission of India (CCI) imposed a penalty of ₹ 2 Crore on SCM Soilfert Limited, a WOS and the Company. SCM Soilfert Limited and the Company had challenged the order of the CCI by filing an appeal with Competition Appellate Tribunal (COMPAT). On 20<sup>th</sup> May 2015, COMPAT has passed an interim order by staying the CCI order subject to deposit of 10% of the penalty amount and furnishing solvent security for the balance amount;
- (iv) 10.8% Secured Redeemable Non - Convertible Debentures aggregating to ₹ 125 Crore was redeemed by the Company.

For **SVD & ASSOCIATES**  
Company Secretaries

**SRIDHAR MUDALIAR**  
Partner

FCS No. : 6156  
C P No. : 2664

Place: Pune  
Date: 21<sup>st</sup> May, 2015



## ANNEXURE-2

## FORM AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with rules 5 of the Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

## Part-“A”: Subsidiaries

(₹ in Lacs)

Sr. No.	Particulars	Details of Subsidiaries							
		Smartchem Technologies Limited#	Platinum Blasting Services Pty. Limited#\$1	SCM Soilfert Limited#	SCM Fertilchem Limited#	Deepak Mining Services Private Limited#	Deepak Nitrochem Pty Limited#	Runge PincockMinarco India Private Limited#\$2	Yerrowda Investments Limited#
1.	Name of the Subsidiary								
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2014 to 31/03/2015	14/08/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	AUD 1 AUD = ₹ 47.7376	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = ₹ 47.7376	Indian Rupees	Indian Rupees
4.	Share Capital	100.00	3,276.04	5.00	5.00	1.00	76.38	28.72	24.00
5.	Reserves & Surplus	4,003.08	(619.39)	197.73	(0.78)	(19.04)	(49.35)	(15.24)	4,256.09
6.	Total Assets	7,964.03	2,752.69	24,510.15	4.47	22.02	27.03	26.43	4,352.36
7.	Total Liabilities	3,860.95	96.04	24,307.42	0.25	40.06	-	12.96	72.28
8.	Investments	2,857.21	-	23,919.61	-	14.64	-	-	251.00
9.	Turnover	8,451.89	153.74	95.49*	-	0.38	-	11.40	240.00
10.	Profit / (Loss) before taxation	346.02	(619.39)	846.88	(0.12)	(7.00)	(0.65)	(8.75)	39.08
11.	Provision for taxation	117.69	-	23.59	-	-	-	-	37.30
12.	Profit / (Loss) after taxation	228.33	(619.39)	823.29*	(0.12)	(7.00)	(0.65)	(8.75)	1.78
13.	Proposed Dividend	100.00	-	-	-	-	-	-	-
14.	% of shareholding	100.00%	79.27%	100.00%	100.00%	100.00%	100.00%	51.00%	85.00%

## # Standalone Figures

\$1 Subsidiary of Smartchem Technologies Limited

\$2 Subsidiary of Deepak Mining Services Private Limited

\*Turnover excludes other income of ₹ 1,318.24 Lacs.

+Profit relate mainly to the transactions in MCFL shares during the FY 2014-15. An interim dividend of ₹ 705.54 Lacs was paid from the Profits earned during the FY 2014-15 on the account of the aforesaid transactions.

## 1. Smartchem Technologies Limited (STL)

The Company, is a wholly owned subsidiary of your Company, is in the business of manufacturing Technical Grade Ammonium Nitrate with capacity of 40,000 MT per annum and plays a critical role in meeting the need of customers based in eastern India, at a beneficial logistic cost. During the year, in spite of facing a challenging time because of restriction on coal mining and new Ammonium Nitrate Rules, the Company achieved a turnover of ₹ 8,451.89 Lacs and profit before tax of ₹ 346.02 Lacs. STL also announced a dividend of 100% for the Financial Year 2014-15 amounting to ₹ 100 Lacs.

## 2. Platinum Blasting Services Pty. Limited, Australia

Platinum Blasting Services Pty. Limited is a Joint Venture (JV) between your Company's wholly owned subsidiary Smartchem Technologies Ltd. (STL) with local Australian partners having vast experience in providing value-added blasting services and operational expertise to mining and explosives industries in Australia. This is part of your Company's forward integration initiative. The year under review was a start-up year for the the JV. Your Company has supplied Technical Ammonium Nitrate to the JV. The JV is now evaluating setting up emulsion facilities, which will significantly improve margins in the years' ahead.

## 3. Deepak Mining Services Private Limited

Deepak Mining Services Pvt Limited is a wholly owned subsidiary of your Company and in the business of providing consultancy to mining companies in India. It provides consultancy in the entire value chain of the mining business. With the private coal mining segment opening up, it has great potential to mature into a high growth profitable business. The current year was challenging in view of the lull in the sector emanating out of the re-auctioning of the coal blocks.

## 4. RungePincockMinarco India Private Limited

RungePincockMinarco India Private Limited is a joint venture between Deepak Mining Services Pvt Ltd and RungePincockMinarco India Private Limited, Australia, a global leader in Mine consultancy and provider of advanced mining software. The JV will help in bringing global best practices to the Indian mining industries and has good potential to capture the emerging opportunity in mining business. The current year was challenging in view of the lull in the sector emanating out of the re-auctioning of the coal blocks.

## 5. Yerrowda Investments Limited

Yerrowda Investments Limited(YIL), a subsidiary of your Company, is operating in real estate sector and owns immovable property in Pune. YIL has legal title for the land and buildings located at Deepak Complex, Pune owned by your Company.

## 6. To capture any emerging business opportunity, the Company has following Subsidiary Companies focussed at respective sectors:

- SCM Soilfert Limited (SSL) – Agri sector  
Investment in shares of MCFL, a Company engaged in Agri Business, was carried out through SSL.
- SCM Fertilchem Limited – Agri sector
- Deepak Nitrochem Pty. Limited – TAN, Australia

## Part-“B”: Associates and Joint Ventures

(₹ in Lacs)

Sr. No.	Particulars	Details of Associates & Joint Venture		
		Ishanya Brand Services Limited#	Ishanya Realty Corporation Limited#	Desai Fruits and Vegetables Private Limited#
1.	Name of the Associates and Joint Ventures			
2.	Latest Audited Balance Sheet Date	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015
3.	No. Shares of Associate / Joint Ventures held by the Company on the year end	49,994	49,994	50,81,363
	- Amount of Investment in Associate/ Joint Venture	5.00	5.00	4,224.99
	- Extend of Holding %	49.99%	49.99%	49%
4.	Description of how there is significant influence	DFPCL is holding more than threshold limit of 20%	DFPCL is holding more than threshold limit of 20%	Management Control
5.	Reason why the associate/ joint venture is not consolidated	There is no transaction during the year and on basis of materiality and capital base the amount is negligible.	There is no transaction during the year and on basis of materiality and capital base the amount is negligible.	-
6.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	7.98	3.34	388.12
7.	Profit/ (Loss) for the year	(0.38)	(0.50)	(244.98)
8.	Considered in Consolidation	-	-	(120.04)
9.	Not Considered in Consolidation	(0.38)	(0.50)	(124.94)

## # Standalone Figures

## 1. Desai Fruits and Vegetables Private Limited

This is a Joint Venture (JV) which is focussed on growing banana plantation and supplies to domestic as well as international market. Post review and necessary changes in the business model of the JV, it's performance has significantly improved, specially during the second half of the Financial Year 2014-15 when the JV started generating reasonable operating profit. The JV also has confirmed export orders from overseas buyers and is receiving encouraging response from others. During the financial year, the JV achieved a turnover of ₹ 3,864.32 Lacs and its loss reduced to ₹ 244.98 Lacs from ₹ 1,005.96 Lacs made in the previous financial year. Consequent to the significant improvement in operations of the JV, the Company has reassessed carrying value of its investment in the JV based on the valuation carried out by an independent valuer. Accordingly, provision of ₹ 507.09 Lacs made for diminution in value of investments in the previous year is no longer considered necessary and hence reversed.

## 2. To capture any emerging business opportunity, the Company has following Associate Companies focussed at respective sectors:

- Ishanya Brand Services Limited – Realty sector
- Ishanya Realty Corporation Limited – Realty sector

## ANNEXURE-3

## Nomination and Remuneration Policy

## 1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide circular resolution dated 29<sup>th</sup> December, 2014. This policy shall act as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

## 2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- a) To recommend to the Board appointment and removal of Directors, Key Managerial Personnel and Senior Management in accordance with criteria laid down.
- b) To recommend to the Board a policy including following:
  - (i) Determining qualifications, positive attributes and independence of a director;
  - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;
  - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (v) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - (vi) Performance evaluation of Independent Directors and the Board.
  - (vii) Board diversity.

## 3. Definitions

“Act” means Companies Act, 2013 and rules thereunder.

“Board” means Board of Directors of the Company.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“Company” means Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL).

“Independent Director” means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the stock exchanges.

“Key Managerial Personnel” means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director or Executive Director or Chief Executive Officer or Manager
- ii. Whole-time Director;
- iii. Company Secretary;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed.

“Policy” means Nomination and Remuneration Policy.

“Senior Management” means personnel of the Company who are members of its core management team (Internal Board) excluding the Board of Directors.

#### 4. Functions of Committee

The Nomination and Remuneration Committee shall, *inter-alia*, perform the following functions:

- a) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- b) To recommend to the Board a policy for following:
  - (i) Determining qualifications, positive attributes and independence of a director;
  - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;
  - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (v) Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - (vi) Performance evaluation of Independent Directors and the Board.
  - (vii) Board diversity.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

#### 5. Membership

- i. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- ii. The quorum shall be either two members or one third of the members of the Committee whichever is higher.
- iii. Membership of the Committee shall be disclosed in the Annual Report.
- iv. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### 6. Chairperson

- i. Chairperson of the Committee shall be an Independent Director.
- ii. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- iii. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

#### 7. Frequency of Meeting

The meeting of the Committee shall be held at such regular intervals as may be required.

#### 8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

#### 9. Minutes of Committee Meeting

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

**10. Policy for appointment and removal of Director, KMP and Senior Management****(A) Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.

**(B) Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**(C) Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**11. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel****(A) General:**

- a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.
- c) Term / Tenure of the Directors shall be as per company's policy and subject to the provisions of the Act.

**(B) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel****a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**(C) Remuneration to Non-Executive / Independent Director****a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**12. Amendments**

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including Listing Agreement.

## ANNEXURE-4

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

## 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken as per CSR Policy and projects or programs.

For over three decades as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), has engaged in community work through Ishanya Foundation at Taloja and Pune in Maharashtra and Deepak Foundation in Vadodara in Gujarat. The Ishanya Foundation has been conducting several outreach programmes, in and around Pune and also in villages around Taloja in Panvel Taluka in Raigad District. These programmes are in the areas of:

- Women empowerment through vocational training (skill development) and livelihood programmes
- Health and
- Education

The underlying objectives are aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth, women and marginal farmers to ensure livelihood for economic betterment and social development of themselves and their families instilling pride and confidence (in the target population) to take on future challenges.

Health initiatives, farmer support programs, culture and heritage support programs have also formed DFPCL's ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

## 2. The Composition of the CSR Committee

Sr. No.	Name of Director	Chairman / Member
1.	Shri Pranay Vakil	Chairman
2.	Smt. Parul Mehta	Member
3.	Shri Partha Bhattacharyya	Member

3. Average net profit of the Company for last three financial years: ₹ 19,859 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 397 Lacs

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 397 Lacs
- Amount unspent, if any: ₹ 314 Lacs
- Manner in which the amount spent during the financial year is detailed below:

(₹ in Lacs)

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount outlay (budget) project or program wise	Amount spent on the projects or programs for the FY 2014-15	Cumulative expenditure for upto the reporting period starting from April, 2014	Amount spent: Direct or through implementing Agency
			Local Area or other	State or District where Project or Programs was undertaken				
1.	Enhancing Vocational Skills of Women on International Women's Day	Promotion of National Heritage, Art and Culture	Pune	Maharashtra	4.75	4.38	4.38	Implementing Agency- Ishanya Foundation
2.	Promotion of Art and Culture	Promotion and Development of Traditional Arts and Handicrafts	Pune	Maharashtra	4.25	1.72	1.72	Implementing Agency- Ishanya Foundation
3.	Promotion of Road Safety	Promoting Education & Vocational Skills	Taloja	Maharashtra	2.00	0.20	0.20	Direct
4.	Horticulture Development	Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora and Fauna	Taloja	Maharashtra	14.29	14.63	14.63	Implementing Agency- Ishanya Foundation

## Directors' Reports

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount outlay (budget) project or program wise	Amount spent on the projects or programs for the FY 2014-15	Cumulative expenditure for upto the reporting period starting from April, 2014	Amount spent: Direct or through implementing Agency
			Local Area or other	State or District where Project or Programs was undertaken				
5.	Dairy Development	Animal Welfare	Taloja	Maharashtra	37.95	29.17	29.17	Implementing Agency- Ishanya Foundation
6.	Providing scholarship and awards for good performances in Education/ Vocational Skills Training	Promoting of Education & Employment Enhancing Vocational Skills	Taloja/ Pune	Maharashtra	4.75	1.91	1.91	Implementing Agency- Ishanya Foundation
7.	Camps for eye check-up at remote areas/ Provide pathological services to the poor section of society	Promoting Preventive Health Care	Taloja/ Pune	Maharashtra	6.02	2.34	2.34	Implementing Agency- Ishanya Foundation
8.	Vocational Skill Development for Women & Children	Employment enhancing Vocational Skills especially among Women & children	Taloja & Pune	Maharashtra	25.55	19.20	19.20	Implementing Agency- Ishanya Foundation
9.	Livelihood Generation Activity/ Yellow Ribbon NGO Fair/ Development of Web Based Compendium	Livelihood enhancement Projects	Pune	Maharashtra	13.07	6.21	6.21	Implementing Agency- Ishanya Foundation
<b>GROSS CSR EXPENDITURE</b>						<b>₹ 79.76</b>		
<b>ADD: OVERHEAD EXPENDITURE</b>						<b>₹ 3.24</b>		
<b>NET CSR EXPENDITURE</b>						<b>₹ 83.00</b>		

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

During the year under review, the Company has made consistent efforts to identify the projects for its CSR activities. However, the Company could not spend the requisite amount due to requirement of detailed execution steps for the long term sustained CSR projects to be undertaken. The objective of our CSR Policy is not just to show mere spending of amount but ensuring sustained deliveries in line with its vision and mission. Your Company is actively pursuing effective steps to ensure long term impactful contributions towards the upliftment of the underprivileged in the society.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**S. C. MEHTA**

(Chairman & Managing Director)

**PRANAY VAKIL**

(Chairman - CSR Committee)



## ANNEXURE- 5

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31<sup>st</sup> March, 2015

Pursuant to Section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

## I. Registration Details

1.	<b>CIN</b>	L24121MH1979PLC021360
2.	<b>Registration Date</b>	31 <sup>st</sup> May, 1979
3.	<b>Name of the Company</b>	Deepak Fertilisers And Petrochemicals Corporation Ltd
4.	<b>Category / Sub-Category of the Company</b>	Company Limited by Shares / Indian Non-Government Company
5.	<b>Address of the Registered office and contact details</b>	Opp Golf Course, Shastri Nagar, Yerawada, Pune – 411 006 Phone : (020) 6645 8000 , 26688117 Fax : (020) 26683723 E-mail : investorgrievance@dfpcl.com Website : www.dfpcl.com
6.	<b>Whether listed company Yes / No</b>	Yes
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072 Phone : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 Contact Person : Abraham K George Designation : Dy. General Manager E-mail id : abrahamkg@shareproservices.com

## II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Iso Propyl Alcohol	20123	17.34%
2.	Technical Ammonium Nitrate	20123	21.91%

## III. Particulars of Holding, Subsidiary And Associate Companies

Sr. No.	Name and Address of the Company	NIC Code of the Product/ service	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable section
1.	Smartchem Technologies Ltd. (STL)	20123	U67120AP1987PLC039114	Subsidiary	100%(a)	2 (87)
2.	SCM Soilfert Ltd.	-	U24120PN2012PLC145024	Subsidiary	100%	2 (87)
3.	SCM Fertichem Ltd. (SFL)	-	U24211PN2012PLC145023	Subsidiary	100%(b)	2 (87)
4.	Deepak Mining Services Private Ltd.	09900	U14100PN2008PTC132562	Subsidiary	100%(c)	2 (87)
5.	RungePincocKMinarco India Private Ltd.	09900	U14200PN2012PTC145300	Subsidiary	51%(d)	2 (87)
6.	Yerowda Investments Limited	-	U65990MH1954PLC009228	Subsidiary	85%	2 (87)
7.	Ishanya Brand Services Ltd.	-	U74900PN2008PLC131967	Associate	49.99%	2(6)
8.	Ishanya Realty Corporation Ltd.	-	U70101PN2008PLC131330	Associate	49.99%	2(6)
9.	Desai Fruits and Vegetables Ltd.	-	U63020GJ1999PTC035377	Joint Venture	49%	2(6)
10.	Deepak Nitrochem Pty. Ltd	-	-	Subsidiary	100%	2 (87)
11.	Platinum Blasting Services Pty Ltd.	-	-	Subsidiary	79.27%(e)	2 (87)

a) During the year Company has acquired beneficial interest from all 6 Equity Shareholders of STL, due to which STL has become wholly owned subsidiary of the Company.

b) During the year Company has acquired beneficial interest from all 6 Equity Shareholders of SFL, due to which SFL has become wholly owned subsidiary of the Company.

c) During the year Company has acquired beneficial interest from all 2 Equity Shareholders of DMSPL, due to which DMSPL has become wholly owned subsidiary of the Company.

d) Subsidiary of Deepak Mining Services Private Limited

e) Subsidiary of Smartchem Technologies Limited

## Directors' Reports

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	21,445,716	-	21,445,716	24.31	25,404,701	-	25,404,701	28.80	4.49
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	18,655,372	-	18,655,372	21.15	18,655,372	-	18,655,372	21.15	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>40,101,088</b>	<b>-</b>	<b>40,101,088</b>	<b>45.46</b>	<b>44,060,073</b>	<b>-</b>	<b>44,060,073</b>	<b>49.95</b>	<b>4.49</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>40,101,088</b>	<b>-</b>	<b>40,101,088</b>	<b>45.46</b>	<b>44,060,073</b>	<b>-</b>	<b>44,060,073</b>	<b>49.95</b>	<b>4.49</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>40,101,088</b>	<b>-</b>	<b>40,101,088</b>	<b>45.46</b>	<b>44,060,073</b>	<b>-</b>	<b>44,060,073</b>	<b>49.95</b>	<b>4.49</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2,670,932	10,225	2,681,157	3.04	1,713,078	10,225	1,723,303	1.95	1.09
b) Banks / FI	20,062	8,805	28,867	0.03	21,196	8,805	30,001	0.03	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund Other	-	-	-	-	-	-	-	-	-
Insurance Companies	1,219,047	750	1,219,797	1.38	1,723,604	750	1,724,354	1.95	0.57
Foreign Institutional Investor	11,359,139	-	11,359,139	12.88	12,903,765	-	12,903,765	14.63	1.75
Foreign Portfolio- Corp	-	-	-	-	156,859	-	156,859	0.18	0.18
<b>Sub-total (B)(1):-</b>	<b>15,269,180</b>	<b>19,780</b>	<b>15,288,960</b>	<b>17.33</b>	<b>16,518,502</b>	<b>19,780</b>	<b>16,538,282</b>	<b>18.75</b>	<b>1.42</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	74,66,788	31,201	7,497,989	8.50	4,310,020	31,201	4,341,221	4.92	3.58
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,067,144	5,386,422	18,453,566	20.92	12,581,031	5,146,505	17,727,536	20.10	0.82
i) Individual shareholders holding nominal share capital more than ₹ 1 lakh	4,313,152	66,950	4,380,102	4.97	3,013,526	66,950	3,080,476	3.49	1.48
c) Others (Specify)									
Non-Resident Indian	761,363	1,524,950	2,286,313	2.59	748,806	1,506,125	2,254,931	2.56	0.00
Non-Domestic Companies	-	184,750	184,750	0.21	-	184,750	184,750	0.21	0.00
Trust	12,125	50	12,175	0.01	17,624	50	17,674	0.02	0.01
<b>Sub-total (B)(2):-</b>	<b>25,620,572</b>	<b>7,194,323</b>	<b>32,814,895</b>	<b>37.20</b>	<b>20,671,007</b>	<b>6,935,581</b>	<b>27,606,588</b>	<b>31.39</b>	<b>5.81</b>
<b>Total Public Shareholding (B)=(B)(1)+ B(2)</b>	<b>40,889,752</b>	<b>7,214,103</b>	<b>48,103,855</b>	<b>54.54</b>	<b>37,189,509</b>	<b>6,955,361</b>	<b>44,144,870</b>	<b>50.05</b>	<b>4.49</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>80,990,840</b>	<b>7,214,103</b>	<b>88,204,943</b>	<b>100.00</b>	<b>81,249,582</b>	<b>6,955,361</b>	<b>88,204,943</b>	<b>100.00</b>	<b>-</b>

## ii. Share Holding of Promoter

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sailesh C Mehta	19,281,443	21.86	-	21,284,506	24.13	-	2.27
2.	Nova Synthetic Ltd.	17,267,071	19.58	-	17,267,071	19.58	-	0.00
3.	Storewell Credits & Capital Pvt Ltd.	1,262,084	1.43	-	1,262,084	1.43	-	0.00
4.	Chimanlal Khimchand Mehta	1,164,273	1.32	-	1,064,273	1.21	-	0.11
5.	Parul Sailesh Mehta	1,000,000	1.13	-	3,055,922	3.46	-	2.33
6.	Sofotel Infra Pvt Ltd.	126,217	0.14	-	126,217	0.14	-	0.00

## iii. Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Sailesh C Mehta</b>				
	At the beginning of the year	19,281,443	21.86	19,281,443	21.86
	Gift of Shares from C K Mehta on 21 May 2014	1,00,000	0.11	19,381,443	21.97
	Purchase of Shares on 23 January 2015	79,164	0.09	19,460,607	22.06
	Purchase of Shares on 27 January 2015	73,806	0.08	19,534,413	22.15
	Purchase of Shares on 29 January 2015	38,647	0.04	19,573,060	22.19
	Purchase of Shares on 30 January 2015	45,761	0.05	19,618,821	22.24
	Purchase of Shares on 2 February 2015	36,808	0.04	19,655,629	22.28
	Purchase of Shares on 3 February 2015	32,203	0.04	19,687,832	22.32
	Purchase of Shares on 16 February 2015	8,00,000	0.91	20,487,832	23.23
	Purchase of Shares on 18 February 2015	7,96,674	0.90	21,284,506	24.13
	At the end of the year	-	-	21,284,506	24.13
2.	<b>Nova Synthetic Ltd.</b>				
	At the beginning of the year	17,267,071	19.58	17,267,071	19.58
	At the end of the year	-	-	17,267,071	19.58
3.	<b>Storewell Credits &amp; Capital Pvt Ltd.</b>				
	At the beginning of the year	1,262,084	1.43	1,262,084	1.43
	At the end of the year	-	-	1,262,084	1.43
4.	<b>Chimanlal Khimchand Mehta</b>				
	At the beginning of the year	1,164,273	1.32	1,164,273	1.32
	Gift of Shares to S C Mehta on 21 May 2014	1,00,000	0.11	1,064,273	1.21
	At the end of the year	-	-	1,064,273	1.21
5.	<b>Parul Sailesh Mehta</b>				
	At the beginning of the year	1,000,000	1.13	1,000,000	1.13
	Purchase of Shares on 20 February 2015	8,55,000	0.96	1,850,000	2.10
	Purchase of Shares on 24 February 2015	8,55,000	0.97	2,705,000	3.07
	Purchase of Shares on 9 March 2015	7,077	0.01	2,712,077	3.07
	Purchase of Shares on 10 March 2015	27,031	0.01	2,739,108	3.11
	Purchase of Shares on 11 March 2015	18,460	0.02	2,757,568	3.13
	Purchase of Shares on 12 March 2015	37,701	0.04	2,795,269	3.17
	Purchase of Shares on 13 March 2015	45,741	0.05	2,841,010	3.22
	Purchase of Shares on 16 March 2015	41,988	0.08	2,882,998	3.27
	Purchase of Shares on 17 March 2015	11,804	0.01	2,894,802	3.28
	Purchase of Shares on 20 March 2015	21	0.00	2,894,823	3.28
	Purchase of Shares on 23 March 2015	33,034	0.04	2,927,857	3.32

## Directors' Reports

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Purchase of Shares on 24 March 2015	29,331	0.03	2,957,188	3.35
	Purchase of Shares on 25 March 2015	58,734	0.07	3,015,922	3.42
	Purchase of Shares on 26 March 2015	40,000	0.05	3,055,922	3.46
	At the end of the year	-	-	3,055,922	3.46
<b>6.</b>	<b>Sofotel Infra Pvt Ltd.</b>				
	At the beginning of the year	1,26,217	0.14	1,26,217	0.14
	At the end of the year	-	-	1,26,217	0.14

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund</b>				
	At the beginning of the year	7,569,000	8.58	7,569,000	8.58
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	7,569,000	8.58
<b>2.</b>	<b>Robust Marketing Services Pvt Limited</b>				
	At the beginning of the year	3,990,514	4.52	3,990,514	4.52
	Sale of Shares on 16 February 2015	8,00,000	0.91	3,190,514	3.61
	Sale of Shares on 18 February 2015	8,00,000	0.91	2,390,514	2.70
	Sale of Shares on 20 February 2015	8,50,000	0.96	1,540,514	1.74
	Sale of Shares on 24 February 2015	8,50,000	0.96	6,90,514	0.78
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	6,90,514	0.78
<b>3.</b>	<b>Fidelity Northstar Fund</b>				
	At the beginning of the year	1,250,500	1.42	1,250,500	1.42
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	1,250,500	1.42
<b>4.</b>	<b>ICICI Prudential Life Insurance Company Ltd.</b>				
	At the beginning of the year	1,080,183	1.22	1,080,183	1.22
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	1,080,183	1.22
<b>5.</b>	<b>ICICI Prudential Balanced Advantage Fund</b>				
	At the beginning of the year	7,19,811	0.82	7,19,811	0.82
	Purchase of Shares on 4 April 2014	13,929	0.01	7,33,740	0.83
	Sale of Shares on 12 September 2014	7,33,740	0.83	-	-
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	-	-
<b>6.</b>	<b>Franklin Templeton Mutual Fund a/c Franklin India Prima Fund</b>				
	At the beginning of the year	7,18,058	0.81	7,18,058	0.81
	Sale of Shares on 20 June 2014	85,227	0.10	6,32,831	0.71
	Sale of Shares on 30 June 2014	14,773	0.02	6,18,058	0.70
	Sale of Shares on 25 July 2014	1,41,246	0.16	4,76,812	0.54
	Sale of Shares on 1 August 2014	58,754	0.07	4,18,058	0.47
	Sale of Shares on 22 August 2014	4,18,058	0.47	-	-
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	-	-
<b>7.</b>	<b>General Insurance Corporation of India</b>				
	At the beginning of the year	6,55,499	0.74	6,55,499	0.74
	Sale of Shares on 30 June 2014	1,49,710	0.17	5,05,789	0.57
	Sale of Shares on 4 July 2014	5,638	0.00	5,00,151	0.57
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	5,00,151	0.57
<b>8.</b>	<b>Franklin India Smaller Companies Fund</b>				
	At the beginning of the year	5,29,587	0.60	5,29,587	0.60
	Purchase of Shares on 22 August 2014	2,00,000	0.23	7,29,587	0.01
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	7,29,587	0.01

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	<b>SBI Magnum Comma Fund</b>				
	At the beginning of the year	4,76,692	0.54	4,76,692	0.54
	Sale of Shares on 25 April 2014	76,692	0.09	4,00,000	0.45
	Sale of Shares on 13 June 2014	1,00,000	0.11	3,00,000	0.34
	Sale of Shares on 25 July 2014	50,000	0.06	2,50,000	0.28
	Sale of Shares on 30 September 2014	75,106	0.09	1,74,894	0.20
	Sale of Shares on 31 October 2014	1,00,425	0.11	74,469	0.08
	Sale of Shares on 7 November 2014	74,469	0.08	-	-
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	-	-
10.	<b>Chandravan Desai</b>				
	At the beginning of the year	4,72,773	0.54	4,72,773	0.54
	Sale of Shares on 18 July 2014	64,473	0.07	4,08,300	0.46
	Sale of Shares on 29 August 2014	4,08,300	0.46	-	-
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	-	-
11.	<b>Dimensional Emerging Markets Value Fund</b>				
	At the beginning of the year	4,24,886	0.48	4,24,886	0.48
	Purchase of Shares on 30 May 2014	11,740	0.01	4,36,626	0.49
	Purchase of Shares on 6 June 2014	10,700	0.01	4,47,326	0.51
	Purchase of Shares on 13 June 2014	18,424	0.02	4,65,750	0.53
	Purchase of Shares on 20 June 2014	10,444	0.01	4,76,194	0.54
	Purchase of Shares on 15 August 2014	6,422	0.00	4,82,616	0.55
	Purchase of Shares on 22 August 2014	5,958	0.00	4,88,574	0.55
	Purchase of Shares on 29 August 2014	4,902	0.00	4,93,476	0.56
	Purchase of Shares on 5 September 2014	5,077	0.00	4,98,553	0.57
	Purchase of Shares on 12 September 2014	17,767	0.02	5,16,320	0.59
	Purchase of Shares on 13 February 2015	6,738	0.00	5,23,058	0.59
	Purchase of Shares on 27 February 2015	15,967	0.02	5,39,025	0.61
	Purchase of Shares on 13 March 2015	14,596	0.02	5,53,621	0.63
	Purchase of Shares on 20 March 2015	23,956	0.03	5,77,577	0.65
	Purchase of Shares on 27 March 2015	20,749	0.02	5,98,326	0.68
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	5,98,326	0.68
12.	<b>The New India Assurance Company Limited</b>				
	At the beginning of the year	4,15,039	0.47	4,15,039	0.47
	Purchase of Shares on 30 September 2014	45,226	0.05	4,60,265	0.52
	Purchase of Shares on 3 October 2014	16,507	0.02	4,76,772	0.54
	Purchase of Shares on 10 October 2014	49,799	0.05	5,26,571	0.60
	Purchase of Shares on 17 October 2014	61,121	0.07	5,87,692	0.67
	Purchase of Shares on 24 October 2014	12,708	0.01	6,00,400	0.68
	Purchase of Shares on 31 October 2014	42,477	0.06	6,42,877	0.73
	Purchase of Shares on 7 November 2014	12,500	0.01	6,55,377	0.74
	Purchase of Shares on 21 November 2014	40,000	0.05	6,95,377	0.79
	Purchase of Shares on 28 November 2014	61,977	0.06	7,57,354	0.86
	Purchase of Shares on 12 December 2014	4,234	0.00	7,61,588	0.86
	Purchase of Shares on 19 December 2014	71,679	0.08	8,33,267	0.94
	Purchase of Shares on 31 December 2014	1,677	0.00	8,34,944	0.95
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	8,34,944	0.95
13.	<b>ICICI Prudential Value Fund Series 4</b>				
	At the beginning of the year	-	-	-	-
	Purchase of Shares on 27 February 2015	22,285	0.03	22,285	0.03
	Purchase of Shares on 6 March 2015	81,494	0.09	1,03,779	0.12
	Purchase of Shares on 13 March 2015	75,961	0.09	1,79,740	0.20
	Purchase of Shares on 20 March 2015	22,923	0.03	2,02,663	0.23
	Purchase of Shares on 27 March 2015	2,01,952	0.23	4,04,615	0.46
	Purchase of Shares on 31 March 2015	2,685	0.00	4,07,300	0.46
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	4,07,300	0.46
14.	<b>C D Equisearch Pvt Ltd.</b>				
	At the beginning of the year	-	-	-	-
	Purchase of Shares on 29 August 2014	4,08,300	0.46	4,08,300	0.46
	At the end of the year ( or on the date of separation, if separated during the year)	-	-	4,08,300	0.46

## Directors' Reports

## v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Sailesh C Mehta</b>				
	At the beginning of the year	19,281,443	21.86	19,281,443	21.86
	Gift of Shares from C K Mehta on 21 May 2014	1,00,000	0.11	19,381,443	21.97
	Purchase of Shares on 23 January 2015	79,164	0.09	19,460,607	22.06
	Purchase of Shares on 27 January 2015	73,806	0.08	19,534,413	22.15
	Purchase of Shares on 29 January 2015	38,647	0.04	19,573,060	22.19
	Purchase of Shares on 30 January 2015	45,761	0.05	19,618,821	22.24
	Purchase of Shares on 2 February 2015	36,808	0.04	19,655,629	22.28
	Purchase of Shares on 3 February 2015	32,203	0.04	19,687,832	22.32
	Purchase of Shares on 16 February 2015	8,00,000	0.91	20,487,832	23.23
	Purchase of Shares on 18 February 2015	7,96,674	0.90	21,284,506	24.13
	At the end of the year	-	-	21,284,506	24.13
2.	<b>Partha Bhattacharyya</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
3.	<b>R A Shah</b>				
	At the beginning of the year	7,900	0.009	7,900	0.009
	Purchase of Shares on 30 June 2015	29,900	0.04	37,800	0.04
	At the end of the year	-	-	37,800	0.04
4.	<b>D Basu</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	<b>N C Singhal</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6.	<b>U P Jhaveri</b>				
	At the beginning of the year	500	0.00	500	0.00
	At the end of the year	-	-	500	0.00
7.	<b>S R Wadhwa</b>				
	At the beginning of the year	1,000	0.001	1,000	0.001
	At the end of the year	-	-	1,000	0.001
8.	<b>Dr. S. Rama Iyer</b>				
	At the beginning of the year	15,000	0.02	15,000	0.02
	At the end of the year	15,000	0.02	15,000	0.02
9.	<b>Parul Sailesh Mehta</b>				
	At the beginning of the year	1,000,000	1.13	1,000,000	1.13
	Purchase of Shares on 20 February 2015	8,50,000	0.96	1,850,000	2.10
	Purchase of Shares on 24 February 2015	8,55,000	0.97	2,705,000	3.07
	Purchase of Shares on 9 March 2015	7,077	0.01	2,712,077	3.07
	Purchase of Shares on 10 March 2015	27,031	0.01	2,739,108	3.11
	Purchase of Shares on 11 March 2015	18,460	0.02	2,757,568	3.13
	Purchase of Shares on 12 March 2015	37,701	0.04	2,795,269	3.17
	Purchase of Shares on 13 March 2015	45,741	0.05	2,841,010	3.22
	Purchase of Shares on 16 March 2015	41,988	0.08	2,882,998	3.27
	Purchase of Shares on 17 March 2015	11,804	0.01	2,894,802	3.28
	Purchase of Shares on 20 March 2015	21	0.00	2,894,823	3.28
	Purchase of Shares on 23 March 2015	33,034	0.04	2,927,857	3.32
	Purchase of Shares on 24 March 2015	29,331	0.03	2,957,188	3.35
	Purchase of Shares on 25 March 2015	58,734	0.07	3,015,922	3.42
	Purchase of Shares on 26 March 2015	40,000	0.05	3,055,922	3.46
	At the end of the year	-	-	3,055,922	3.46
10.	<b>Anil Sachdev</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11.	<b>Pranay Vakil</b>				
	At the beginning of the year	4,475	0.005	4,475	0.005
	At the end of the year	-	-	4,475	0.005

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12.	<b>Somnath Patil</b>				
	At the beginning of the year	15,000	0.01	15,000	0.01
	Sale of Shares on 6 June 2014	8,000	0.00	7,000	0.00
	Sale of Shares on 20 June 2014	4,000	0.00	3,000	0.00
	Sale of Shares on 5 December 2014	2,900	0.00	100	0.00
	At the end of the year	-	-	100	0.00
13.	<b>Tushar Dey</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	96,160.95	-	-	96,160.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,453.04	-	-	1,453.04
<b>Total (i+ii+iii)</b>	<b>97,613.99</b>	<b>-</b>	<b>-</b>	<b>97,613.99</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	20,942.03	36,604.03	-	55,546.06
• Reduction	(13,300.17)	-	-	(13,300.17)
<b>Net Change</b>	<b>7,641.86</b>	<b>34,604.03</b>	<b>-</b>	<b>42,245.88</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,03,802.80	34,604.03	-	1,38,406.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,122.88	-	-	1,122.88
<b>Total (i+ii+iii)</b>	<b>1,04,925.68</b>	<b>34,604.03</b>	<b>-</b>	<b>1,39,529.71</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director/Executive Director		Total Amount
		Shri S. C. Mehta	Shri Partha Bhattacharyya	
1.	Gross salary	1,85,62,758	2,13,54,167	3,99,16,925
	(a) Salary as per provisions contained Section 17(1) of the Income-Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income-Tax Act, 1961	40,07,533	15,12,951	55,20,484
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	10,46,76,000*	-	10,96,76,000
	- others, specify...	-	50,00,000#	-
5.	Others, please specify	-	-	-
	<b>Total (A)<sup>s</sup></b>	<b>12,72,46,291</b>	<b>2,78,67,118</b>	<b>15,51,13,409</b>
	<b>Overall Ceiling as per the Act</b>			<b>13,29,67,000</b>

\* Commission calculated on profit of Financial Year 2013-14 but paid in Financial Year 2014-15.

# Commission, as per terms of appointment, relating to Financial Year 2013-14 but paid in Financial Year 2014-15.

## Directors' Reports

## B. Remuneration to other Director:

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount
		Shri D. Basu	Shri U. P. Jhaveri	Dr. S. Rama Iyer	
1.	<b>Independent Director</b>				
	Fee for attending board / committee meetings	1,40,000	80,000	1,90,000	4,10,000
	Commission*	10,50,000	8,50,000	12,00,000	31,00,000
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>11,90,000</b>	<b>9,30,000</b>	<b>13,90,000</b>	<b>35,10,000</b>
	<b>Independent Director</b>	<b>Shri Pranay Vakil</b>	<b>Shri N. C. Singhal</b>	<b>Shri S. R. Wadhwa</b>	<b>Total Amount</b>
	Fee for attending board / committee meetings	1,30,000	1,70,000	1,60,000	4,60,000
	Commission*	7,00,000	11,50,000	10,50,000	29,00,000
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>8,30,000</b>	<b>13,20,000</b>	<b>12,10,000</b>	<b>33,60,000</b>
	<b>Independent Director</b>	<b>Shri Anil Sachdev</b>	<b>Shri R. A. Shah</b>	-	-
	Fee for attending board / committee meetings	1,00,000	20,000	-	1,20,000
	Commission*	8,00,000	8,00,000	-	16,00,000
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>9,00,000</b>	<b>8,20,000</b>	-	<b>17,20,000</b>
2.	<b>Other Non-Executive Directors</b>	<b>Smt. Parul Mehta</b>	-	-	<b>Total Amount</b>
	Fee for attending board / committee meetings	80,000	-	-	80,000
	Commission*	5,00,000	-	-	5,00,000
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>5,80,000</b>	-	-	<b>5,80,000</b>
	<b>Total (B)=(1+2)<sup>§</sup></b>	<b>35,00,000</b>	<b>30,70,000</b>	<b>26,00,000</b>	<b>91,70,000</b>
	<b>Total Managerial Remuneration</b>				<b>16,42,83,406</b>
	<b>Overall Ceiling as per the Act</b>				<b>13,29,67,000</b>

\* Commission relates to Financial Year 2013-14 but paid in Financial Year 2014-15.

<sup>§</sup> Total Remuneration to Managing Director, Whole Time Director and other Director (being total of A and B)

## C. Remuneration to key managerial personnel other than MD / Manager / WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1.	Gross Salary	1,71,66,960	57,69,444	2,29,36,404
	(a) Salary including performance related pay as per provisions contained in Section 17(1) of the Income-Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income-Tax Act, 1961	40,221	32,400	72,621
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>1,72,07,181</b>	<b>58,01,844</b>	<b>2,30,09,025</b>

## VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
<b>OTHER OFFICERS IN DEFAULT</b>		<b>NIL</b>			
Penalty					
Punishment					
Compounding					



## ANNEXURE-6

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO  
SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. CONSERVATION OF ENERGY**

Your Company has received following recognitions in the last two years based on its continuing efforts towards conservation of energy:

- An "Energy Efficient Unit" award from CII.
- FAI award for substantial improvement in overall performance including technical and financial parameters.
- IEI Industry Excellence Award - Letter of Appreciation for Overall Business Excellence and Industry Practices.

**(a) Energy Conservation Measures taken:****A) At K-1 Complex:**

- (i) Provision for Utilization of a waste purge gas of Isopropyl alcohol plant in Boilers for optimizing natural gas consumption in boilers. The utilization of purge gas from IPA plant as fuel resulted in a potential saving of 365 sm<sup>3</sup>/Hr. The purge gas generation remains more than the normal during summer times, when the ethane content in RGP feed to IPA plant remains high.
- (ii) In WNA-3 plant, primary air cooler with new tube bundle was installed to cool down air feed temperature to air-ammonia mixer, which had aided in increasing the plant load by 1.5%.
- (iii) Recovery of flash steam through condensate coming from the newly commissioned concentrated nitric acid plant resulted in a potential saving of LP steam generation by 0.5 Ton/hr.

**B) At K-7 and K-8 Complex:**

- (i) Installation of 22KV Capacitor bank to improve power factor from 0.4 to 0.9.
- (ii) Reduction in specific gas consumption by fine tuning of MP boiler for very low turndown (20%) ratio with the help of M/s. Thermax Limited. The modification is conserving 384 sm<sup>3</sup> of Natural gas for each Turn-down operation per day.
- (iii) Replacement of UMPS (Uninterrupted Motive Power Supply) panel with heavy duty VFD UMPS panel. The modification will save 348 KW of power & 60 MT of steam per start-up incurred due to power fluctuation in WNA-5.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy****A) At K-1 Complex:**

- (i) In WNA 4 plant, the boiler using the reaction heat for steam generation (WHB) will be replaced with a new designed boiler to increase the steam generation by 3 MT/Hr. This will also debottle-neck the plant capacity limitation and increase the WNA production by 50 MTPD .
- (ii) In IPA plant, it is planned to implement the scheme of recovering heat from wash water of bottom of the wash water column (T 8) by providing an additional heat exchanger PE-41 A and utilization of same heat to first wash column (PT-5) feed. This is expected save 0.8 TPH of LP steam.
- (iii) In WNA 1 & 2 plants, the vacuum system is planned to be replaced with new ejectors which will improve the steam turbine efficiency and reduce the HP steam at compressor turbine by 0.5 TPH in each plant.

**B) At K-7 and K-8 Complex:**

- (i) Utilization of excess flash steam - recovery of 400 kg/hr LP steam at HDAN plant, equivalent to 26 MT/month
- (ii) Generation of 355 Kg/hr flash steam from high pressure condensate in WNA-5.

**(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 (April, 2014 to March, 2015)	Previous Year (April, 2013 to March, 2014)
1	<b>Electricity</b>			
	<b>a Purchased</b>			
	Unit	MWH	10,518	5,757
	Total Amount	₹ ( Lacs )	1,090	804
	Rate/ Unit	₹ /KWH	10.36	13.96
	<b>b Own Generation</b>			
	<b>(i) Through Diesel Generator</b>			
	Unit	MWH	168	239
	Units per ltr. Of diesel oil	KWH/Ltr.	2.55	2.43
	Cost / Unit	₹ /KWH	25.68	23.76
	<b>(ii) Through Gas Turbine / generators</b>			
	Unit	MWH	91,635	116,171
	Units per M <sup>3</sup> of Gas	KWH/M <sup>3</sup>	4.25	4.67
	Cost / Unit	₹ /KWH	8.36	3.94
	<b>(iii) Through Steam Turbine / Generators</b>			
	Unit	MWH	4,870	4,210
	Cost / Unit	₹ /KWH	2.71	2.89
	<b>(iv) Through Windmill Turbine / Generators</b>			
	Units	000 KWH	16,125	18,569
	Cost / Unit	₹ /KWH	2.08	2.04
2	Coal	-	Nil	Nil
3	Furnace Oil	-	638.77	Nil
4	Others / internal generation	-	Nil	Nil

## II. Consumption per unit of Production – Unit ( KWH/MT )

Sr. No	Product	Standard Budget Norms (2014-15)	Current Year (April, 2014 to March, 2015)	Previous Year (April, 2013 to March, 2014)
1	Liquid Anhydrous Ammonia	98.26	130.50	93.92
2	Weak Nitric Acid	56.85	53.61	47.78
3	Concentrated Nitric Acid	20.20	12.35	9.13
4	Methanol	180.31	249.36	105.48
5	Nitro Phosphate	27.50	66.99	25.82
6	Low Density Prilled Ammonium Nitrate at K-1	47.00	53.21	60.69
8	Liquid CO <sub>2</sub>	230.00	263.21	228.64
9	Iso Propyl Alcohol (IPA)	257.05	240.23	249.65
10	Bentonite Sulphur	28.00	27.89	28.74
11	DNA 5	10.00	9.78	9.88
12	Low Density Ammonium Nitrate (LDAN) at K-7	67.00	71.50	67.66
13	High Density Ammonium Nitrate (HDAN) at K-8	45.00	51.74	39.17

## B. TECHNOLOGY ABSORPTION

## FORM B

## Disclosure of Particulars with respect to Technology Absorption

## RESEARCH &amp; DEVELOPMENT (R &amp; D)

## (1) Specific areas in which R&amp;D carried out by the Company

## A) At K-1 Plant

- (i) New environment friendly process for producing dimethyl carbonate (DMC) from Urea and Methanol is being developed in collaboration with NCL, Pune and IIT, Mumbai under the aegis of CSIR ( NMITLI project)
- (ii) Manufacture of 100% water soluble MAP from merchant grade Phosphoric acid as per requirements of FCO
- (iii) Manufacture of 100% water soluble fertilizer of grade 24:24:0
- (iv) Manufacture of Calcium Ammonium Nitrate (CAN) from reject Calcium Carbonate from NP process.
- (v) Enhancing IPA catalyst performance by using higher concentration of Phosphoric acid for re-soaking.
- (vi) Purification of Merchant grade Phosphoric acid using resins
- (vii) Developing suitable packing material Carboys, HDPE drums for SNA export.

## B) At K-7 and K-8 complex:

- (i) Chilled air is introduced in LDAN plant Prilling tower for improvisation of LDAN Prill to acquire larger self life.
- (ii) Scrubber packing height is being reduced for further improvisation of Prilling in AN plant.
- (iii) AHU performance improvisation in consultation.

## (2) Benefits derived as a result of the above R &amp; D

## A) At K-1 Plant:

- (i) Process for manufacturing DMC on lab scale has been completed and satisfactorily tested.
- (ii) Process of making water soluble MAP has been established on lab scale. Pilot plant is being established to confirm consumption norms and sustained quality.
- (iii) Process of making WSS 24:24:0 grade established on lab scale.
- (iv) Manufacture of Calcium Ammonium Nitrate still under lab trials. Sustained quality of product depends on raw material purity which is difficult to be obtained from reject materials.
- (v) Efforts have resulted in extended campaign cycles of IPA plant between re-soaks.
- (vi) Enhancement of export of chemicals like Nitric acid coupled with cost effective packaging.

## B) At K-7 &amp; K-8 Complex:

- (i) LDAN quality improved for customers.

## (3) Future plan of action

## A) At K-1 Plant

- (i) Pilot plant at Talaja K-1 for DMC product under guidance of CSIR, NCL, Pune and IIT, Mumbai will be established.
- (ii) MAP product manufacturing at pilot plant scale.
- (iii) In-house manufacture of water soluble NPK 24:24:0 in existing manufacturing facility with additional equipments.
- (iv) Development of cost effective methods for phosphoric acid purification.
- (v) Development alternate more effective method for IPA spent catalyst activation.
- (vi) Development of packing material as per customers needs.
- (vii) Approval of R&D centre Talaja from Department for Scientific & Industrial Research.

## B) At K-7 and K-8 complex:

- (i) In LDAN, Blanketing of product conveyor series & facilitating the enclosure as well as bagging bunker with dehumidified air.
- (ii) In LDAN, AHU performance improvisation for effective product cooling.
- (iii) In HDAN, Manufacturing of 1.5% magnesium nitrate content HDAN to enhance the shelf life of product.

## (4) Expenditure on R&amp;D (Including K-1, K-8 &amp; JNPT)

(₹ in Lacs)

(a)	Capital	:	Nil
(b)	Recurring	:	150.51
(c)	Total	:	150.51
(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) following information may be furnished:**

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 Licenser
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 Earnings and Outgo are set out in Note 45 and 48 to the Accounts.

For and on behalf of the Board of Directors,

Mumbai

Dated 21<sup>st</sup> May, 2015

**S. C. MEHTA**

Chairman & Managing Director

# Management Discussion & Analysis



## ECONOMIC OVERVIEW

Global economy remained turbulent during the year under review, with the financial and the Euro zone crises still visible in many countries. Global growth was moderate at 3.4%, uneven across countries and regions. While advanced economies reported a pick-up in growth, emerging and developing economies continued to slow down. However, despite their slow pace of growth, emerging markets and developing economies accounted for three-fourths of global growth in 2014, according to IMF's World Economic Outlook, April 2015.

In line with the trends in other emerging and developing countries, the Indian economy showed some resilience but the GDP growth, at 5.5% during the year fell short of expectations. The Central Statistical Office (CSO) has estimated GDP growth at 7.4% for the fiscal based on the new GDP series (following revisions to the GDP methodology and change

in the base year). The International Monetary Fund (IMF) projections as per the new GDP series indicate that India's economic growth will accelerate to 7.5% in FY 2015-16. It also forecasts that India will emerge as the fastest growing large economy in the world at the end of the current financial year.

Pro-investment measures announced by the Indian Government are the key factors to propel the country's economic prospects. The decline in oil prices is likely to support growth for the Indian economy and other oil-importing countries dampening growth prospects for the oil-exporting countries. Overall, global growth is expected to sustain at a modest rate of 3% in 2015, averaging at about 3.3% through 2017. (Source: Global Economic Prospects, January 2015, World Bank).

## BUSINESS OVERVIEW

### AGRI BUSINESS

#### ■ Industry Overview

The Indian fertiliser sector remained mired in challenges through the year. Gas availability issues and lower production of urea and DAP impacted the industry. This was however offset by higher imports of urea and DAP by 23.40% and 17% respectively. While there was a marginal increase in urea sales by 1.40%, P & K fertiliser sales volume – both indigenous and imports – showed healthy growth on account of adequate monsoon in the later part of the year and low inventory levels. Urea sales are expected to improve, going forward, as the Government has notified a new urea investment policy to support indigenous production and make India self-sufficient in urea production in the next four years. The policy, already approved by the Union Cabinet, is also aimed at ensuring timely supply of urea to farmers.

Urea production came down during FY 2014-15 by 1%, while DAP (Diammonium Phosphate) production, driven by high Phos-acid prices, came down by 7%, leading to drastic decline in the stock levels of these two commodities. On the other hand, most of the Phosphatic production shifted to NPK complexes. As a result, indigenous NPK production increased by 13%, causing imports to come down in this category. There was a substantial increase in the import of MOP (Muriate of Potash), which grew by 31%. Overall, NPK consumption grew by 4.5% during the year.

## Management Discussion & Analysis

The fertiliser industry for a short while was impacted as a result of inadequate monsoon in the initial months of the year. The shortfall in rain led to drought-like conditions in some States, thus impacting crop production and causing fertiliser demand to come down. On the flip side, however, the delayed monsoon, coupled with the international scenario, enabled their domestic retail prices to remain stable.

The Economic Survey 2014, tabled in the Parliament by the Government, highlighted the ill effects of overuse of urea on soil productivity and balanced fertilisation. The need to bring in remedial measures through policy changes that support domestic manufacture and usage of complex fertilisers needs to be recognised and acted upon.

### ■ Business Overview

Your Company is present in Agri Business segment across two key businesses – Crop Nutrition and Farming Solutions.

Under the Crop Nutrition business, your Company produces and sources a wide range of fertilisers (crop nutrients) consisting of bulk and high-end speciality fertilisers. Your Company is one of the leading and reputed manufacturers of high quality Nitro Phosphate fertilisers (nitrogen in both nitrate and ammoniacal forms) and speciality fertilisers such as Bentonite Sulphur (Bensulf).

Your Company's core command areas are in the important food grains and cash crops (sugarcane and cotton) regions, with strategically located state-of-the-art manufacturing facilities to ensure uninterrupted supply of high quality products. Your Company's marketing reach extends across Maharashtra, Gujarat, Andhra Pradesh, Karnataka, Madhya Pradesh, Punjab and Haryana, with its fertilisers sold under the prominent brand names Mahadhan and Bhoodhan.

Steered by its robust network of over 14,900 dealers and sub-dealers, your Company extended its reach to new markets (Tamil Nadu, Andhra Pradesh) in South India during FY 2014-15.

### ■ Bulk Fertilisers

The sudden and unwarranted discontinuation of supply of domestic natural gas by the Central Government to your Company severely impacted the core NPK fertiliser business (in-house ANP, marketed under brand name MAHAPOWER). Total production of NPK during the year under review was 38,989 MT, as against 2,42,822 MT in the previous year.

Your Company, has strategically shifted focus to grow in other segments in the absence of its flagship product despite

a drought in the core market of Maharashtra. The sale of Traded products increased substantially by around 60,000 MT.

Once the domestic natural gas supply is restored, your Company is confident of coming back into the market with its flagship manufactured fertiliser product to cater to the needs of farmers.

### ■ Speciality Fertilisers

With focussed efforts to expand the Traded products business, your Company grew its Speciality business by ₹ 36.32 Crore – an increase of 17.92% over the previous year. Sales of your Company's own manufactured Bensulf increased from 14,758 MT to 20,074 MT, a growth of 42.86%, enabling better than industry numbers during FY 2014-15.

Growth in the speciality (water soluble) fertilisers business, where your Company has built a leadership position, was steered by multiple factors. These included:

- Good positioning and increased focus on quality
- Continuous efforts to build cost efficiencies
- Focus on deepening market penetration

### ■ Capacity Expansion, Innovation & Logistics

With an eye on future opportunities, your Company had initiated expansion of its plant facilities in the previous year. Capacity expansion of NPK plant at Taloja and greenfield Bensulf plant at Panipat (Haryana) which were impacted by delay in environmental clearance.

Now with all the relevant clearances received during FY 2014-15, the Bensulf plant at Panipat is slated to become operational during FY 2015-16. The plant will produce 32,000 MTPA of Bensulf to further augment your Company's leadership position in the speciality business.

With the total plant capacity in the Agri business slated to be augmented to 6,00,000 MTPA, your Company is set to create a platform for the launch of a variety of complex fertilisers with micronutrient fortification. Moving forward, the enhanced capacities are also expected to provide a strong platform for the growth of your Company's flagship brand – Mahadhan.

The thrust on innovation will also continue, going ahead, your Company is exploring new product development ideas, especially in Water Soluble Fertilisers. The focus is on reducing external dependence in fertiliser business.

### ■ Farm Produce

The Farm Produce business encompasses a Joint Venture (JV), under the umbrella of Desai Fruits and Vegetables Private Ltd. (DFV) focussed on banana plantation, and contract farming for grapes, onions, pomegranates through Agri Business and Farming Solutions (ABFS) Division. Apples are also supplied by your Company to organised retails in domestic markets as part of this business.

Consequent to the significant improvement in operations of its JV entity, DFV, the Company has reassessed carrying value of its investment in the JV based on the valuation carried out by an independent valuer. Accordingly, provision of ₹ 507.09 Lacs made for diminution in value of investments in the previous year is no longer considered necessary and hence reversed.

Unseasonal rains impacted production and there was 51% drop in grape containers exported from Nashik – the core area of grape production. Despite this setback, the Farm Produce business broke even during FY 2014-15, steered by a more robust business model and greater access to new markets.

Under the services portfolio, your Company offers:

- Diagnostic services to farmers, led by the only private soil, petiole and water testing laboratory in the country. The lab has state-of-the-art equipment like the Atomic Absorption Photo spectrometer for testing of micronutrients, which are emerging as a key constituent for balanced crop nutrition.
- Advisory services to farmers, wherein it provides advice and solutions based on soil, water and petiole testing. This is important as imbalance in fertiliser usage is emerging as a key concern in India on account of the huge subsidy given by the Government on urea, which encourages farmers to opt for more urea consumption as compared to P&K fertilisers.



### ■ Saarthie Centres

As part of its forward integrated linkages, your Company is operating 12 Saarthie Centres, located across its core command area, since 2006. With strong linkages between nutrient management and product output management, these centres continued to boost last-mile connectivity for farmers during the year under review through advisory and other services. These centres have till date positively impacted the lives of more than 11,000 farmers, helping them increase farm yields, profitability and net back earnings.

### ■ Opportunities & Outlook

Notwithstanding the low sentiment in the domestic market during FY 2014-15 and the forecast of a less than normal monsoon, prospects for the coming year are buoyant. The Company will focus much of its effort on developing its Water Soluble Fertiliser business. During deficient monsoon, it has been seen that optimisation of water usage becomes a key concern. Water Soluble Fertilisers greatly help in this direction through fertigation. Your Company will focus on providing Crop Nutrition Solution that help in improving farm productivity thus shifting its focus from just selling fertilisers to provide support to farmers in important areas of crop nutrition to improve farm income.

Your Company shall focus on augmenting its Farm Produce business, which it sees growing on the back of strategic policy initiatives by the Government. In the domestic market, your Company plans to further streamline the processes and systems to strengthen the supply chain, both in supermarkets and wholesale trade.

## ■ TECHNICAL AMMONIUM NITRATE (TAN)

### ■ Industry Overview

A tough environment, triggered by the de-allocation of 214 coal blocks in the country, led to stagnation in industry growth. TAN is used mainly to manufacture explosives which are consumed in coal mines, and the cancellation of the coal blocks had a serious impact on the industry, as mining at these blocks remained suspended resulting in TAN purchases being put on hold.

The political environment was also not very conducive to industry growth, as mining sector in India preferred to wait and watch before taking any major initiatives in the wake of the new Government at the Centre.

Globally, low commodity prices and pressure on mined production volumes dampened industry spirit during

2014. However, with current global consumption of TAN estimated at around 20 million MTPA (worth US\$6.6 billion approx), the demand potential for TAN is positive. The Indian market is currently growing at 7% - 8% annually and the estimated current requirement for TAN in the country is around 0.7 million MTPA. India's TAN market, thus, has a lot of growth potential, which augurs well for industry players in the country.

TAN is the most preferred and cost-effective commercial blasting chemical, essential for coal, metal, limestone mining, as well as in several infrastructure activities. As an established player, with the largest manufacturing capabilities of TAN in India, your Company is a preferred supplier to the sector.

International grade product, excellent logistics processes and systems, a highly customer-centric culture and full compliance with the recently introduced AN Rules ensure a leadership position for your Company in the Indian TAN industry.

#### ■ Ammonium Nitrate (AN) Rules, 2012

The Ammonium Nitrate Rules introduced by the Government of India relate to logistics management, post production and the import of Ammonium Nitrate. The Rules, implemented from 11<sup>th</sup> January, 2014, are aimed at regulating storage, handling transportation and possession for sale or use of TAN. Your Company has completed the process of adoption of these stringent Rules during the year and now fully complies with them. These substantive changes arising out of new AN Rules impacted our business. However, our operations are now well on the way to stabilise in the new regulated environment.

#### ■ Business Overview

Your Company is amongst the top five producers of TAN in the world (with a production capacity of 0.44 million MTPA) and the only domestic producer of explosive grade low density prilled AN. It is India's largest TAN manufacturer, producing AN Melt, High-density Ammonium Nitrate and Low-Density Ammonium Nitrate.

Coal mining accounts for 65% of explosive consumption in the country. Your Company has undertaken to promote the global best practices in blasting which includes usage and application of Ammonium Nitrate Fuel Oil (ANFO). It has successfully conducted the trials with Singareni Collieries Co. Ltd. and for similar trials, it is in discussion with Northern Coal Fields Ltd. which is the biggest subsidiary of Coal India Ltd. On successful implementation it will lead to improved productivity in these mines.

Your Company has a portfolio of strong brands, backed by a well-entrenched distribution system. World-class quality product, with current day economies of scale, has given your Company a dominant position in this segment.

“With the largest manufacturing capabilities of TAN in India, your Company is a preferred manufacturer and has a strong pricing edge against competition”

During the year, your Company successfully established long-term contracts with most of its major customers, paving the way for robust business growth.

Amid expectations of revival in demand riding on the reallocation of coal mines and to further streamline its distribution process, your Company will get closer to the consumption points. In addition to the warehousing facility at the plant in Taloja, it increased the number of warehouses to 7 across various consumption centres covering 6 States. These strategically located warehouses will further augment your Company's logistical advantage and ability to deliver just-in-time service to customers.

Your Company's plant is located at Taloja in Maharashtra and its subsidiary Smartchem Technologies Ltd. at Srikakulam in Andhra Pradesh. To keep pace with the expected growth in demand, your Company focussed on optimisation of efficiencies and increase in utilisation levels at the plants during the year under review. Given the demand matrix and the potential for growth, your Company is targeting full capacity utilisation to leverage opportunities, both in the domestic as well as international markets. Keeping in view the growing demand, your Company is also evaluating a new plant at Paradip in Odisha where it already owns land.

Aligning itself to global standards, your Company further enhanced its focus on quality during FY 2014-15. While DFPCL has made improvements in the last few years on the quality front, it plans to further enhance this focus to meet the increasing competition, especially in the global markets.

#### ■ Exports

Your Company received the much awaited approvals for its product from all the major consumers across the world during the year. This has opened up new vistas of growth for your Company's export segment, particularly in the matured markets of Australia, South Africa, Indonesia, South America and Middle East. With improving quality of TAN, your Company hopes to successfully grow its global footprints.



### ■ Wholly Owned Subsidiary / JVs

- a) Your Company's wholly owned subsidiary Smartchem Technologies Ltd. (STL), as part of its forward integration initiative, announced the launch of its overseas JV during the year for blasting services in Australia. STL has set up Platinum Blasting Services Pty Ltd, a JV with local Australian partners having vast experience in providing value-added blasting services and operational expertise to mining and explosives industries in Australia. Your Company has already started supplying TAN to Australia and is now evaluating setting up emulsion facilities under the JV, which will significantly improve margins.
- b) Deepak Mining Services Pvt. Limited – a wholly owned subsidiary of your Company had entered into a JV with 51% share with RungePincockMinarco (RPM) Co. Ltd., Australia, a global leader in mine consultancy and provider of advanced mining software to introduce these services in the Indian subcontinent.

### ■ Production

Despite slowdown in Mining and Infrastructure, your Company managed to achieve sales volumes of 2,98,995 MT during the year under review, as against 3,10,017 MT in the previous year.

The total production of TAN during FY 2014-15 stood at 3,03,721 MT.

### ■ Outlook & Opportunities

With growing demand for power/energy, expected to trigger increased requirement for coal, your Company expects to make substantial gains in its domestic business in the coming year.

Given the demand scenario, your Company sees strong potential for growth of its TAN business in key global markets, including the Middle East, Africa, Australia, Indonesia, South America.

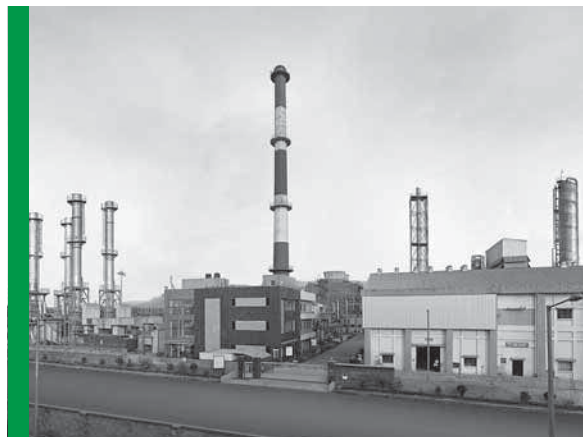
Australia, in particular, holds substantial prospect as a key export destination as your Company's step down subsidiary, Platinum Blasting Services Pty Ltd, which commenced operations during FY 2014-15, is well positioned to garner a significant share of this market by securing volumes.

Your Company foresees good opportunities for expansion in this business despite the challenging environment and shall continue to augment its technological strength, services and customer focus to boost growth.

## INDUSTRIAL CHEMICALS

### ■ Industry Overview

Indian chemicals industry, which accounts for 2.5% of overall GDP, is expected to grow at 15% per annum over the next few years. The sector plays a crucial role for the economy in terms of its contribution to the country's overall foreign direct investment and manufacturing sector.



The business environment in this industry remained challenging during the year, with crude oil prices witnessing a drastic decline in a short span of time. Since petrochemicals are derived from crude oil, the petrochemicals industry was thrown into turmoil because of the crude oil price downfall, price speculation and uncertainty in demand.

Partial recovery during the last quarter of the year under review led to some stability in demand and it was only during this period that even the chemicals industry witnessed some positive movement bringing it towards normalcy.

### ■ Business Overview

Your Company, a leading producer of industrial chemicals in India, is present in this segment across two key businesses – Acids and Solvents. The range of your Company's world-class products spans across Iso Propyl Alcohol (IPA), various grades of Nitric Acid, Liquid Carbon Dioxide etc, catering to various sectors, including Pharmaceuticals, Pesticides, Paints and Dyes Intermediates, Refining of Precious Metals, Resins, Textiles and Fertilisers.

Your Company recorded a 16% growth in FY 2014-15 (in terms of sales value) over the previous year in respect of industrial chemicals. The Division recorded the sales volume of 3,92,024 MT in FY 2014-15, as compared to 3,71,981 MT recorded in the previous year.

As a result of its direct relationships with more than 600 industrial customers in India and globally and a strong distribution network, your Company is ideally positioned to take on the future opportunities in this segment to its maximum advantage.

### ISO PROPYL ALCOHOL (IPA)

#### ■ Overview

A critical solvent, IPA finds extensive application in pharmaceutical formulations, cosmetics, dyes and printing inks. The estimated size of this industry in India stands at 1,17,000 MTPA, of which your Company manufactured 74,983 MT

## Management Discussion & Analysis

(with 107% capacity utilisation) and a total of 30,269 MTPA was imported for trading in the Indian markets. As India's only IPA producer, your Company has the bulk (88%) of IPA market share in India. Your Company supplies major portion of IPA through its indigenously manufactured product, while the remaining comes from traded imports.

With the Indian pharmaceutical industry on a continuous high, IPA demand in the country has been good and is on the path of consistent growth. Despite pricing being a challenge, your Company achieved record-breaking production and sales in the three consecutive months of the last quarter of FY 2014-15. Close engagement with the customers, which enabled a collaborative approach, has made your Company the preferred choice in this business segment.

Your Company continuously invested in enhancing operational efficiencies to boost performance in this business segment during the year.

### ■ Outlook

The Indian pharmaceutical industry will continue to be on a growth track with more Active Pharma Ingredients (APIs) and formulations getting added to the Indian manufacturing base, which will be the driver of growth for IPA.

In order to meet the growing domestic demand of IPA, your Company is planning to consolidate its market position by increasing IPA imports and enhancing capacities at its manufacturing facilities.

## NITRIC ACID

### ■ Overview

A crucial component in the nitro-aromatics sector, Nitric Acid is also used in the manufacturing of drugs like Paracetamol and Vitamin B6, besides usages in the dyes industry, steel rolling, defense and explosives. With a current capacity of 8,41,500 MTPA, your Company's Nitric Acid is captively used in the manufacture of TAN and Ammonium Nitro Phosphate. It is also sold in the domestic market, where your Company commands a share of 39%. Your Company's Dilute Nitric Acid (DNA) merchant sale was 61,314 MT in FY 2014-15, as against 54,803 MT in FY 2013-14.

### ■ Concentrated Nitric Acid

Concentrated Nitric Acid (CNA) is a key component used in the production of Aniline, Nitrobenzene and TDI (Toluene Di Isocyanate). Your Company is one of the largest producers of CNA in India, with an installed annual capacity of 1,38,600 MTPA and 48% market share. High-end technology from Adolf Plinke GmbH, Germany, ensures the purest grades of the product.

The demand from TDI segment received a boost at the start of 2015 with commissioning of a major facility in Western

India. Consequently, your Company was able to report sustained growth in volumes during the year under review, with the Q4 of FY 2014-15 witnessing substantially higher capacity utilisation. Breaking its all time records in terms of production for three consecutive months, from January to March 2015, your Company reported its highest ever production numbers.

Your Company's CNA sale recorded 75,956 MT against the previous year's 63,628 MT.

### ■ Outlook

The sale of Nitric Acid is expected to pick up as a result of capacity expansions in downstream products. Your Company is well placed to cater to the increased demand, on the back of sufficient capacity and domestic geographical advantages. Backed by technological and human expertise, as well as its strong domestic network, your Company is ideally positioned to make the most of the burgeoning opportunities in the industry and hence an expansion of capacity is under active consideration.

## LIQUID CARBON DIOXIDE (CO<sub>2</sub>)

Your Company has a strong presence in the production of food grade CO<sub>2</sub> – a key component of soft drinks and dry ice which is sold to large beverage companies. Your Company's aggregate capacity, after successful expansion of liquefaction plant, stands at 66,000 MTPA. The liquid CO<sub>2</sub> sales were affected during the year due to non-availability of gas, which kept the ammonia plant, and consequently also the CO<sub>2</sub> plant, non-operational.

### ■ Outlook

With production of liquid CO<sub>2</sub> having resumed since December 2014, your Company is fast moving towards recapturing the market during the year under review.

## METHANOL

Your Company, equipped with a total Methanol manufacturing capacity of 1,00,000 MTPA, produced 8,578 MT during FY 2014-15. Your Company's policy in this imports-dominated segment is

“With the Indian pharmaceutical industry on a continuous high, IPA demand in the country has been good and is on the path to consistent growth”

“Breaking its all time records in terms of production for three consecutive months, from January to March 2015, your Company reported its highest ever production numbers in Acids”

to operate its plant only in favourable market conditions. Your Company strategically chose not to produce Methanol during the major part of this fiscal due to unfavourable market condition.

#### ■ Outlook

Your Company will continue to follow the same strategic focus, going forward. Production of Methanol will continue to be guided by market opportunities. Your Company does not expect growth momentum to pick up in this segment in the near term, given the market conditions and non-availability of natural gas.

#### ■ Raw Material Overview

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

#### NATURAL GAS

Your Company faced crisis situation during the year with regard to Domestic Gas following the order issued by Ministry of Petroleum and Natural Gas (MoPNG), whereby supply of Domestic Natural Gas from all sources was discontinued to your Company on the grounds 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 to your Company from 15<sup>th</sup> May, 2014 which resulted in the non-operation of the fertiliser plant at Talaja. The Government order has since been challenged by your Company at the Hon'ble High Court at Delhi, on grounds of discrimination, arbitrariness and without prior notice. The matter is currently sub-judice.

Domestic Natural Gas prices are expected to remain stable or low, due to drop in crude oil prices since second half of 2014, increase in shale gas volumes and softening of growth in demand from China and Japan. With softening of imported LNG, the Company has restarted the Ammonia production for its chemical downstream needs which can bear the higher feedstock costs. An amicable domestic gas resumption is awaited.

#### AMMONIA

Increasing geo-political uncertainty in Ukraine and the Middle East, as also the shortage of natural gas in Trinidad caused Ammonia price to rise sporadically for a quarter or so during FY 2014-15. However, prices softened towards the end of the financial year due to cyclical consumption by fertiliser companies and consistent supply from all producers.

Going forward, the price of Ammonia is expected to remain stable, as a result of Iran exporting to India, new capacities coming on-stream and stable geo-political condition, thereby ensuring uninterrupted supplies at reasonable prices. Additionally, the domestic availability is also likely to continue. With improved supplies in the long term due to 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 tankages at JNPT and Talaja.

#### PHOSPHORIC ACID

Phosphoric Acid consumption last year was lowest as ANP plant closed down due to discontinuation of natural gas supply. Phosphoric acid prices in H2 has moved up due to its unavailability and DAP prices moving up in market.

During FY 2015-16 Phosphoric acid price is expected to average out to the same level of Q3 and Q4 of FY 2014-15. The major contributing factors for this are supply side pressure from growth in capacities and fall in Rock Phosphate prices. DAP prices are expected to remain stable in the first half of the current Financial Year (April-Sept). However, it is forecasted for downward revision in second half.

#### PROPYLENE

IPA plant performance improved especially in the second half of FY 2014-15. The raw material prices are low at present and your Company does not expect major upward revision due to low crude oil price outlook. The availabilities of long-term contracted propylene and the small residual quantity from other sources continue to provide a stable feedstock scenario.

#### ■ Outlook

The lowering of imported LNG price is expected to provide relief by way of lowering cost of utilities and will help increase the margins of your Company.

Our petition with regards to disconnection of supply of natural gas is pending with the Hon'ble High Court of Delhi and we are awaiting the decision from the Inter Ministerial Committee (IMC) formed for this purpose.

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## VALUE-ADDED REAL ESTATE

With an occupancy income increase of 90% over the previous year, and overall Mall income growth of 80%, your Company's Value-Added Real Estate business – currently represented by the unique and pioneering destination Ishanya in Pune – improved on its year-on-year performance.

Ishanya has allocated nearly 70% of its 4 lac sq. ft. retail space dedicated to home lifestyle products, housing more than 50 brands of national and international repute.

Steered by a combination of increase in income and prudent expenditure efficiencies, the Mall Division reduced EBIDTA losses significantly over the previous year. This business segment recorded revenues of ₹ 8.24 Crore in FY 2014-15, including retail operations, against ₹ 3.49 Crore in the previous fiscal.

Increased focus on building cost efficiencies across all the core facilities led to business growth. The revenue sharing model ensured translation of increase in earnings of the retailers into income growth for your Company. Your Company helped enhance retailer sales by creating special schemes leading to greater visibility for Ishanya in the core category of home décor and interiors.

The unique houslife multi-brand home retail concept, which completed its first year, also ended FY 2014-15 on a healthy note despite the weak market sentiment that prevailed through the bulk of the year. Driven by brands, design and choice, this innovative concept continues to enhance the lifestyle of consumers and is poised for more brand launches and stable contribution to revenue during the next fiscal.

Your Company embarked on a smart strategy of building experiential spaces and allocated 30% of space to food & beverage (F&B) and entertainment. This strategy was kickstarted during FY 2013-14 with Blue Frog – Live Music Performance club with F&B, which became operational during FY 2014-15 will further augment the topline growth. The division also expanded the F&B business by signing on Pub Town – Pune's pioneering concept for one-stop fine dining spread over 30,000 sq. ft.; phase 1 of 7,000 sq. ft. has become operational since early February and the remaining phases are expected to be operational in FY 2015-16, thus further fortifying your Company's F&B business.

In the core category of home décor, your Company is launching yet another pioneering concept 'The Home Sukh'. Spread over 20,000 sq. ft. and with nearly 25 brands in various impulse from categories, this unique concept will add rich depth to the Ishanya portfolio. The

architectural plan envisages a physical connect between houslife and The Home Sukh to ensure increased integration of Mall traffic.

The focus, going forward, will be on strengthening the experience factor, based on the cognitive experience that comes with the joy of personal shopping. Your Company plans to address the growing trends of e-retail through an 'experience led' convergence strategy. With greater focus on talent management and execution, the reorientation of the value-added real estate business model is expected to deliver greater value to the customer.

## FINANCIAL OVERVIEW

### Financial Analysis

Your Company's resilience was evident during FY 2014-15 in its ability to avoid incurring loss despite the main feedstock becoming unavailable from mid Q1 FY 2014-15 itself.

The discontinuation of gas supply forced your Company to abruptly suspend its own fertiliser manufacturing in May 2014, leading to a major drop in production and correspondingly, in profits. However, your Company was able to largely contain the consequent reduction in topline at ₹ 3,711.77 Crore in FY 2014-15, which was marginally below the previous year's level of ₹ 3,810.44 Crore. The growth can be attributed to Company's greater focus on traded bulk and speciality fertilisers. Given the constraints, the fertilisers business did reasonably well during the year under review, by riding on significant growth in traded fertilisers.



Though price volatility impacted margins in the Industrial Chemicals business, 74,983 MT of IPA was produced in FY 2014-15, marginally lower than that of the previous fiscal (75,903 MT). Capacity utilisation was full during FY 2014-15, pushing growth in this business segment.

The overall cost of goods sold increased from ₹ 2,749.23 Crore in FY 2013-14 to ₹ 2,917.88 Crore in FY 2014-15 on account of higher business volume. The finance costs increased to ₹ 110.11 Crore in FY 2014-15 from ₹ 100.75 Crore in FY 2013-14, remaining largely under control, recording an increase of 10% over the previous year.

Your Company recorded Profit Before Tax (PBT) of ₹ 108.22 Crore – which is lower by 68% as compared to the previous year. Profit After Tax (PAT) decreased from ₹ 243.88 Crore in FY 2013-14 to ₹ 78.35 Crore in FY 2014-15, recording decrease of 68%.

The operating profit margins stood at 4.86% for the year, witnessing a reduction of 5.73% over the previous year. Whereas, the PAT margins stood at 2.11% for the year, dropping by 4.29% compared to the previous year.

#### REVENUE MIX FOR PRODUCTS / SECTOR

Product / Sector	FY 2014-15 (₹ Crore)	%	FY 2013-14 (₹ Crore)	%
TAN	807.12	22	802.12	21
IPA and Propane	699.69	19	761.76	20
ANP and Bensulf	165.82	5	674.97	18
Outsourced Bulk Fertilisers	635.16	17	514.28	14
Bulk Chemicals Trading	798.43	22	467.82	12
Nitric Acids	294.77	8	208.94	6
Outsourced Agro Speciality	235.71	6	210.65	6
Methanol	23.00	1	113.95	3
Others (Includes Windmill, houslife, Chemicals, etc.)	23.88	1	35.59	1

#### PRODUCTION & SALES (MT)

Product	Production		Sales	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Ammonia	50,143	1,13,463	NA	NA
Methanol	8,578	34,172	9,419	32,830
Iso Propyl Alcohol	74,983	75,903	75,923	76,644
Propane	13,614	15,872	13,488	15,800
Dilute Nitric Acid*	4,28,662	5,03,475	61,314	54,803
Concentrated Nitric Acid	87,783	74,085	75,956	63,628
Technical Ammonium Nitrate	3,03,721	3,16,749	2,98,995	3,10,017
Bulk Fertilisers	NA	NA	3,51,610	4,79,364
Nitro Phosphate Fertiliser	38,989	2,42,822	43,160	2,42,557
Bentonite Sulphur	18,525	15,847	20,074	14,758
Liquid Carbon Dioxide	11,730	35,665	11,733	35,643
Windmill Power ('000 KWH)	16,126	18,569	15,478	17,915

\* Captively consumed: 3,64,358 MT (14-15) & 4,48,892 MT (13-14)

Margins were impacted due to steep hike in the price of Ammonia – the basic raw material for TAN and Acids. Mining and infrastructure activities remained sluggish for most part of the year, resulting in poor offtake of TAN during the first nine months. However, business picked up during the last quarter and if the pace of growth continues, the prospects for the coming year seems bright. With growth likely to be back on track, your Company expects to scale up capacity utilisation for TAN from the current 68% to 90% in FY 2015-16.

The last quarter saw your Company successfully run its Ammonia plant with LNG source from the market. While it being unaffordable by the Fertiliser business, the Ammonia thus produced was used for TAN and Nitric Acid production.

Overall, the trading sector – speciality & bulk fertilisers and industrial chemicals – boosted your Company's performance and sustained growth during the year.

Your Company successfully ensured better cost efficiencies to further improve margins. It has embarked on a programme to identify and improve plant efficiencies, streamline procurement and processes, upgrade capacity utilisation and manage raw material consumption. The programme led to reduction in operating costs across all businesses, resulting in improvement in margins.

### Management Discussion & Analysis

Upgradation of logistics and further streamlining of procurement practices are expected to continue enhancing margins in the coming years.

Your Company's Earnings Per Share (EPS) decreased from ₹ 27.65 in FY 2013-14 to ₹ 8.88 in FY 2014-15. The Cash Earnings Per Share (CEPS) stood at ₹ 22.18 in FY 2014-15, compared to ₹ 39.29 in FY 2013-14, for reasons mentioned elsewhere in the report.

Your Company's Debt to Equity ratio stands at 0.47 as on 31<sup>st</sup> March, 2015 compared to 0.57 as on 31<sup>st</sup> March, 2014, maintaining its low debt status. Your Company is underleveraged and has good borrowing capacity to finance its growth plans.

Your Company expects to strengthen its performance with a greater focus on speciality fertilisers, management of raw material, strengthening of operations and performance improvement initiatives. TAN exports in the coming year are expected to give a significant boost to this business segment, while capacity expansion will result in increased turnover from own manufacturing in the Agri business.

If the gas supply is restored, fertiliser production will be back to full capacity, leading to significant topline growth in the coming year.

## HUMAN RESOURCES

An organisation's success is rooted in the strength of its people. In tough times particularly, it is the inherent resilience that steers an organisation back to the path of growth. The ability to attract, onboard, develop and engage the right kind of talent is, therefore, crucial to an organisation's long-term success.

Your Company strongly believes in continuously taking steps towards talent management, leadership development and employee engagement. Your Company took several new initiatives during the year to further strengthen its HR capital to ensure sustainable and continuous growth in the challenging environment.

- Introduced a robust and comprehensive talent review system for identifying top talent, key persons, key positions, successors to key positions, and retention risks. Individual development plans for top-talent were also drawn up.
- Took firm steps towards further enhancing managerial and leadership competencies through a concerted intervention called 'Leading our Teams' – which consists of a series of

in-house workshops which aimed at equipping the managers with tools, concepts, and skills for improving employee performance and productivity.

- Improved focus on value-based leadership through further clarifying the 'Leadership Values in Actions' – the organisation's guide to expected leadership competencies.
- Rolled out an intervention for developing leaders' coaching competencies.
- Improved the performance management system to further enhance the organisation's focus on performance-based rewards and recognition.
- Successfully introduced several new practices, such as Internal job posting, rewards and recognition for participation in special projects, meetings with leaders etc. These practices are aimed at sustained motivation and incentivisation of the employees.
- Popularised self-directed learning through various available means like e-learning and MOOC.

The organisation has 1,486 employees on its rolls as on 31<sup>st</sup> March, 2015, as compared to 1,471 employees the previous year.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's resilient focus is driven to a large extent by its strong internal control systems. Your Company has in place well formulated internal controls for its operational processes across the various business segments. Its internal controls help your Company ensure efficient operations, compliance with internal policies, applicable laws and regulations, as well as protection of resources and assets. Accurate reporting of financial transactions is also integral to the internal control systems of your Company.

A strong internal audit system is also in place and is conducted by two independent firms of Chartered Accountants, encompassing 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. Necessary action is decided and initiated, as needed.

The COSO system further helps your Company strengthen its internal control, while the 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 your 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

Ishanya Foundation  
Mahila Melawa Muskaan Project  
YRNF Marginalised Farmers  
Dairy Development Project  
Healthcare Initiatives Health Camps  
Deepak Foundation

Your Company is engaged in building resilience among the communities around its facilities through concerted Corporate Social Responsibility (CSR) initiatives for more than three decades. The Ishanya Foundation (IsFon) is working committedly in Taloja and Pune in Maharashtra, while Deepak Foundation is wholeheartedly supporting the communities in Vadodara, Gujarat.

The CSR initiative at Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) has been further strengthened in the wake of the Companies Act, 2013, and the Company, in compliance thereof, has set up a three-member CSR committee of Directors for mapping the CSR charter for the coming years, thus ensuring a sustainable growth map for itself. In this, the Company is guided by its Vision and Mission statements.

## Vision:

To act as an effective catalyst in DFPCL's geographies of operations in creating a self-reliant and respectable society with secure and sustained means to livelihood, through employable skills and resource support and additionally to promote and support the rich cultural heritage of India.

## Mission:

The mission for the identified society at large, in geographies of DFPCL's operations and influence, shall be:

- To identify the potential of and gaps in the economic and social support systems, so as to help develop a sustained, self-reliant society with special emphasis on the youth, women and marginal farmers;
- To undertake vocational skills and soft skill development initiatives enabling sustained and respectable employment opportunities for leading a self-reliant life;

FY 2014-15 saw both Ishanya Foundation and Deepak Foundation work dedicatedly to enhance their engagement with the communities in the regions of their presence.

### ISHANYA FOUNDATION

Ishanya Foundation continued to invest its efforts in further augmenting its progressive strength in the areas of Livelihood Programmes (Women Empowerment), Health and Education during the year.

- To facilitate income generation programmes of individuals/groups through alignment of skill development with self-employment opportunities;
- To provide marketing and financial support to help enhance sustained income generation initiatives;
- To generate community development activities and promote self-help groups so as to improve the living conditions of people through peoples' initiatives;
- To initiate activities and develop government/institutional linkages in community preventive/corrective health facilities where needed;
- To undertake farmer skill building, soil/nutrient/agri-inputs/produce enhancement initiatives;
- To support performing arts among local communities for promotion of talent and cultural richness of the society;
- To provide a much-needed crisis support for unexpected calamities and disasters;
- To co-ordinate/conduct any other CSR initiatives which are consistent with the provisions of Section 135 of the Companies Act, 2013 or other provisions as may be prescribed by the government from time to time.

Seeking to further its mission to empower women and make youth employable through skill development programmes, the Foundation further scaled up its people-oriented programmes in both urban and rural areas. In totality, your Company contributed ₹ 83 Lacs towards its CSR initiative during the year.

## URBAN AREAS

### JOB-ORIENTED VOCATIONAL TRAINING PROGRAMME

In the urban areas, the main focus was on vocational training, with placement tie-ups to ensure job guarantee. The Foundation organised courses for training aspirants in beautician, diploma in pre-teachers, art & craft, computer-IT course with typing, ward assistants with spoken English. Scholarships were awarded to six students pursuing P B B.Sc. Nursing from Symbiosis College of Nursing. Over 1,665 aspirants have been trained in various vocational skill-based training programme.

As part of Soft Skills Training, aspirants undergoing various courses were trained in Personality Development, Communication Skills, Etiquettes and Interview Skills every month.



Young aspirants honing their skills in beauty therapy

### INCOME GENERATION PROGRAMME

The Income Generation Programme (IGP) provided training to more than 100 women from slum communities to manufacture quality products such as bags, envelopes, fancy handbags etc., thereby inculcating in them not only skills but also self-confidence and a sense of dignity. These products are sold at fairs and exhibitions, and also to retail customers, enabling the women to earn an average of ₹ 4,000/- to ₹ 5,000/- per month. The programme reported excellent sales through orders for marriage functions, from individuals and sale through exhibitions.

More than 350 women from different villages attended the Tailoring classes for entrepreneurship programme organised by the Foundation.

In a new initiative, **IGP at Yerawada Central Prison** saw training conducted for eight women prisoners in stitching of cloth bags, besides repair with replacement of parts of 15 in-house tailoring machines. Approximately, 500 cloth bags have been stitched and 30 sets of napkins have been made by women prisoners.

### MUSKAAN PROJECT

Under this one-of-a-kind project, the Foundation receives pre-owned garments, clothes and accessories through its 'Muskaan Ambassadors' in the city. These products are checked for quality and the ones found in good condition are sold at affordable prices to underprivileged families in various areas of Pune by 20 'Muskaan Parees' - a self-help group of women affiliated with the Foundation, thereby earning a source of income through sale of garments and more than 7,700 individuals have benefited by purchasing garments at a very nominal price. During the year, 112 stalls were set up under this initiative, including at hospitals, with overwhelming responses.



Muskaan Stall at Ruby Hall Clinic

### PATHOLOGICAL COLLECTION CENTRE

A new initiative this year was the launch of Pathology Collection Centre through a tie-up with Shree Hospital to provide highly subsidised pathological test services to the underprivileged.

### MAHILA MELAWA

Held in March 2015, the Mahila Melawa was attended by 121 women associated with IsFon under various projects. Street play on social issues, health talk, and bridal competition were organised. Successful aspirants from IsFon shared their experience of their journey towards success, thus inspiring other participants.



Mahila Melawa in progress

### YELLOW RIBBON NGO FAIR (YRNF)

The 7<sup>th</sup> edition of Ishanya Foundation's annual pre-Diwali 'Yellow Ribbon NGO Fair', was inaugurated by Mrs. Ritu Chhabria, Managing Trustee of Mukul Madhav Foundation at Ishanya. More than 121 NGOs and Self Help Groups SHGs from across Maharashtra participated in this event, garnering over 7000 footfalls and resulting into 30 lacs sales.





Mrs. Parul Mehta - Trustee - IsFon, seen with Ms. Rati Forbes at the Yeola Paithani stall

Over 1,000 unique products like diyas, lanterns, jewellery, cane products, candles, terracotta artefacts, delectable sweets & snacks, copper mina work, paithani sarees & handbags, flute, handmade cards, torans, organic food, honey and chocolates were made available for customers.

A series of entertainment activities were organised during the four-day fair planned to add the flavour of celebration. The YRNF has always been a good platform to the budding artisans.

### LAUNCH OF AN UNIQUE WEBSITE:

heart2hand.org.in

IsFon launched a unique website platform to help connect NGOs with consumers and corporates. The website heart2hand.org.in was inaugurated by former MP Ms. Priya Dutt. The website promotes 400 products made by over 200 NGOs across eight cities in India and makes them available through the online portal by directly contacting the NGOs in the respected cities. The website is a good opportunity to NGOs to target diverse sets of audiences for marketing of their products.

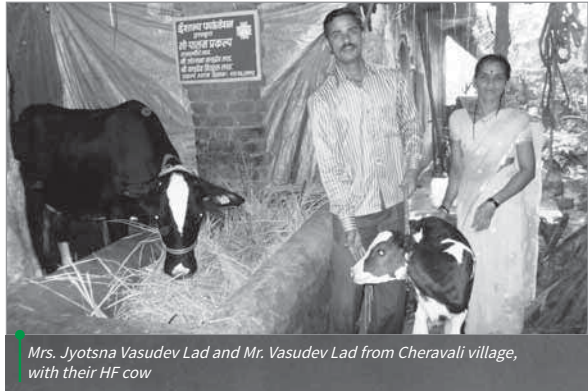


Ms. Priya Dutt launching the website with Dr. U. S. Saha - Chief GM - NABARD & Mrs. Parul Mehta - Trustee IsFon

## RURAL AREAS

### DAIRY DEVELOPMENT PROJECT

In the rural areas of Taloja, the Foundation focussed on the wives of farmers. The support of crossbreed cow programme continued to empower rural women, who received cow with calf from the Foundation. They were trained in fodder management and health and hygiene in cow breeding. This project enabled them to earn an average income of ₹ 5,500/- to ₹ 8,000/- per month through sale of milk and another ₹ 750/- per month through sale of cow dung. About 117 families have been supported with 142 crossbreed cows through the Dairy Enterprise, and were trained in livestock rearing.



Mrs. Jyotsna Vasudev Lad and Mr. Vasudev Lad from Cheravali village, with their HF cow

### MARGINALISED FARMERS (WADI PROJECT)

Seeking to further widen their horizon through diversified offerings, the Foundation adopted and worked with marginalised farmers under the 'Wadi' model to cover 146 families of which about 93 are tribal families. It supported the farmers with farm tools, fertilisers, pesticides, vegetable seeds for growing inter crops in the interim period of growth of the mango trees. Vegetable linkages and monthly training programmes for their technical upgradation were other key initiatives for the farming community. Weekly tips were also provided through SMS blast. Farmers earn ₹ 10,000/- to ₹ 15,000/- per month under this project.



Bottle Gourd Cultivation of Mrs. & Mr. Manjula Harichandra Chaudhari, Karambeli Village, Dist. Raigad

## HEALTHCARE INITIATIVES

Healthcare initiatives included: Eye camps every four months, followed by free cataract operation to 216 patients and spectacles distribution to 909 individuals in collaboration with Laxmi Charitable Trust. Patients attended: 3,279 nos., Screening of 1,490 students across 5 schools.

## EDUCATION

Ishanya Foundation, in partnership with the Industrial Training Institute (ITI), Panvel, awarded 50 top ranking students across various streams with the Gunwatta Protsahan Yojana - Ishanya Foundation Academic Excellence Award, along with a scholarship to pursue higher vocational education. Under this initiative, the Foundation awarded the top 2 rankers across each stream of training conducted at ITI, Panvel. Each student was felicitated with a gift from the Foundation and a Certificate of Appreciation. In addition to this, the Foundation has also offered scholarship to eight students for further education every year.



Mr. Sanjay Yenpure, Asst. Commissioner of Police, Navi Mumbai, seen felicitating an ITI student

## DEEPAK FOUNDATION

### CERTIFICATE COURSE ON HOME HEALTH AIDE

Continuing with its endeavours to create livelihood opportunities for the underprivileged, the Foundation, in affiliation with National Skills Development Corporation (NSDC) and Healthcare Sector Skill Council (HSSC), initiated a certificate course on Home Health Aide, mainly for rural youth. This course aims to curb the shortage of allied health professionals in the country. The first batch was rolled out on December 15, 2014. The course strongly continues in educating youth on health aide and moulding them into skilled health professionals with a bright future ahead.

### HEALTH CAMPS

During the year, Deepak Foundation organised various health camps in Kawant (Chhota Udepur district), Nandesari (Vadodara district) and Dahej (Bharuch district), with an aim to cater to the healthcare needs of the community. Healthcare services were provided to the community by medical specialists and general physicians.

### INDIA CSR COMMUNITY INITIATIVE AWARDS, 2014

The Annual India CSR Community Initiative Awards, 2014 was conferred upon Deepak Foundation for the "Best CSR Project in Health for Promoting Safe Motherhood (Maternal and Child Care)" on April 6, 2015.

## OUR FEW SUCCESSFUL ASPIRANTS



**Surekha Nikam**, aged 40 years is 10<sup>th</sup> pass and residing at Wadgaonsheri with her daughter, husband and mother-in-law.

- Surekha joined the IGP programme of IsFon to have a source of income to meet the daily expenses.
- She stitches wonderful products designed by IsFon with expertise in products like the S-Bag, Fancy Base Batwas and Fancy Handbags.
- She is earning approx. ₹ 5,000/- per month.



**Pratiksha Behre**, aged 22 years residing at Wadgaonsheri is 12<sup>th</sup> pass and staying with her parents and two sisters.

- Pratiksha completed the Beautician course from Ishanya Foundation and was sent for internship from IsFon to Rashmi's Chalet.
- She was immediately employed after the internship with the salary of ₹ 5,000/- per month. On completion of six months of service, her salary was raised to ₹ 7,000/- per month along with commission and tips which touched the monthly income to around ₹ 8,000/- per month.
- Now she has joined Timesy Parlor at Kalyaninagar with monthly salary of ₹ 9,000/- per month.



**Mr. Jaydas Mahadu Phulore**, 33 years, stays at Bhokarpada Village along with his parents, wife and one son.

- He was in search of livelihood option of rearing livestock. IsFon approached and supported him with HF cow in the year 2013 and his earning increased by ₹ 4,000/- per month.
- He then purchased 6 more cows on his own seeing the scope of better livelihood option and got the fodder cutting machine on subsidy basis.
- He now has eight buffaloes and two cows and has expanded his cowshed. His monthly income is approx. ₹ 60,000/- per month excluding the expenses.



**Mr. Harichandra Hirya Chaudhari & Mrs. Manjula Harichandra Chaudhari** resident of Karambeli village from a tribal family have one son and two daughters.

- They had half acres of land. IsFon supported with the bottle gourd cultivation.
- During the last six months, the total yield of bottle gourd was 1500 kg and average income earned was ₹ 30,000/-.

# 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 fulfill 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 as on 31<sup>st</sup> March, 2015

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	
	Non-Independent & Non-Executive Director (Additional Director)	Shri R. A. Shah	
II.	Independent Directors	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 2014-15 and the Annual General Meeting (AGM) held on 31<sup>st</sup> July, 2014 are as follows:

Six Board Meetings were held during the Financial Year 2014-15. These meetings were held on 22<sup>nd</sup> April 2014, 15<sup>th</sup> May 2014, 31<sup>st</sup> July, 2014, 4<sup>th</sup> November 2014, 11<sup>th</sup> February, 2015 and 20<sup>th</sup> March, 2015.

### ***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>	
				Meeting during Financial Year 2014-15	As on 31 <sup>st</sup> March, 2015
Shri S. C. Mehta	6	Present	4	-	-
Shri Partha Bhattacharyya	5	Absent	3	-	2
Shri D. Basu	5	Present	2	1	1
Shri N. C. Singhal	6	Present	8	4	2
Shri U. P. Jhaveri	5	Present	1	1	-
Shri S. R. Wadhwa	5	Present	1	-	1
Smt. Parul S. Mehta	6	Present	1	-	-
Dr. S. Rama Iyer	6	Present	5	1	-
Shri Anil Sachdev	4	Present	1	-	-
Shri Pranay Vakil	6	Present	3	2	-
Shri R. A. Shah	1	Absent	9	5	3

§ - Excludes alternate directorships/directorships of private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

# - Includes only Audit Committee and Stakeholders' Relationship Committee.

## COMMITTEES OF BOARD OF DIRECTORS

### ■ AUDIT COMMITTEE

#### **Brief description of Terms of Reference:**

The terms of reference of Audit Committee is according to Clause 49 of Listing Agreement and Section 177 of Companies Act, 2013 which, *inter alia*, includes 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 & independence 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 statements and results of operations, statement of significant related party transactions, and internal control systems.

- 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 Committee Meetings were held on 22<sup>nd</sup> April, 2014, 14<sup>th</sup> May, 2014, 30<sup>th</sup> July, 2014, 4<sup>th</sup> September, 2014, 3<sup>rd</sup> November, 2014, 23<sup>rd</sup> January, 2015, 11<sup>th</sup> February, 2015 and 19<sup>th</sup> March, 2015. The attendance of the Members was as follows:

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri N. C. Singhal, Chairman	8	8
Shri S. R. Wadhwa	8	7
Dr. S. Rama Iyer	8	7

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

The Chairman of the Audit Committee was present at the Annual General Meeting held on 31<sup>st</sup> July, 2014.

#### ■ STAKEHOLDERS RELATIONSHIP 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 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 Committee Meeting was held on 10<sup>th</sup> February, 2015 and 19<sup>th</sup> March, 2015. The attendance of the Members was as follows:

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

\* The Stakeholders Relationship Committee was named earlier as Shareholders' / Investors' Grievance Committee. The nomenclature of the Shareholders' / Investors' Grievance Committee has been changed by the Board of Directors of the Company w.e.f. 15<sup>th</sup> May, 2014 pursuant to the provisions of Companies Act, 2013 and amended Clause 49 of Listing Agreement.

##### Details of complaints received during the year 2014-15:

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders
Transfer of shares	0	Nil
Non-receipt of annual report	0	Nil
Non-receipt of dividend warrants	2	Nil
Issue of duplicate share certificate	1	Nil
Others (related to dematerialisation, non-receipt of shares allotted upon conversion etc.)	3	Nil

## ■ NOMINATION AND REMUNERATION COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Nomination and Remuneration Committee is according to Section 178 of Companies Act, 2013 and Clause 49 of Listing Agreement which, *inter alia*, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 31<sup>st</sup> July, 2014.
- Composition, Names of Members and record of attendance during the year : Consists of Independent Directors as under:

During the year, the Committee Meeting was held on 23<sup>rd</sup> December, 2014, 16<sup>th</sup> January, 2015 and 19<sup>th</sup> March, 2015. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	3	3
Shri Pranay Vakil	3	3
Shri Anil Sachdev	3	3
Shri S. C. Mehta*	3	1

\* Shri S. C. Mehta has been inducted as member of the Committee w.e.f. 11<sup>th</sup> February, 2015.

Nomination and Remuneration Policy is available on the website of the Company [www.dfpc.com](http://www.dfpc.com)

## ■ PROJECT COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Project Committee, *inter alia*, includes, to evaluate periodically projects proposed to be taken up by the Company, to review ongoing projects and recommend to the Board of Directors for consideration and approval of new projects.

- 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 Committee Meetings were held on 14<sup>th</sup> May, 2014, 30<sup>th</sup> July, 2014, 3<sup>rd</sup> November, 2014 and 10<sup>th</sup> February, 2015. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	4	4
Shri N. C. Singhal	4	3
Dr. S. Rama Iyer	4	3
Shri S. C. Mehta	4	4
Shri Partha Bhattacharyya	4	3

## ■ MANUFACTURING OPERATIONS REVIEW COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Manufacturing Operations Review Committee, *inter alia*, includes, 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 Committee Meetings were held on 22<sup>nd</sup> April, 2014, 30<sup>th</sup> July, 2014, 4<sup>th</sup> November, 2014 and 11<sup>th</sup> February, 2015. 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	3
Shri U. P. Jhaveri	4	3
Shri S. C. Mehta	4	4
Shri Partha Bhattacharyya	4	3

## ■ HUMAN RESOURCES COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Human Resources Committee, *inter alia*, includes, 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 Committee Meetings were held on 15<sup>th</sup> July, 2014 and 9<sup>th</sup> December, 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

### Brief description of Terms of Reference:

The terms of reference of Corporate Social Responsibility Committee (CSR), *inter alia*, includes, to formulate and recommend to the Board of Directors, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve & recommend to the Board of Directors the CSR budget for the activities referred to in CSR Policy of the Company and monitor the mechanism for 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:

During the year, the Committee Meetings were held on 23<sup>rd</sup> April, 2014 and 16<sup>th</sup> January, 2015. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Pranay Vakil, Chairman	2	2
Smt. Parul Mehta	2	2
Shri Partha Bhattacharyya	2	2

CSR Policy is available on the website of the Company [www.dfpl.com](http://www.dfpl.com)

## ■ RISK MANAGEMENT COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Risk Management Committee, *inter alia*, includes, to assess risks in the operations of business units of the Company, to mitigate and minimize of risks assessed in the operations of business units, periodic monitoring of risks in the operations of business units and other matters delegated to the Committee by Board of Directors of the Company from time to time.

- Constitution : Constituted by the Board of Directors of the Company at its meeting held on 4<sup>th</sup> November, 2014.
- Composition, Names of Members and record of attendance during the year : Consists of members as under:

During the year, the Committee Meeting was held on 23<sup>rd</sup> January, 2015. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri S. R. Wadhwa, Chairman	1	1
Shri Partha Bhattacharyya	1	1
Shri Somnath Patil	1	1

## ■ REMUNERATION COMMITTEE

### Brief description of Terms of Reference:

The terms of reference of Remuneration Committee, *inter alia*, includes, to determine on behalf of the Board of Directors and shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Director(s), including retiral benefits and such other matters concerning remuneration as may be referred to by the Board of Directors 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 Committee Meeting was held on 15<sup>th</sup> May, 2014. 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	1
Shri S R Wadhwa	1	1
Shri Anil Sachdev	1	1

The Remuneration Committee was dissolved on 31<sup>st</sup> July, 2014 upon formation of Nomination & Remuneration Committee.

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

## ■ PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation for FY 2014-15 of the Chairman, Directors, Board as well as its Committees.

The evaluation framework for assessing the performance of Chairman, Directors, Board and its Committees comprises, *inter-alia*, of the following criteria:

- i. Directors bring an independent judgment on the Board's discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management.
- ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance, disclosure and legal compliances.
- iii. Directors contribute new ideas/insights on business issues raised by Management.
- iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- vi. The Board receives adequate and timely information to enable discussions/ decision making during Board meetings.
- vii. The Board addresses interests of all stakeholders of the Company.
- viii. The Committee is delivering on the defined objectives.
- ix. The Committee has the right composition to deliver its objectives.

## ■ MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 20<sup>th</sup> March, 2015, *inter alia*, to consider:

1. The performance of Non-Independent Directors and the Board as a whole.
2. The performance of Executive Directors.

3. The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

#### ■ FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management Personnel and are provided with all the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letters of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board of Directors.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

#### ■ BOARD DIVERSITY

The Board of Directors (Board) ensures that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is therefore important for sustained commercial success of the Company. While selecting the Board members, the Company shall endeavour to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

#### Details of remuneration paid to Executive Directors for Financial Year 2014-15:

(₹ in Lacs)

Name of Director	Designation	Salary and Allowances	Perks	Commission	Total
Shri S. C. Mehta	Chairman & Managing Director	185.63	40.07	1,046.76*	1,272.46
Shri Partha Bhattacharyya	Executive Director	213.54	15.13	50.00#	278.67

\* Commission calculated on profit of Financial Year 2013-14 but paid in Financial Year 2014-15.

# Commission, as per terms of appointment, relating to Financial Year 2013-14 but paid in Financial Year 2014-15.

The above figures do not include Contribution to Superannuation, Contribution to Provident Fund, Gratuity and Premium paid for Group Health Insurance.

#### Details of Sitting Fees paid during the Financial Year 2014-15 and Commission\* paid for Financial Year 2013-14 to Non-Executive Directors:

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

**Commission:** Shri D. Basu: ₹ 10,50,000/- ; Shri N. C. Singhal: ₹ 11,50,000/-; Shri U. P. Jhaveri: ₹ 8,50,000/-; Shri S. R. Wadhwa: ₹ 10,50,000/-; Dr. S. Rama Iyer: ₹ 12,00,000/-; Smt. Parul S. Mehta: ₹ 5,00,000/-; Shri Anil Sachdev: ₹ 8,00,000/-; Shri Pranay Vakil: ₹ 7,00,000/- and Shri R. A. Shah: ₹ 8,00,000/-.

(\* Commission for the year 2014-15 is yet to be paid)

#### Shares held by Non-Executive Directors

Non-Executive Director	Holdings
Shri R. A. Shah	37,800 Equity Shares (0.04%)
Shri U. P. Jhaveri	500 Equity Shares (0.00%)
Shri S. R. Wadhwa	1,000 Equity Shares (0.001%)
Dr. S. Rama Iyer	15,000 Equity Shares (0.02%)
Smt. Parul S. Mehta	3,055,922 Equity Shares (3.46%)
Shri Pranay Vakil	4,475 Equity Shares (0.005%)



## ANNUAL GENERAL MEETINGS

Details of last three Annual General Meetings held:

Particulars	FY 2011-12	FY 2012-13	FY 2013-14
Day	Thursday	Thursday	Thursday
Date	26 <sup>th</sup> July, 2012	8 <sup>th</sup> August, 2013	31 <sup>st</sup> July, 2014
Time	11.30 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 - 411007	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411007	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411007
Whether any special resolutions passed	-	Yes	Yes

No special resolution was passed through Postal Ballot during the Financial Year 2014-15 or is being proposed through Postal Ballot at the ensuing Annual General Meeting.

## DISCLOSURES

i. **Name & Designation of Compliance Officer:** Shri Tushar Dey, Executive Vice-President (Legal) & Company Secretary

ii. **Details of Directors seeking appointment / re-appointment at the Annual General Meeting:**

**Name of Director:** Shri Partha Bhattacharyya; **Age :** 64 Years; **Qualification :** M.Sc (Physics), FCMA, Programme on Investment Appraisal and Management from the Harvard University and Advanced Management Program from Cambridge University; **Date of Appointment :** 31<sup>st</sup> October, 2012; **Expertise :** Rich and vast expertise in strategy, project execution, administration and finance; **Directorships as on 31<sup>st</sup> March, 2015 :** Karam Chand Thapar & Bros (Coal Sales) Limited; Usha Martin Limited; The Orissa Minerals Development Company Limited; RungePincockMinarco India Private Limited **Chairman / Member of the Audit Committee as on 31<sup>st</sup> March, 2015:** The Orissa Minerals Development Company Limited - Chairman; Karam Chand Thapar & Bros (Coal Sales) Limited- Chairman; **Chairman / Member of the Stakeholder Relationship Committee as on 31<sup>st</sup> March, 2015:** Nil; **Chairman / Member of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2015:** Karam Chand Thapar & Bros (Coal Sales) Limited- Chairman; **Shareholding in the Company :** Nil.

**Name of Director:** Shri R. A. Shah; **Age :** 83 Years; **Qualification :** B.A., L.L.B., Solicitor; **Date of Appointment :** 11<sup>th</sup> February, 2015; **Expertise :** Solicitor having rich and vast experience of over 60 years in the field of Corporate Laws and Corporate Governance; **Directorships as on 31<sup>st</sup> March, 2015 :** Procter & Gamble Hygiene and Healthcare Limited; Pfizer Limited; BASF India Limited; Godfrey Phillips India Limited; The Bombay Dyeing & Manufacturing Company Limited; Abbott India Limited; Colgate-Palmolive (India) Limited; Lupin Limited; Atul Limited; Precision Value (India) Private Limited; Preval Pumps and Accessories (India) Private Limited; ThyssenKrupp Industrial Solutions (India) Private Limited; Jumbo World Holdings Limited (Foreign Company); Firm- M/s. Crawford Bayley & Co. (Senior Partner) **Chairman / Member of the Audit Committee as on 31<sup>st</sup> March, 2015:** Colgate-Palmolive (India) Limited - Chairman; Pfizer Limited - Chairman; Procter & Gamble Hygiene and Healthcare Limited -Chairman; BASF India Limited - Member; The Bombay Dyeing & Manufacturing Company Limited -Member; Abbott India Limited - Member; Godfrey Philips india Limited – Member; **Chairman / Member of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2015:** Abbott India Limited - Member; **Chairman / Member of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2015:** Colgate-Palmolive (India) Limited – Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Lupin Limited - Member; Pfizer Limited- Member; Procter & Gamble Hygiene and Healthcare Limited – Member; BASF India Limited- Member; Abbott India Limited- Member; Atul Limited- Member **Shareholding in the Company:** 37,800 equity shares of ₹ 10/- each.

iii. **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:**

During the year 2014-15, the Company had transactions with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no material related

party transactions in terms of Clause 49 of the Listing Agreement during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board of Directors has approved a 'Policy on Related Party Transactions' which has been uploaded on the Company's website: [www.dfpl.com](http://www.dfpl.com)

**iv. 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 Stock Exchanges, SEBI and other authority on matters related to capital markets and no penalties / strictures have been imposed against the Company during the last three years.

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

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

**vi. Disclosures of relationships between Directors inter-se:**

Smt. Parul S. Mehta is the wife of Shri S. C. Mehta.

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

**vii. Vigil Mechanism / Whistle Blower Policy:**

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee and Board of Directors on quarterly basis reviews the complaints received by the competent authority received under the Policy. The Vigil Mechanism/Whistle Blower Policy have been posted on the website of the Company [www.dfpl.com](http://www.dfpl.com).

**viii. Regulations for Prevention of Insider Trading**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted the 'Insider Trading Regulations Policy' for its Directors, Officers and Specified Employees.

Shri Tushar Dey, Executive Vice-President (Legal) & Company Secretary is the Compliance Officer under the said Policy.

**ix. Material Subsidiaries**

The Company does not have any material subsidiary as defined under Clause 49 of the Listing Agreement. However the Company has formulated the Material Subsidiary Policy and the same have been posted on the website of the Company [www.dfpl.com](http://www.dfpl.com)

■ **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.dfpl.com](http://www.dfpl.com).

## General Shareholder Information

1. Annual General Meeting Day, Date, Time and Venue	: Wednesday, 5 <sup>th</sup> August, 2015 at 11.30 a.m. Mahatma Phule Sanskrutik Bhawan, Vitthal Rao Shivarkar Rd., Next to Shivarkar Garden, Fatima Nagar, Wanawadi, Pune - 411 040
2. Financial year / Calendar	
-Results for first quarter ending 30 <sup>th</sup> June, 2015	: Within 45 days from the end of the quarter
-Results for second quarter ending 30 <sup>th</sup> September, 2015	: Within 45 days from the end of the quarter
-Results for third quarter ending 31 <sup>st</sup> December, 2015	: Within 45 days from the end of the quarter
-Results for financial year ending 31 <sup>st</sup> March, 2016	: Within 60 days from the end of the financial year
3. Date of Book Closure	: Thursday, 30 <sup>th</sup> July, 2015 to Wednesday, 5 <sup>th</sup> August, 2015 (both days inclusive)
4. Dividend Payment Date	: 10 <sup>th</sup> August, 2015
5. Registered Office and CIN	: Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006. CIN : L24121MH1979PLC021360
6. Corporate Office	: Sai Hira, Survey No. 93, Mundhwa, Pune – 411036
7. Phone, Fax, E-mail	: Phone : (020) 6645 8000 , 26688117 Fax : (020) 26683723 E-mail : investorgrievance@dfpcl.com Website : www.dfpcl.com
8. Plant Location	: Plot K-1, K-7 & K-8, MIDC Industrial Area, Taloja A. V. 410 208, Dist. Raigad, Maharashtra Phone : (022) 6768 4000 Fax : (022) 2741 2413
9. 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, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072
10. Phone, Fax, E-mail of RTA	: Phone : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 E-mail : deepak@shareproservices.com
11. Listing on Stock Exchanges	: BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) Annual Listing fee for financial year 2015-16 has been paid to both the Exchanges.
Stock Code	: BSE Limited (BSE): 500645 National Stock Exchange of India Limited (NSE) : DEEPAKFERT
Demat ISIN in NSDL and CDSL	: INE501A01019

## General Shareholder Information

## 12. Market Price Data for 2014-15

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2014	135.90	116.30	22,939.31	22,197.51
May, 2014	160.00	128.00	25,375.63	22,277.04
June, 2014	156.60	144.35	25,725.12	24,270.20
July, 2014	185.05	147.75	26,300.17	24,892.00
August, 2014	166.00	145.30	26,674.38	25,232.82
September, 2014	181.55	154.55	27,354.99	26,220.49
October, 2014	163.50	154.50	27,894.32	25,910.77
November, 2014	159.00	127.70	28,822.37	27,739.56
December, 2014	148.00	125.10	28,809.64	26,469.42
January, 2015	148.20	135.80	29,844.16	26,776.12
February, 2015	147.80	125.00	29,560.32	28,044.49
March, 2015	143.50	132.20	30,024.74	27,248.45

13. Distribution of shareholding as on 31<sup>st</sup> March, 2015: 1,07,375 shareholders held 8,82,04,943 equity shares of ₹10/- each.

Distribution of shares (slab-wise)	No. of Shareholders	Percentage to total no. of shareholders	No. of shares held	Percentage to total share capital
Less than 500	1,01,571	94.60	1,13,44,227	12.86
500- 1000	3,332	3.10	26,25,053	2.98
1001-2000	1,284	1.20	19,23,412	2.18
2001-3000	370	0.34	9,49,408	1.08
3001-4000	171	0.16	6,13,765	0.70
4001-5000	168	0.16	7,90,282	0.90
5001-10000	230	0.21	16,87,223	1.90
10001 & above	249	0.23	6,82,71,573	77.40
<b>TOTAL</b>	<b>1,07,375</b>	<b>100.00</b>	<b>8,82,04,943</b>	<b>100.00</b>

## 14. 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.

## 15. Dematerialisation of Shares:

The shares of the Company are traded in dematerialised form. 8,12,49,582 Equity Shares (92.11 % of paid-up capital) held by 54,788 shareholders (51.02% of total number of shareholders) have been dematerialised as on 31<sup>st</sup> March, 2015.

## 16. Outstanding GDRs, ADRs, Warrants or any Convertible Instruments etc.: Nil

## 17. 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.

#### 18. 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 2014-15.

Mumbai  
Dated 21<sup>st</sup> May, 2015

**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, for the year ended on 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 Clause 49 of the above mentioned Listing Agreement.

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

Pune  
Dated 21<sup>st</sup> May, 2015

For **SVD & ASSOCIATES**  
Company Secretaries

**SRIDHAR MUDALIAR**  
Partner

F.C.S.: 6156  
C.P.: 2664

# Independent Auditors' Report

To the Members of

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED**

## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Deepak Fertilisers and Petrochemicals Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to Note 37 (b) to the financial statements which describe the uncertainty related to the outcome of supply of natural gas and related matters. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 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.

11. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 37 (a) and 37 (b) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR B.K. KHARE & CO.**

*Chartered Accountants*

Firm Registration Number: 105102W

**NARESH KUMAR KATARIA**

*Partner*

Membership Number: 37825

*Mumbai*

Dated 21<sup>st</sup> May, 2015

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 three 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.
2. a) As explained to us, the inventory was physically verified during the year by the Management. In our opinion, the frequency of the 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 any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that, 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
6. We have broadly reviewed the books of account maintained by the Company in respect of a product where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, 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 determine whether they are accurate or complete.
7. a) According to the records of the Company examined by us and information and explanations given to us, 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.

There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.



- b) According to the information and explanations given to us and records of the Company examined by us, particulars of dues of Sales 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 2000 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	113.79	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	192.12	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
The Central Sales Tax Act, 1956	620.04	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2005-06
The Central Sales Tax Act, 1956	648.93	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2010-11
The Income Tax Act, 1961	33.22	Supreme Court	Financial Year 2004-05
The Maharashtra Value Added Tax Act, 2002	190.93	Commissioner of Sales Tax (Appeals), Pune	Financial Year 2005-06
Finance Act, 1994 - Service Tax	1,880.87	Commissioner of Central Excise & Service Tax Pune-III	October 2007 to March 2012

- c) The amount required to be transferred to Investor Education and Protection Fund by the Company has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

8. The Company does not have 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 and in the immediately preceding financial year.
9. Based on the records examined by us and according to the information and explanations 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.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

11. Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for one instance where loss of ₹ 26 Lacs was estimated and provided by Management in the financial statements and for which the Management has taken appropriate steps including filing of police complaint, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

**FOR B.K. KHARE & CO.**

*Chartered Accountants*

Firm Registration Number: 105102W

**NARESH KUMAR KATARIA**

*Partner*

Membership Number: 37825

*Mumbai*

Dated 21<sup>st</sup> May, 2015

# Balance Sheet

as at 31<sup>st</sup> March, 2015

	Note	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
(₹ in Lacs)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	8,820.49	8,820.49
Reserves and surplus	3	1,43,665.73	1,40,290.96
		<b>1,52,486.22</b>	<b>1,49,111.45</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	33,854.17	59,206.84
Deferred tax liabilities (Net)	5	12,449.43	11,775.48
Other long-term liabilities	6	81.99	21.91
Long-term provisions	7	2,609.64	2,337.08
		<b>48,995.23</b>	<b>73,341.31</b>
<b>Current liabilities</b>			
Short-term borrowings	8	78,510.99	22,964.93
Trade payables	9	23,064.27	34,582.87
Other current liabilities	10	38,032.16	27,846.70
Short-term provisions	7	5,282.51	8,071.76
		<b>1,44,889.93</b>	<b>93,466.26</b>
<b>Total</b>		<b>3,46,371.38</b>	<b>3,15,919.02</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- Tangible assets	11	1,34,453.91	1,37,960.17
- Intangible assets	12	607.04	850.79
Capital work-in-progress	13	14,056.56	9,393.35
		<b>1,49,117.51</b>	<b>1,48,204.31</b>
Non-current investments	14	10,818.48	27,882.27
Long-term loans and advances	15	6,656.17	4,080.67
Other non-current assets	20	195.19	571.83
		<b>1,66,787.35</b>	<b>1,80,739.08</b>
<b>Current assets</b>			
Current investments	16	19,324.90	2,621.60
Inventories	17	40,295.94	33,875.84
Trade receivables	18	93,525.27	76,939.75
Cash and bank balances	19	3,836.17	9,247.56
Short-term loans and advances	15	20,971.15	11,486.60
Other current assets	20	1,630.60	1,008.59
		<b>1,79,584.03</b>	<b>1,35,179.94</b>
<b>Total</b>		<b>3,46,371.38</b>	<b>3,15,919.02</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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

**S.C. MEHTA**

Chairman & Managing Director

**PARTHA BHATTACHARYYA**

Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

**N.C. SINGHAL**

Director

**S.R. WADHWA**

Director

**SOMNATH PATIL**

President & CFO

**DR. S. RAMA IYER**

Director

**TUSHAR DEY**

Executive Vice President  
(Legal) & Company Secretary

# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2015

(₹ in Lacs)

	Note	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>CONTINUING OPERATIONS</b>			
<b>Revenue:</b>			
Revenue from operations (Gross)	21	3,92,945.31	4,03,797.64
Less: Excise duty		21,768.68	22,753.70
<b>Revenue from operations (Net)</b>		<b>3,71,176.63</b>	<b>3,81,043.94</b>
Other income	22	3,828.04	4,486.41
<b>Total Revenue</b>		<b>3,75,004.67</b>	<b>3,85,530.35</b>
<b>Expenses:</b>			
Cost of materials consumed	23	1,39,464.44	1,65,276.36
Purchase of stock-in-trade	24	1,59,580.13	1,14,384.21
Change in Inventory of finished goods and stock-in-trade (increase)/decrease	25	(7,256.59)	(4,737.30)
Employee benefits expenses	26	14,268.13	16,341.95
Finance costs	27	11,010.71	10,075.07
Depreciation, amortisation and impairment expenses	28	11,730.78	10,263.97
Other expenses	29	35,349.87	39,151.87
<b>Total Expenses</b>		<b>3,64,147.47</b>	<b>3,50,756.13</b>
<b>Profit before exceptional, extraordinary items and tax</b>		<b>10,857.20</b>	<b>34,774.22</b>
Exceptional items - Expenses / (Income)	39	34.85	1,135.20
<b>Profit before extraordinary items and tax</b>		<b>10,822.35</b>	<b>33,639.02</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>10,822.35</b>	<b>33,639.02</b>
Tax expenses	53		
Current tax		2,543.75	9,561.92
MAT Credit (entitlements)/adjustments		-	141.57
Deferred tax charge /(credit)		443.45	(452.90)
<b>Total tax expenses</b>		<b>2,987.20</b>	<b>9,250.59</b>
<b>Profit for the year</b>		<b>7,835.15</b>	<b>24,388.43</b>
Earning per Equity Share: Face value ₹ 10 each (₹ 10)	30		
i) Basic (in ₹)		8.88	27.65
ii) Diluted (in ₹)		8.88	27.65
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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

**S.C. MEHTA**

Chairman &amp; Managing Director

**PARTHA BHATTACHARYYA**

Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015**N.C. SINGHAL**

Director

**S.R. WADHWA**

Director

**SOMNATH PATIL**

President &amp; CFO

**DR. S. RAMA IYER**

Director

**TUSHAR DEY**

Executive Vice President

(Legal) &amp; Company Secretary

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2015

		(₹ in Lacs)	
		2014-15	2013-14
<b>(A)</b>	<b>Cash flow from operating activities</b>		
	Net profit before tax	10,822.35	33,639.02
	Adjustments for-		
	Depreciation and amortisation	11,730.78	10,263.97
	Exchange fluctuations (net)	3,348.70	3,204.04
	Profit on sale of investments	(463.10)	(1,215.44)
	Provision for diminution in the value of investments	(736.70)	734.30
	Provision for doubtful debts	61.92	(0.76)
	Bad debts written off	-	1,697.44
	Exceptional items	34.85	1,135.20
	Loss/(profit) on sale of assets	74.57	68.08
	Interest/dividends (net)	8,559.99	9,001.72
	<b>Operating profit before working capital changes</b>	<b>33,433.36</b>	<b>58,527.57</b>
	Adjustments for-		
	Trade and other receivables	(17,915.44)	(15,015.75)
	Security deposits	(449.53)	(45.46)
	Inventories	(6,420.13)	(9,897.41)
	Trade payables	(13,804.80)	17,461.10
	<b>Cash generated from operations</b>	<b>(5,156.54)</b>	<b>51,030.05</b>
	Direct taxes paid	(2,104.91)	(8,528.48)
	<b>Cash flow before exceptional items</b>	<b>(7,261.45)</b>	<b>42,501.57</b>
	Exceptional items	(34.85)	(1,135.20)
	<b>Net cash from operating activities</b> (A)	<b>(7,296.30)</b>	<b>41,366.37</b>
<b>(B)</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(12,612.45)	(15,255.09)
	Sale of fixed assets	69.01	1,057.72
	Movement in Capital advances	(1,853.09)	1,806.45
	Acquisition of investments - others (net)	(430.04)	(19,138.21)
	Sale of investments	1,990.30	23,513.89
	Deposits placed	(325.54)	(28.04)
	Loans and advances	(7,974.88)	-
	Interest received	1,249.45	1,307.31
	Dividend received	955.90	102.57
	<b>Net cash used in investing activities</b> (B)	<b>(18,931.34)</b>	<b>(6,633.40)</b>
<b>(C)</b>	<b>Cash flow from financing activities</b>		
	Exchange fluctuations (net)	(3,279.02)	(3,329.22)
	Working capital borrowings-proceeds/(repayment) (net)	55,546.07	(7,352.93)
	External commercial borrowings-proceeds/(repayment) (net)	(5,800.17)	(1,251.31)
	Debentures-proceeds/(repayment) (net)	(7,499.99)	(7,499.99)
	Interest paid	(11,630.31)	(10,704.38)
	Equity dividend and corporate dividend tax paid	(6,592.83)	(5,603.84)
	<b>Net cash generated/ (used) in financing activities</b> (C)	<b>20,743.75</b>	<b>(35,741.67)</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b> (A + B + C)	<b>(5,483.89)</b>	<b>(1,008.70)</b>
	<b>Cash and cash equivalents opening balance</b>	<b>8,823.61</b>	<b>9,832.31</b>
	<b>Cash and cash equivalents closing balance</b>	<b>3,339.72</b>	<b>8,823.61</b>
	<b>Earmarked balances with the bank</b>	<b>496.45</b>	<b>423.95</b>
	<b>Cash and bank balances at the end of the year</b> Note 19	<b>3,836.17</b>	<b>9,247.56</b>

Notes: (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, prescribed under Section 133 of Companies Act, 2013.

(iii) Previous year's 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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

**S.C. MEHTA**

Chairman & Managing Director

**PARTHA BHATTACHARYYA**

Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

**N.C. SINGHAL**

Director

**S.R. WADHWA**

Director

**SOMNATH PATIL**

President & CFO

**DR. S. RAMA IYER**

Director

**TUSHAR DEY**

Executive Vice President

(Legal) & Company Secretary

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2015.

### 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 under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

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 III to the Companies Act, 2013. 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 debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets etc.

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 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.

##### 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.

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 on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, or as assessed by the Management based on technical evaluation. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule – II of the Companies Act, 2013.

Name of assets	Estimated useful life
Computers - Servers and Networks	4 Years or 6 Years
End User Devices such as, desktops, laptops etc.	4 Years or 6 Years
Vehicles	4 years for employees vehicles and 6-7 Years for other vehicles
Buildings other than Factory Buildings RCC Frame Structure	61 Years
Plant and Machinery	Various estimated life upto 21 years. WNA III plant at the rate of 25.88% on WDV basis
Windmill	19 Years

- Depreciation for assets purchased/sold during a period is proportionately charged.
- 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 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 wherever applicable but excluding interest cost) or and net realisable value.
- Stock-in-trade is 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 (non-current) 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 recognised Insurance Companies under their 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 recognised Insurance Companies under their Group Superannuation Scheme. Annual contributions as specified under the Trust deed are paid to the Insurance Companies 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 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.

**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 AS-16 on 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 than an outflow of resources embodying economic benefit will be required to settle obligation 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 on Income

- 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, 2015	As at 31 <sup>st</sup> March, 2014
<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, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Balance as at the beginning of the year	8,82,04,943.00	8,820.49	8,82,04,943.00	8,820.49
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	<b>8,82,04,943.00</b>	<b>8,820.49</b>	<b>8,82,04,943.00</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 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, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of Shares (₹ in Lacs)	% of Holding	No. of Shares (in Lacs)	% of Holding
Mr. S. C. Mehta	212.84	24.13%	192.81	21.86%
Nova Synthetic Limited	172.67	19.58%	172.67	19.58%
Fidelity Puritan Trust - Fidelity Low-Priced Stock Fund	75.69	8.58%	75.69	8.58%
<b>Total</b>	<b>461.20</b>	<b>52.29%</b>	<b>441.17</b>	<b>50.02%</b>

**Note-3 RESERVES AND SURPLUS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Capital reserve</b>	<b>0.13</b>	<b>0.13</b>
<b>Capital redemption reserve</b>	<b>150.00</b>	<b>150.00</b>
<b>Securities premium reserve</b>	<b>10,798.95</b>	<b>10,798.95</b>
<b>Debenture redemption reserve</b>		
Balance as at the beginning of the year	7,874.93	6,916.63
Add: Amount transferred from the Surplus of Statement of Profit and Loss	229.20	958.30
<b>Balance as at the end of the year</b>	<b>8,104.13</b>	<b>7,874.93</b>

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>General reserve</b>		
Balance as at the beginning of the year	17,709.91	15,239.91
Add: Transfer from the Statement of Profit and Loss	-	2,470.00
<b>Balance as at the end of the year</b>	<b>17,709.91</b>	<b>17,709.91</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,03,757.04	89,498.95
Transitional impact of change in useful life of assets (net of deferred tax of ₹ 226.45 Lacs ) (Refer Note 28)	(359.17)	-
Add: Profit during the year	7,835.15	24,388.43
	<b>1,11,233.02</b>	<b>1,13,887.38</b>
<b>Less: Appropriations</b>		
Proposed dividend on Equity Shares - (Dividend per share ₹ 4.00 (₹ 6.50)) (#)	3,528.32	5,733.45
Tax on proposed dividend on Equity Shares	572.89	968.59
Transfer to Debenture Redemption Reserve	229.20	958.30
Transfer to General reserve	-	2,470.00
<b>Total appropriations</b>	<b>4,330.41</b>	<b>10,130.34</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>1,06,902.61</b>	<b>1,03,757.04</b>
<b>Total</b>	<b>1,43,665.73</b>	<b>1,40,290.96</b>

# Net of credit of tax on dividend distributions by the Subsidiary Company ₹ 0.12 Lacs (0.13 Lacs).

**Note-4 LONG-TERM BORROWINGS-SECURED**

(₹ in Lacs)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>External Commercial Borrowings (ECBs)</b>				
Bank of Baroda, London	6,250.00	8,386.00	2,500.00	1,497.50
HSBC Bank (Mauritius) Ltd.	2,604.17	7,487.50	5,208.33	4,991.67
(A)	<b>8,854.17</b>	<b>15,873.50</b>	<b>7,708.33</b>	<b>6,489.17</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, 10.00% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	1,666.67	1,666.67	1,666.67
500, 9.75% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	1,666.67	1,666.67	1,666.67
1250, 10.80% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	-	-	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>25,000.00</b>	<b>43,333.34</b>	<b>18,333.34</b>	<b>7,500.01</b>
<b>Total</b>	<b>(A+B) 33,854.17</b>	<b>59,206.84</b>	<b>26,041.67</b>	<b>13,989.18</b>
Less: Current maturity of long term Borrowings disclosed under the "Current liabilities". (Refer note 10)			26,041.67	13,989.18

Sr. No.	Particulars	Rate and Repayment schedule	Security
1.	External Commercial Borrowing from Bank of Baroda, London, ₹ 8,750.00 Lacs (₹ 9,883.50 Lacs). ₹ 624.94 Lacs (₹ 299.40 Lacs) kept as fixed deposit with Bank of Baroda, London, as per lien for ECB (Refer note 15)	At variable interest rate of Libor plus 325 bps payable quarterly (average for the year 3.59% (3.89%)). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 to 30 <sup>th</sup> June, 2017	<i>Pari passu</i> 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 thereto.
2.	External Commercial Borrowing from HSBC Bank (Mauritius) Ltd., ₹ 7,812.50 Lacs (₹ 12,479.17 Lacs)	At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating to fixed rate of 6.09%. Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 to 29 <sup>th</sup> July, 2016	<i>Pari passu</i> 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 equipment, 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 along with to rank <i>pari passu</i> with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
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	<i>Pari passu</i> 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 thereto along with to rank <i>pari-passu</i> 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 ₹ 1,666.67 Lacs (₹ 3,333.34 Lacs)	10% per annum payable quarterly. Redeemable in three equal installments commencing from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	<i>Pari passu</i> 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 thereto along with to rank <i>pari-passu</i> 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 ₹1,666.67 Lacs (₹ 3,333.34 Lacs)	9.75% per annum payable quarterly. Redeemable in three equal installments commencing from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	<i>Pari passu</i> 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 thereto along with to rank <i>pari-passu</i> with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.

Sr. No.	Particulars	Rate and Repayment schedule	Security
6.	Redeemable Privately Placed NCDs ₹ Nil (₹ 4,166.67 Lacs)	10.80% per annum payable annually. Redeemable in three equal installments commencing from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014	<i>Pari passu</i> 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 <i>pari passu</i> with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favour of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking <i>pari passu</i> 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 NCDs ₹10,000 Lacs (₹10,000 Lacs)	9.70% per annum payable annually. Redeemable in single installment on 18th January, 2016	<i>Pari Passu</i> 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,
8.	Redeemable Privately Placed NCDs ₹ 25,000 Lacs (₹ 25,000 Lacs)	9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018	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.

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

(₹ in Lacs)

	Balance as on 1 <sup>st</sup> April, 2014	Increase/ (Decrease)	Balance as on 31 <sup>st</sup> March, 2015
<b>Deferred tax liabilities</b>			
- Timing Difference on account of depreciation	14,293.05	408.10	14,701.15
- Others	86.79	1.58	88.37
<b>(A)</b>	<b>14,379.84</b>	<b>409.68</b>	<b>14,789.52</b>
<b>Deferred tax assets</b>			
- Provision for doubtful debts/loan and advances	798.91	(456.94)	341.97
- Accrued expenses deductible on actual payments	1,805.45	(9.66)	1,795.79
- Others	-	202.33	202.33
<b>(B)</b>	<b>2,604.36</b>	<b>(264.27)</b>	<b>2,340.09</b>
<b>Deferred tax liability (Net)</b>	<b>(A - B)</b>	<b>673.95</b>	<b>12,449.43</b>
Previous Year	12,228.38	(452.90)	11,775.48

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Retention money	81.99	21.91
<b>Total</b>	<b>81.99</b>	<b>21.91</b>

**Note-7 PROVISIONS**

(₹ in Lacs)

	Long-term provisions		Short-term provisions	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Provision for employee benefits</b>				
Compensated absences	1,418.55	1,275.48	298.64	277.93
Gratuity	989.41	916.33	756.90	663.26
Post retirement benefits	201.68	145.27	75.68	67.77
Wealth creation scheme	-	-	-	9.24
	<b>2,609.64</b>	<b>2,337.08</b>	<b>1,131.22</b>	<b>1,018.20</b>
<b>Others</b>				
Proposed dividend	-	-	3,528.20	5,733.32
Dividend distribution tax on proposed dividend	-	-	572.89	931.89
Others (Refer Note 41)	-	-	50.20	388.35
	-	-	<b>4,151.29</b>	<b>7,053.56</b>
<b>Total</b>	<b>2,609.64</b>	<b>2,337.08</b>	<b>5,282.51</b>	<b>8,071.76</b>

**Note-8 SHORT-TERM BORROWINGS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Secured</b>		
From banks:		
- Buyer's credit	31,596.02	22,964.93
- Short-term loan from bank	7,500.00	-
- Cash credit facilities (refer note below)	4,810.94	-
<b>Unsecured</b>		
- Commercial Paper Borrowings	34,604.03	-
<b>Total</b>	<b>78,510.99</b>	<b>22,964.93</b>

**Notes:**

- (i) Buyer's credits are generally due within 180 days and carry variable rate of interest (average interest rate for the year is 0.84% (0.97%)) and are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- (ii) Short term loan from bank is repayable on 9<sup>th</sup> April, 2015 carries interest rate of 9.60% and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- (iii) Cash credit is repayable on demand and carries variable interest rate (average interest rate for the year is 10.56% (11.62%)). 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, 2015	As at 31 <sup>st</sup> March, 2014
Micro, Small and Medium Enterprises (Refer note below)	0.31	7.19
Others	23,063.96	34,575.68
<b>Total</b>	<b>23,064.27</b>	<b>34,582.87</b>

**Details of Micro and Small Enterprises as define 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 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.

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.31	7.19
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.26	2.77
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	53.69	36.96



## Note-10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Current maturities of long-term debts (Refer Note No. 4)	26,041.67	13,989.18
Interest accrued but not due on borrowings	1,263.96	1,627.04
Advances from customers	1,237.22	1,372.85
Unclaimed dividend (#)	496.45	423.95
Other payables (*)	3,954.62	5,992.02
Due to directors	714.71	1,182.08
Security deposits	2,288.77	1,745.47
Statutory liabilities	536.63	537.41
Creditors for capital goods	1,498.13	976.70
<b>Total</b>	<b>38,032.16</b>	<b>27,846.70</b>

(#) ₹ 34.89 Lacs (₹34.98 Lacs) transferred to the Investors Education and Protection Fund.

(\*) Other payables includes ₹1,191.65 Lacs (₹ 2,706.95 Lacs) related to employees and ₹ 2,089.05 Lacs (₹ 2,648.97 Lacs) related to sales and marketing expenses.

## NOTE-11 TANGIBLE ASSETS

(₹ in Lacs)

Description	Land (Freehold)	Land (Leasehold)	Building	Plant & Equipment	Electric Installation	Furniture & Fixtures	Office Equipment	Laboratory Equipment	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
Exchange differences	-	-	-	2,112.22	-	-	-	-	-	2,112.22
Reclassifications	-	-	153.70	(1,124.01)	556.93	18.63	(339.98)	709.32	0.03	(25.38)
Gross block as at 1 <sup>st</sup> April, 2014	9,240.68	1,614.52	40,189.15	1,67,394.84	4,033.18	1,294.86	1,908.24	709.32	1,801.40	2,28,186.19
Additions	-	-	1,218.49	5,286.37	336.90	504.26	376.36	0.20	390.08	8,112.66
Disposals	-	-	0.50	416.46	18.88	5.72	268.00	1.93	141.79	853.28
Other adjustments	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	504.19	-	-	-	-	-	504.19
Gross block as at 31 <sup>st</sup> March, 2015 (A)	9,240.68	1,614.52	41,407.14	1,72,768.94	4,351.20	1,793.40	2,016.60	707.59	2,049.69	2,35,949.76
Accumulated depreciation on 1 <sup>st</sup> April, 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 during the year	-	19.54	863.42	8,185.53	246.14	86.72	202.67	-	349.34	9,953.36
Reclassifications	-	-	83.79	(511.74)	252.23	7.80	(121.54)	264.08	-	(25.38)
Accumulated depreciation on 1 <sup>st</sup> April, 2014	-	182.31	5,661.39	79,879.39	1,303.31	708.01	1,341.90	264.08	885.63	90,226.02
Adjusted against surplus in profit and loss (Refer note 28)	-	-	490.55	67.04	-	1.74	26.29	-	-	585.62
Deduction/adjustments	-	-	0.51	313.01	12.31	5.20	266.73	0.10	111.80	709.66
Depreciation during the year	-	20.23	1,709.35	8,329.93	457.70	110.32	261.13	105.77	399.44	11,393.87
Accumulated depreciation on 31 <sup>st</sup> March, 2015 (B)	-	202.54	7,860.78	87,963.35	1,748.70	814.87	1,362.59	369.75	1,173.27	1,01,495.85
Net carrying amount as on 31 <sup>st</sup> March, 2015 (A-B)	9,240.68	1,411.98	33,546.36	84,805.59	2,602.50	978.53	654.01	337.84	876.42	1,34,453.91
Net carrying amount as on 31 <sup>st</sup> March, 2014	9,240.68	1,432.21	34,527.76	87,515.45	2,729.87	586.85	566.34	445.24	915.77	1,37,960.17

**NOTE-12 INTANGIBLE ASSETS**

(₹ in Lacs)

Description		Computer Software	Technical Know how/ Engineering Fee	License/ Franchise fees	Upfront fees/ Way leave charges	Design	Total
Gross block as at 1 <sup>st</sup> April, 2013		610.75	142.26	953.67	511.37	5.96	2,224.01
Additions		16.47	-	111.32	-	-	127.79
Disposals		-	-	-	-	-	-
Reclassifications		4.59	-	20.79	-	-	25.38
Gross block as at 1 <sup>st</sup> April, 2014		631.81	142.26	1,085.78	511.37	5.96	2,377.18
Addition		0.34	-	92.82	-	-	93.16
Disposal		-	-	-	-	-	-
Gross block as at 31 <sup>st</sup> March, 2015	(A)	632.15	142.26	1,178.60	511.37	5.96	2,470.34
Accumulated amortisation on 1 <sup>st</sup> April, 2013		470.25	142.23	457.79	116.02	4.11	1,190.40
Deduction/adjustments		-	-	-	-	-	-
Amortisation during the year		72.79	-	204.06	31.91	1.85	310.61
Reclassifications		4.59	-	20.79	-	-	25.38
Accumulated amortisation on 1 <sup>st</sup> April, 2014		547.63	142.23	682.64	147.93	5.96	1,526.39
Deductions/adjustments		-	-	-	-	-	-
Amortisation during the year		32.55	-	272.46	31.90	-	336.91
Accumulated amortisation on 31 <sup>st</sup> March, 2015	(B)	580.18	142.23	955.10	179.83	5.96	1,863.30
Net carrying amount as on 31 <sup>st</sup> March, 2015	(A-B)	51.97	0.03	223.50	331.54	-	607.04
Net carrying amount as on 31 <sup>st</sup> March, 2014		84.18	0.03	403.14	363.44	-	850.79

(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 investment but rather the means to acquire and hold the properties for use in Company's operations. Accordingly, 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 ₹ 10,453.95 Lacs (₹ 9,949.76 Lacs) towards foreign exchange fluctuations on Long Term Loans.

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Projects	13,572.97	7,571.90
Others	483.59	1,821.45
<b>Total (#)</b>	<b>14,056.56</b>	<b>9,393.35</b>

(#) Includes borrowing cost of ₹ 259.47 Lacs (₹ 415.16 Lacs)

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<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 Technologies Limited	6,379.90	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
10,000 (9,998) Equity Shares of ₹ 10 each of Deepak Mining Services Private Limited	1.00	1.00
49,993 (49,993) Equity shares of ₹10 each of SCM Soilfert Limited	5.00	5.00
43,350 (Nil) Equity shares of ₹ 10 each of SCM Fertichem Limited	4.34	-
	<b>6,409.88</b>	<b>6,405.52</b>
<b>Investment in Jointly controlled entity:</b>		
Desai Fruit and Vegetables Private Limited		
50,81,363 (10,51,504 ) Equity Share of face value of ₹ 10 each, fully paid up		
Nil (36,32,469) Equity Shares of face value ₹ 10 each of partly paid up ₹ Nil (₹ 9.37)	4,329.91	3,905.15
Less: Provision for diminution in value (Refer note 43)	-	(507.09)
	<b>4,329.91</b>	<b>3,398.06</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>Investments in Debentures or Bonds (Unquoted)</b>		
Nil (1,80,00,000) 1% Debentures of ₹ 10 each wholly owned subsidiary SCM Soilfert Limited (Refer note 54)	-	18,000.00
<b>Total</b>	<b>10,818.48</b>	<b>27,882.27</b>
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Aggregate amount of quoted Investments	-	-
Market value of quoted Investments	-	-
Aggregate amount of unquoted Investments	10,853.04	28,423.92

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

(₹ in Lacs)

	Long-term		Short-term	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Capital advances	3,254.66	1,401.58	-	-
Deposits with bank with maturity for more than 12 months *	625.14	299.60	-	-
Security deposits	1,901.28	1,451.75	-	-
Balance with Central Excise and Customs	590.33	590.36	1,813.01	1,859.63
Loans and advances - Related parties #	200.00	200.00	7,974.88	-
Advances recoverable in cash or kind or for value to be received				
- Advances/ loans to employees	-	-	289.31	164.73
- Advances to suppliers	-	-	3,684.03	2,792.69
- Others @	-	-	4,897.28	4,361.05
- Prepaid expenses	84.76	137.38	1,699.83	1,713.78
Advance payments of taxes (Net)	-	-	612.81	594.72
<b>Total</b>	<b>6,656.17</b>	<b>4,080.67</b>	<b>20,971.15</b>	<b>11,486.60</b>

\* ₹ 624.94 Lacs (₹ 299.40 Lacs) kept as fixed deposit with Bank of Baroda, London, as a lien for ECB and ₹ 0.20 Lacs (₹ 0.20 Lacs) with Sales Tax Authorities.

@ Other advances include Vat/Sales Tax receivable of ₹ 3,773.42 lacs (₹ 2,956.06 lacs) and Duty Drawback Receivable of ₹ 219.77 Lacs (₹ 200.04 Lacs).

# Loans and advances - Related parties and officer

(₹ in Lacs)

	Long-term		Short-term	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Security deposit placed with Chairman and Managing Director towards lease of residential premises.	200.00	200.00	-	-
Loan to Smartchem Technologies Limited	-	-	2,380.00	-
Loan / Advance to SCM Soilfert Limited	-	-	5,594.88	-
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>7,974.88</b>	<b>-</b>

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Unquoted bonds / Securities (Non-trade)</b>		
<b>Investments in Subsidiaries (Fully paid up)</b>		
1,80,00,000 (Nil) 1% Debentures of ₹ 10 each wholly owned subsidiary SCM Soilfert Limited (Refer note 54)	18,000.00	-
<b>Quoted bonds / Securities (Non-trade)</b>		
Investment in Debt Securities (#)	243.40	242.51
Investment in Tax Free Bonds	-	1,502.20
Investment in Government Securities (#)	1,081.50	1,081.50
Less: Provision for diminution in value	-	(223.63)
	<b>19,324.90</b>	<b>2,602.58</b>
<b>Quoted Mutual Funds (Non-trade)</b>		
Mutual funds	-	25.00
Less: Provision for diminution in value	-	(5.98)
	-	<b>19.02</b>
<b>Total</b>	<b>19,324.90</b>	<b>2,621.60</b>

Investment in Debt Securities									(₹ in Lacs)
Name of Securities	As at 31 <sup>st</sup> March, 2015				As at 31 <sup>st</sup> March, 2014				
	No. of Units	Face Value in ₹	Cost	Market Value	No. of Units	Face Value in ₹	Cost	Market Value	
9.72% TANGENDCO BONDS 16/07/2024	4	10	40.20	40.90	-	-	-	-	
11% BANK OF INDIA PERPETUAL BONDS (TIER I - BASEL III) (Int date 08/08/)	3	10	30.76	32.57	-	-	-	-	
11.50% IL&FS TRANSPORTATION NETWORKS LTD. 21/06/2024 (NCD)	3	10	30.08	30.19	-	-	-	-	
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	143.27	13	10	142.36	131.08	
<b>Total</b>			<b>243.40</b>	<b>246.93</b>			<b>242.51</b>	<b>232.12</b>	

Investment in Tax Free Bonds									(₹ in Lacs)
Name of Securities	As at 31 <sup>st</sup> March, 2015				As at 31 <sup>st</sup> March, 2014				
	No. of Units	Face Value in ₹	Cost	Market Value	No. of Units	Face Value in ₹	Cost	Market Value	
7.22% RECL Tax-free Bonds 2022	-	-	-	-	100,000	1,000	1,002.20	936.78	
7.51% HUDCO Tax-free Bonds TRANCHE A SR 2	-	-	-	-	50,000	1,000	500.00	454.57	
<b>Total</b>							<b>1,502.20</b>	<b>1,391.35</b>	

Investment in Government Securities									(₹ in Lacs)
Name of Securities	As at 31 <sup>st</sup> March, 2015				As at 31 <sup>st</sup> March, 2014				
	No. of Units	Face Value ₹ in Lacs	Cost	Market Value	No. of Units	Face Value ₹ in Lacs	Cost	Market Value	
8.97% GOI 05/12/2030 (#)	1000	1	1,081.50	1,097.10	1000	1	1,081.50	980.00	
<b>Total</b>			<b>1,081.50</b>	<b>1,097.10</b>			<b>1,081.50</b>	<b>980.00</b>	

Details of Investments in Mutual Funds							(₹ in Lacs)
Name of the Fund	As at 31 <sup>st</sup> March, 2015			As at 31 <sup>st</sup> March, 2014			
	No. of Units in Lacs	Cost	Market Value	No. of Units in Lacs	Cost	Market Value	
SBI Infrastructure Fund I - Dividend	-	-	-	2.50	25.00	19.02	
<b>Total</b>					<b>25.00</b>	<b>19.02</b>	

All mutual funds are having face value of ₹10 each.

(#) Includes earmarked investments against debentures.

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Aggregate cost of quoted investments	1,324.90	2,851.21
Market value of quoted investments	1,344.03	2,622.51
Aggregate Amount of Unquoted Investment	18,000.00	-

Note-17 INVENTORIES (Valued at lower of cost and net realisable value)			(₹ in Lacs)
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	
Raw materials ₹ 37.52 Lacs (₹ 3,978.16 Lacs) in transit	10,508.29	11,096.94	
Packing materials ₹ 16.62 Lacs (₹ 16.87 Lacs) in transit	1,063.59	1,258.36	
Finished goods	5,312.56	5,708.06	
Stock-in-trade ₹ 1,337.96 Lacs (₹ 359.00 Lacs) in transit	15,686.39	8,202.00	
Stores and spares ₹ 17.54 Lacs (₹ 29.24 Lacs) in transit	7,725.11	7,610.48	
<b>Total</b>	<b>40,295.94</b>	<b>33,875.84</b>	

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

	Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Outstanding for a period exceeding six months:</b>		
Considered good	27,914.19	6,207.14
Considered doubtful	129.40	71.99
	28,043.59	6,279.13
Less: Provision for doubtful debts	(129.40)	(71.99)
	<b>27,914.19</b>	<b>6,207.14</b>
Others	65,611.08	70,732.61
<b>Total</b>	<b>93,525.27</b>	<b>76,939.75</b>

Sundry debtors includes ₹ 33,498.73 Lacs (₹ 20,748.52 Lacs) towards fertiliser subsidy receivable from the Government of India. Sundry debtors are net of realisation of ₹ 17,213.03 Lacs (₹ 27,510.33 Lacs) from short-term finance facility provided by a bank to the Company's fertiliser dealers.

**Note-19 CASH AND BANK BALANCES** (₹ in Lacs)

	Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Cash and cash equivalents:</b>		
- Cash on hand	9.21	13.52
- Cheques on hand	1,719.33	2,694.26
- Balance in current account with banks	1,611.18	4,142.02
- Short-Term deposit with banks	-	1,973.81
	<b>3,339.72</b>	<b>8,823.61</b>
<b>Other bank balances:</b>		
- On unpaid dividend (Earmarked balances)	496.45	423.95
<b>Total</b>	<b>3,836.17</b>	<b>9,247.56</b>

**Note-20 OTHER ASSETS** (₹ in Lacs)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Interest income accrued on deposits and others	-	-	741.56	414.39
Derivative contracts receivable	195.19	571.83	889.04	594.20
<b>Total</b>	<b>195.19</b>	<b>571.83</b>	<b>1,630.60</b>	<b>1,008.59</b>

## Note-21 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>A. Sale of products</b>		
<b>Finished goods</b>	2,18,558.91	2,58,346.59
Less: Excise duty	21,768.68	22,753.70
	1,96,790.23	2,35,592.89
Stock-in-trade	1,53,205.64	1,02,269.94
Subsidy on manufactured fertilisers	4,304.34	24,073.38
Subsidy on traded fertilisers	14,057.83	17,071.61
<b>Total Sales</b>	<b>3,68,358.04</b>	<b>3,79,007.82</b>
Revenue from reality business	543.78	338.56
Less: Service tax	53.87	35.86
	<b>489.91</b>	<b>302.70</b>
Other operating revenues	2,526.07	1,832.90
Less: Service tax	197.39	99.48
	<b>2,328.68</b>	<b>1,733.42</b>
<b>Revenue from operations (Net)</b>	<b>3,71,176.63</b>	<b>3,81,043.94</b>
<b>B. Details of Sales of products</b>		
<b>Finished goods</b>		
Iso propyl alcohol	63,870.76	66,811.65
Nitrophosphate	11,932.72	64,030.40
Bentonite sulphur	4,649.31	3,466.72
Technical ammonium nitrate	80,712.90	80,211.84
Nitric acid	29,477.00	20,893.73
Methanol	2,300.20	11,394.88
Propane	6,098.33	9,364.13
Liquid CO <sub>2</sub>	490.23	1,565.09
Hydrogen	322.10	790.29
Power generated from windmills	703.18	790.99
Others	537.85	346.55
	<b>(A) 2,01,094.58</b>	<b>2,59,666.27</b>
<b>Stock-in-trade</b>		
Muriate of potash	15,544.51	16,735.18
Specialty fertiliser	19,245.63	16,796.33
Single super phosphate	4,654.83	4,266.10
Mixture fertiliser	608.68	724.39
Ammonium sulphate	3,564.03	258.03
DAP	12,538.25	12,847.41
Complexes fertiliser	21,478.02	16,597.92
Toluene	31,576.00	14,564.11
Iso propyl alcohol	23,215.13	17,122.98
Acetone	24,043.52	13,095.41
Ammonia	1,008.48	1,999.69
Phos Acid	5,127.51	-
Others	4,658.87	4,334.00
	<b>(B) 1,67,263.46</b>	<b>1,19,341.55</b>
<b>Total</b>	<b>(A+B) 3,68,358.04</b>	<b>3,79,007.82</b>

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

**Note-22 OTHER INCOME**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Interest on term deposits with banks	36.00	26.05
- Other Interest income	960.03	710.29
<b>Income from non-current investments:</b>		
- Debentures	471.44	134.01
<b>Dividend</b>		
- Trade investments - Subsidiary Company	955.54	101.93
<b>Income from current investments</b>		
- Dividend from mutual funds	0.35	0.64
- Profit on sale of current investments in mutual fund	463.10	1,215.44
- Interest on bond and Government securities	27.36	100.43
- Miscellaneous receipts (*)	914.22	2,197.62
<b>Total</b>	<b>3,828.04</b>	<b>4,486.41</b>

(\*) Includes income from Carbon Credit ₹ Nil (₹ 1,152.32 Lacs).

**Note-23 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>Raw Material Consumed</b>		
Ammonia	49,220.49	51,845.13
Natural gas	35,621.44	27,233.17
Propylene	43,378.57	52,358.71
Phosphoric acid	4,129.02	26,595.29
Others	3,225.71	2,770.44
	<b>1,35,575.23</b>	<b>1,60,802.74</b>
<b>Packing materials consumed</b>	<b>3,889.21</b>	<b>4,473.62</b>
<b>Total</b>	<b>1,39,464.44</b>	<b>1,65,276.36</b>

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

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
DAP	11,034.68	12,559.50
Muriate of potash	12,704.41	15,855.02
Mixture fertiliser	584.17	705.85
Single super phosphate	4,165.74	4,049.78
Specialty fertilisers	16,099.33	15,533.70
Complexes fertiliser	23,874.08	15,362.67
Toluene	29,316.49	14,839.84
Iso propyl alcohol	24,627.17	16,657.83
Acetone	24,830.32	12,991.13
Ammonia	569.06	2,305.80
Phos Acid	5,119.11	-
Ammoniam sulphate	3,825.96	234.00
Others	2,829.61	3,289.09
<b>Total</b>	<b>1,59,580.13</b>	<b>1,14,384.21</b>



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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>(Increase)/decrease in inventory:</b>		
Inventories at the end of the year		
- Finished goods	5,312.56	5,695.14
- Stock-in-trade	15,686.39	8,214.92
<b>(A)</b>	<b>20,998.95</b>	<b>13,910.06</b>
Inventories at the beginning of the year		
- Finished goods	5,695.14	4,169.97
- Stocks-in-trade	8,214.92	4,928.84
<b>(B)</b>	<b>13,910.06</b>	<b>9,098.81</b>
<b>(Increase)/decrease in excise duty on stock of finished goods</b>	<b>(C)</b>	<b>(73.95)</b>
<b>Total</b>	<b>(B - A - C)</b>	<b>(4,737.30)</b>

**Note-26 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Salary and wages	11,968.50	13,609.86
Contribution to provident and other funds	1,484.85	1,793.52
Staff welfare	814.78	938.57
<b>Total</b>	<b>14,268.13</b>	<b>16,341.95</b>

**Note-27 FINANCE COSTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Interest on fixed loans #	5,611.56	6,319.15
Interest - Others	5,167.05	3,557.92
Other financial charges	232.10	198.00
<b>Total</b>	<b>11,010.71</b>	<b>10,075.07</b>

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,324.86 Lacs (₹ 1,625.62 Lacs) excluding amount capitalised ₹ 259.47 Lacs (₹ 415.16 Lacs).

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Depreciation of tangible assets	11,393.87	9,927.98
Amortisation of intangible assets	336.91	335.99
<b>Total</b>	<b>11,730.78</b>	<b>10,263.97</b>

During the year, the Company has provided depreciation over estimated useful lives of assets as prescribed in Schedule - II of the Company Act, 2013, or as assessed by the management based on technical evaluation. This has resulted in an additional charge of depreciation amounting to ₹ 1,060.37 Lacs for the year ended 31<sup>st</sup> March, 2015. The written down value of asset of ₹ 359.17 Lacs as on 1st April, 2014 (net of deferred tax of ₹ 226.45 Lacs) whose residual life is exhausted, has been adjusted against retained earnings.

**Note-29 OTHER EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Power, fuel and water	2,392.98	2,536.09
Stores, spares, oils, chemicals and catalysts consumed	2,929.73	3,470.30
Repairs to:		
- Buildings	609.40	500.37
- Plant and machinery	2,935.58	3,683.16
- Others	763.95	667.47
	<b>4,308.93</b>	<b>4,851.00</b>
Insurance	1,592.52	1,450.68
Rent	1,041.20	947.04
Rates, taxes and duties	934.23	1,078.69
Directors' sitting fees	10.70	8.09
Auditors' remuneration	51.11	58.17
Carriage outward (net)	12,539.09	10,776.23
Cash discounts	415.45	992.73
Provision for diminution in value of investments/(Reversed) (*)	(736.70)	734.30
Foreign exchange fluctuations( Net)	3,348.70	3,204.04
Loss on sale of fixed assets	74.57	68.08
Commission on Sales	333.81	194.07
Legal and professional fees	1,842.63	2,213.45
Sales promotion expenses	970.57	753.09
Donation (#)	148.10	69.41
CSR expenses (Refer Note 44)	2.50	-
Miscellaneous expenses	3,149.75	5,746.41
<b>Total</b>	<b>35,349.87</b>	<b>39,151.87</b>

(\*) Consist of reversal of ₹ 229.61 Lacs (Provision of ₹ 227.21 Lacs) relating to current investments and reversal of ₹ 507.09 Lacs (Provision of ₹ 507.09 Lacs) relating to non-current investments (also refer note 43).

(#) Includes donation to Bhartiya Janta Party ₹ 50 Lacs (Indian National Congress ₹ 25 Lacs).

**Note-30 EARNING PER SHARE**

	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
<b>Profit after tax (₹ in Lacs)</b>	<b>7,835.15</b>	<b>24,388.43</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>8.88</b>	<b>27.65</b>
Face value per Equity Share	10.00	10.00

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>As Auditor :</b>		
- Audit fees	33.95	34.00
- Tax audit	4.50	4.50
	<b>38.45</b>	<b>38.50</b>
<b>Other capacity :</b>		
- Certifications	10.31	13.62
- Taxation matters	1.60	4.22
- Reimbursement of expenses	0.75	1.83
<b>Total</b>	<b>51.11</b>	<b>58.17</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, 2015	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>Components of employer expenses</b>						
Current service costs	353.40	413.40	176.33	158.75	61.68	53.88
Interest cost	307.13	236.95	123.84	97.36	18.06	17.07
Expected return on plan assets	(193.04)	(189.68)	-	-	-	-
Actuarial losses/(gains)	19.05	333.76	56.44	159.66	(14.28)	(70.72)
<b>Total expenses/(Income recognised in the Statement of Profit and Loss)</b>	<b>486.54</b>	<b>794.43</b>	<b>356.61</b>	<b>415.77</b>	<b>65.46</b>	<b>0.23</b>
<b>Actual contributions and benefits paid during the year</b>						
Actual benefits paid	297.16	561.20	192.84	159.05	1.14	1.07
Actual contributions	319.83	317.88	-	-	-	-
<b>Total</b>	<b>616.99</b>	<b>879.08</b>	<b>192.84</b>	<b>159.05</b>	<b>1.14</b>	<b>1.07</b>
<b>Net asset/(liability) recognised in the Balance Sheet as on 31<sup>st</sup> March, 2015</b>						
Present value of defined benefit obligations	(4,029.04)	(3,761.91)	(1,717.18)	(1,553.41)	(277.36)	(213.04)
Fair value of plan assets	2,282.74	2,182.32	-	-	-	-
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(1,746.30)</b>	<b>(1,579.59)</b>	<b>(1,717.18)</b>	<b>(1,553.41)</b>	<b>(277.36)</b>	<b>(213.04)</b>
<b>Change in Defined benefit obligations during the year ended 31<sup>st</sup> March, 2015</b>						
Present value of DBO at beginning of year	3,761.91	3,242.52	1,553.41	1,296.69	213.04	213.88
Current service cost	353.40	413.40	176.33	158.75	61.68	53.88
Interest cost	307.13	236.95	123.84	97.36	18.06	17.07
Actuarial (gains)/losses	(96.24)	430.24	56.44	159.66	(14.28)	(70.72)
Benefits paid	(297.16)	(561.20)	(192.84)	(159.05)	(1.14)	(1.07)
<b>Present Value of Defined benefit obligations</b>	<b>4,029.04</b>	<b>3,761.91</b>	<b>1,717.18</b>	<b>1,553.41</b>	<b>277.36</b>	<b>213.04</b>
<b>Change in Fair Value of plan Assets during the year ended 31<sup>st</sup> March, 2015</b>						
Plan assets at beginning of year	2,182.32	2,139.48	-	-	-	-
Actual return on plan assets	193.04	189.68	-	-	-	-
Contributions	319.83	317.88	-	-	-	-
Actuarial (gains)/losses on plan assets	(115.29)	96.48	-	-	-	-
Benefits paid	(297.16)	(561.20)	-	-	-	-
<b>Plan assets at the end of year</b>	<b>2,282.74</b>	<b>2,182.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Actuarial Assumptions</b>						
Discount rate	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Expected return on plan assets	8.80%	9.40%	-	-	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The plan 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, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Defined Benefit Obligations	4,029.04	3,761.91	3,242.52	2,440.17	2,366.21
Plan Assets	2,282.74	2,182.32	2,139.48	1,830.52	1,539.25
Surplus/(Deficit)	(1,746.30)	(1,579.59)	(1,103.04)	(609.65)	(826.95)
Experience Adjustments on Plan Liabilities	(216.25)	(549.33)	(367.59)	181.04	(299.73)
Experience Adjustments on Plan Assets	(102.13)	96.48	11.79	11.26	14.47

## Experience adjustments for post retirement benefits:

(₹ in Lacs)

Experience adjustments	Post retirement benefits		
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Defined Benefit Obligation	-	-	-
Plan assets	277.36	213.04	213.88
Surplus/(Deficit)	-	-	-
Experience adjustments on plan liabilities	(277.36)	(213.04)	(213.88)
Experience adjustments on plan assets	49.41	51.11	60.88

The expected contribution is based on same assumptions used to measure the company's gratuity obligations as of 31<sup>st</sup> March, 2015. The Company is expected to contribute ₹ 350 Lacs (₹ 175 Lacs) for the year ended 31<sup>st</sup> March, 2016.

**Note-33** The proportionate share of assets, liabilities, revenue and expenditure, contingent liabilities and capital commitments of the Joint Controlled entity is given below as on 31<sup>st</sup> March, 2015:

Particulars	Desai Fruits and Vegetables Private Limited	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Country of incorporation	India	India
Percentage of ownership interest	49%	49%
Liabilities	370.38	499.31
Assets	1,923.53	2,217.93
Income	1,893.50	1,606.17
Expenditure	2,488.75	2,538.42
Profit/(Loss) after tax for the year	(590.05)	(930.58)
Contingent liabilities	18.38	18.38
Capital commitments	5.43	2.19

### Note-34 RELATED PARTY DISCLOSURES

#### Name of the related parties and relationship

ASSOCIATES	JOINTLY CONTROLLED ENTITY	ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE	ENTERPRISES OVER WHICH RELATIVES ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE
Ishanya Brand Services Limited			
Ishanya Realty Corporation Limited	Desai Fruits and Vegetables Private Limited	Blue Shell Investments Private Limited	Deepak Nitrite Limited
<b>SUBSIDIARIES</b>	<b>KEY MANAGEMENT PERSONNEL</b>	Nova Synthetic Limited	
Smartchem Technologies Limited (STL)	Shri S.C. Mehta	The Lakaki Works Private Limited	
Deepak Nitrochem Pty Limited	Shri Partha Bhattacharyya	Superpose Credits and Capital Private Limited	
Deepak Mining Services Private Limited (DMSPL)	Shri Somnath Patil	Storewell Credits and Capital Private Limited	
Yerowda Investments Limited	Shri Tushar Dey	High Tide Investments Private Limited	
RungePincockMinarco India Private Limited (Subsidiary of DMSPL)		Deepak Asset Reconstruction Private Limited	
SCM Soilfert Limited		Mahadhan Investment and Finance Private Limited	
Platinum Blasting Services Pty Limited (Subsidiary of STL)		Ishanya Foundation	
SCM Fertilchem Limited		Deepak Foundation	

## Note-35(A) RELATED PARTY TRANSACTIONS

(₹ in Lacs)

Nature of Transactions	31 <sup>st</sup> March, 2015					31 <sup>st</sup> March, 2014				
	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Total	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Total
Sale of Goods	306.31	-	-	6,257.05	6,563.36	945.61	10.15	-	6,231.82	7,187.58
Purchase of Goods	(95.49)	-	-	-	(95.49)	(359.00)	-	-	(0.10)	(359.10)
Donation Given	-	-	-	(80.50)	(80.50)	-	-	-	(35.00)	(35.00)
Rendering of Services/Reimbursement of Expenses	1,237.08	(0.36)	-	7.94	1,244.66	5.80	12.32	-	4.00	22.12
Receiving of Services/Reimbursement of Expenses	(106.07)	-	(1,349.54)	(0.41)	(1,456.02)	(140.00)	(1.91)	(1,546.82)	-	(1,688.73)
Leasing or Hire Purchase arrangements	-	-	(9.00)	8.09	(0.91)	-	-	(15.62)	2.36	(13.26)
Purchase of Equity Shares	-	(424.77)	(2.17)	-	(426.94)	-	(906.00)	(5.00)	-	(911.00)
Interest on Investment in Debentures	180.00	-	-	-	180.00	130.18	-	-	-	130.18
Investment in Debentures	-	-	-	-	-	(18,000.00)	-	-	-	(18,000.00)
Purchase of DEPB licenses	-	(51.95)	-	-	(51.95)	-	(31.73)	-	-	(31.73)
Dividend Received	955.54	-	-	-	955.54	100.00	-	-	-	100.00
Dividend Paid	-	-	(1,259.79)	(1,204.40)	(2,464.19)	-	-	(956.55)	(1,019.10)	(1,975.65)
Interest on Loan/Advances	354.16	4.59	-	-	358.75	-	-	-	-	-
Loans & Advances	(7,402.89)	-	-	-	(7,402.89)	(5.00)	-	-	-	(5.00)
<b>Balance Receivable/(Payable)</b>										
Loans & Advances	7,402.89	-	-	-	7,402.89	5.00	-	-	-	5.00
Other Receivable/ (Payable)	9,143.23	0.11	(429.39)	803.41	9,517.36	(192.75)	-	(896.76)	624.92	(464.59)
Investment in Debentures	18,000	-	-	-	18,000	18,000	-	-	-	18,000

Note : Figures in bracket are outflows.

## Note-35(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, 2015					31 <sup>st</sup> March, 2014				
	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL
<b>Sale of Goods</b>										
Smartchem Technologies Limited	240.61	-	-	-	240.61	945.61	-	-	-	945.61
Deepak Nitrite Limited	-	-	-	6,257.05	6,257.05	-	-	-	6,231.82	6,231.82
<b>Purchase of Goods</b>										
SCM Soilfert Limited	(95.49)	-	-	-	(95.49)	(359.00)	-	-	-	(359.00)
<b>Interest on Loans given</b>										
SCM Soilfert Limited	291.54	-	-	-	291.54	-	-	-	-	-
Smartchem Technologies Limited	62.59	-	-	-	62.59	-	-	-	-	-
<b>Interest income on Investment in Debentures</b>										
SCM Soilfert Limited	180.00	-	-	-	180.00	130.18	-	-	-	130.18
<b>Rendering of Services/Reimbursement of Expenses</b>										
Smartchem Technologies Limited	571.19	-	-	-	571.19	-	-	-	-	-
SCM Soilfert Limited	214.78	-	-	-	214.78	-	-	-	-	-
SCM Soilfert Limited	439.33	-	-	-	439.33	-	-	-	-	-
Desai Fruits and Vegetables Private Limited	-	0.36	-	-	0.36	-	12.32	-	-	12.32
Ishanya Foundation	-	-	-	7.94	7.94	-	-	-	4.00	4.00
<b>Receiving of Services/Reimbursement of Expenses</b>										
Yarrowada Investments Limited	(106.07)	-	-	-	(106.07)	(140.00)	-	-	-	(140.00)
Shri S.C. Mehta (Remuneration/Commission)	-	-	(851.10)	-	(851.10)	-	-	(1,265.82)	-	(1,265.82)

**Note-35(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, 2015					31 <sup>st</sup> March, 2014				
	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL	Subsidiaries	Jointly controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL
Shri Partha Bhattacharyya (Remuneration/ Commission)	-	-	(255.85)	-	(255.85)	-	-	(281.00)	-	(281.00)
Shri Somnath Patil (Remuneration)	-	-	(181.62)	-	(181.62)	-	-	-	-	-
Shri Tushar Dey (Remuneration)	-	-	(60.97)	-	(60.97)	-	-	-	-	-
<b>Leasing or Hire Purchase arrangements</b>										
Deepak Nitrite Limited	-	-	-	8.09	8.09	-	-	-	2.36	2.36
Shri S.C. Mehta	-	-	(9.00)	-	(9.00)	-	-	(9.00)	-	(9.00)
Shri Partha Bhattacharyya	-	-	-	-	-	-	-	(6.62)	-	(6.62)
<b>Purchase of DEP B License</b>										
Desai Fruits and Vegetables Private Limited	-	(51.95)	-	-	(51.95)	-	(31.73)	-	-	(31.73)
<b>Purchase of Equity Shares</b>										
Shri S.C.Mehta (Shares of SCM Fertichem Limited)	-	-	(2.17)	-	(2.17)	-	-	(5.00)	-	(5.00)
Desai Fruits and Vegetables Private Limited	-	(294.07)	-	-	(294.07)	-	(906.00)	-	-	(906.00)
Desai Fruits and Vegetables Private Limited	-	(130.70)	-	-	(130.70)	-	-	-	-	-
<b>Loans and Advances</b>										
Smartchem Technologies Limited	(2,380.00)	-	-	-	(2,380.00)	-	-	-	-	-
SCM Soilfert Limited	(5,002.89)	-	-	-	(5,002.89)	(5.00)	-	-	-	(5.00)
<b>Investment in Debenture</b>										
SCM Soilfert Limited	-	-	-	-	-	(18,000.00)	-	-	-	(18,000.00)
<b>Donation Given</b>										
Ishanya Foudation	-	-	-	(80.50)	(80.50)	-	-	-	(35.00)	(35.00)
<b>Dividend Received</b>										
Smartchem Technologies Limited	250.00	-	-	-	250.00	100.00	-	-	-	100.00
SCM Soilfert Limited	705.54	-	-	-	705.54	-	-	-	-	-
<b>Dividend Paid</b>										
Shri S.C.Mehta	-	-	(1,259.79)	-	(1,259.79)	-	-	(956.55)	-	(956.55)
Nova Synthetics Limited	-	-	-	(1,122.36)	(1,122.36)	-	-	-	(949.69)	(949.69)
<b>Balance Receivable / (Payable)</b>										
Smartchem Technologies Limited	3,041.48	-	-	-	3,041.48	27.69	-	-	-	27.69
RungePincockMinarco India Private Limited	14.45	-	-	-	14.45	-	-	-	-	-
SCM Soilfert Limited	5,957.51	-	-	-	5,957.51	(221.92)	-	-	-	(221.92)
Yerowda Investments Limited	24.51	-	-	-	24.51	-	-	-	-	-
Deepak Mining Services Private Limited	39.58	-	-	-	39.58	14.56	-	-	-	14.56
Platinum Blasting Serv Private Limited	65.69	-	-	-	65.69	-	-	-	-	-
Desai Fruits and Vegetables Private Limited	-	0.11	-	-	0.11	-	-	-	-	-
Deepak Nitrite Limited	-	-	-	799.67	799.67	-	-	-	624.92	624.92
Ishanya Foudation	-	-	-	3.74	3.74	-	-	-	-	-
Shri S.C.Mehta	-	-	(404.39)	-	(404.39)	-	-	(846.76)	-	(846.76)
Shri Partha Bhattacharyya	-	-	(25.00)	-	(25.00)	-	-	(50.00)	-	(50.00)
Investment in Debentures	18,000	-	-	-	18,000	18,000	-	-	-	18,000

Note : Figures in bracket are outflows.

Refer Note 38 for details of letter of comfort in respect of Desai Fruits and Vegetables Private Limited

**NOTE-36 CAPITAL COMMITMENTS**

(₹ in Lacs)

Capital Commitments:	As at	As at
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Related to projects	17,841.14	9,223.32
Related to reality	396.20	368.11
<b>Other commitments:</b>		
Desai Fruits and Vegetables Private Limited (Unpaid amount of Equity and Premium)	-	130.70
<b>Total</b>	<b>18,237.34</b>	<b>9,722.13</b>

For details of operating lease, refer note 51B.

**NOTE-37 CONTINGENT LIABILITIES****a. Liabilities classified and considered contingent**

(₹ in Lacs)

	As at	As at
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Claim by suppliers	4,356.18	3,989.96
Income tax demands	3,888.98	3,298.99
Excise demands	2,862.87	2,866.97
Sale tax /VAT demands	3,405.27	2,735.81
Bank guarantee issued on behalf of Company	7,868.27	2,698.78
Penalty levied by Competition commission of India and contested by Company before CPAT	200.00	-
Letter of credit issued in favour of suppliers	22,335.00	13,228.49
<b>Total</b>	<b>44,916.57</b>	<b>28,819.00</b>

- b. Natural gas is a key raw material for the Company and, based on the allocation, it had long term contracts for its supply from domestic sources. Effective from 15<sup>th</sup> May, 2014 the domestic gas supply to the Company has been stopped, pursuant to an Order passed by the Ministry of Petroleum and Natural Gas. As a consequence, the Nitro phosphate plant has been under shut down. The Company is of the view that this abrupt decision to stop the gas supply is arbitrary and discriminatory and moved the Delhi High Court against the said Order. The Company had simultaneously approached the Department of Fertilisers to reconsider its decision of stoppage of gas supply.

In the meantime, the Government is examining the issue of alleged undue gain to the Company arising out of supply of natural gas and has formed Inter Ministerial Committee to examine this issue as well as that of supply of gas. Pending decision, the Government has withheld release of subsidy to the Company. On an invitation from the Committee, the Company has presented its case and also requested Government for release of the subsidy. In the absence of any decision in this regard, financial impact if any, on this account is not quantifiable.

The Company is hopeful of favourable outcome of the above matters.

**Note-38** The Company has provided Letter of Comfort of ₹ 700.00 Lacs (₹ 700.00 Lacs) to a Bank in respect of credit facilities granted by the bank to Desai Fruits and Vegetables Private Limited.

**Note-39** Exceptional items in the previous year represented cost of voluntary separation scheme to employees at Tajola unit.

**Note-40** Employee benefit expenses in the previous year included additional cost of ₹ 256.23 Lacs arising out of the long-term settlement with the employee of Taloja unit.

**Note-41** Provisions for others as at 31<sup>st</sup> March, 2014 included in Note 7 represented provision towards price differences which were written back during the year as the same were no longer payable, and as at 31<sup>st</sup> March, 2015 represents balance provisions towards price differences. The outflow on this account is expected within a year.

**Note-42** 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 taken 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-43** The Company has long-term investment in Desai Fruits and Vegetables Private Limited (JV) which is strategic in nature. During the year ended 31<sup>st</sup> March, 2014, consequent to losses incurred by JV and substantial erosion of net worth, the Company had made provision of ₹ 507.09 Lacs for diminution in value of the investment that was assessed to be other than temporary in nature. During the year the JVs operating performance has improved significantly as a result of various strategic initiatives taken by the management of JV and success achieved in bagging large export

orders. These strategic initiatives are continuing and the management expects further improvements in operations of the JV. In the interim, Company along with its Joint Venture partner is continuing to support the operations of the JV as required. Consequently, the management of the Company has reassessed the carrying value of the investment in JV and is of the opinion that diminution in value is of temporary in nature and hence reversed the provision of ₹ 507.09 lacs made in earlier years, which is reflected under the head Other Expenses (Note 29).

**Note-44** During the year the Company has incurred CSR expenses of ₹ 83.00 Lacs. which includes contribution/donation of ₹ 80.50 Lacs to trusts (related party) which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto and other expenses of ₹ 2.50 Lacs directly incurred by the Company.

**Note-45 EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Interest and repayments of Loans	1,01,835.96	70,669.09
Technical Fees to foreign vendors	77.76	190.12
Foreign travel	79.11	189.93
Others (Net of reimbursements)	4,641.30	1,184.02
<b>Total</b>	<b>1,06,634.13</b>	<b>72,233.16</b>

**Note-46 REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Number of Shareholders 326 (313) and number of shares 3,67,700 (3,41,450).	23.90	18.78
<b>Total</b>	<b>23.90</b>	<b>18.78</b>

**Note-47 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, SPARE PARTS CONSUMED**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	%	Year ended 31 <sup>st</sup> March, 2014	%
Raw Material				
- Imported	39,463.99	29%	66,638.64	41%
- Indigenous	96,111.24	71%	94,164.10	59%
(A)	1,35,575.23	100%	1,60,802.74	100%
Components and Spares				
- Imported	87.46	2%	219.44	6%
- Indigenous	2,842.27	98%	3,250.86	94%
(B)	2,929.73	100%	3,470.30	100%
<b>Total (A + B)</b>	<b>1,38,504.96</b>		<b>1,64,273.04</b>	

**Note-48 EARNING IN FOREIGN CURRENCY**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Export of goods (on FOB basis)	8,799.65	8,058.72
Other income	789.49	1,516.63
<b>Total</b>	<b>9,589.14</b>	<b>9,575.35</b>

**Note-49 CIF VALUE OF IMPORTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Raw material	40,629.07	69,625.22
Components and spare parts	1,061.99	708.60
Capital goods	474.56	737.87
Stock-in-trade	1,16,972.66	84,796.78
<b>Total</b>	<b>1,59,138.28</b>	<b>1,55,868.47</b>



**Note-50 FOREIGN CURRENCY TRANSACTIONS OUTSTANDING AS AT 31<sup>ST</sup> MARCH, 2015:**

	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	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	1,25,00,000	7,813	2,08,33,333	12,479
Creditors				
- In USD	25,61,156	1,601	1,78,60,369	10,698
Buyers Credit				
- In USD	4,75,92,748	29,745	3,52,85,045	21,136
<b>Unhedged Positions</b>				
Foreign Currency Loans (including Interest)				
- In USD	1,40,73,030	8,795	1,66,17,387	9,954
Creditors				
- In USD	36,03,669	2,252	48,38,659	2,898
- In Euro	3,955	3	69,934	58
- In CHF	-	-	28,808	19
Buyers Credit				
- In USD	30,09,341	1,881	31,42,432	1,882
Bank Balances				
- In USD	10,49,788	656	5,37,600	322
Exports				
- In USD	15,18,214	948	6,07,155	364
- In Euro	48,325	32	1,19,718	99

Note: The Company has also hedged the interest rate on foreign currency loan of USD 12.50 million (USD 20.83 million) by swapping floating interest rate of LIBOR plus 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, 2015		31 <sup>st</sup> March, 2014	
	Notional amount in foreign currency (USD)	Equivalent amount at the year end (₹ lacs)	Notional amount in foreign currency (USD)	Equivalent amount at the year end (₹ lacs)
Forward contracts	-	-	23,04,560	1,380
Option contracts	6,26,53,904	39,159	7,16,74,187	42,933

**Note-51A** 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 ₹ 1,041.20 Lacs (₹ 947.04 Lacs).

**Note-51B** The Company has taken premises on operating lease for a period of one to ten years. The future lease payment of such operating lease is as follows: (₹ in Lacs)

Particulars	Not later than 1 year	Later than 1 year and not later than 5 year	Later than 5 year
Minimum lease rental payable	278.99	923.48	-

**Note-52 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, 2015	31 <sup>st</sup> March, 2014
Loans to Deepak Mining Services Private Limited	25.00	-
Balance as at the end of the year	25.00	-
Maximum amount outstanding at any time during the year	25.00	-
Loans to SCM Soilfert Limited	7,347.89	5.00
Balance as at the end of the year	5,594.88	5.00
Maximum amount outstanding at any time during the year	7,352.89	5.00
Loan to Smartchem Technologies Limited	2,830.00	-
Balance as at year end	2,380.00	-
Maximum amount outstanding at any time during the year	2,830.00	-

**Note-53** Current tax of ₹ 2,543.75 Lacs (₹ 9,561.92 Lacs) for the year includes MAT availment of ₹ Nil (₹ 564.79 Lacs). MAT credit adjustment for the year represents reversal of excess MAT entitlement of Nil (₹ 141.57 Lacs) relating to previous year.

**Note-54** The Company had in the previous year made Investments of ₹ 18,000 Lacs in Non Convertible Debentures of its wholly owned subsidiary, SCM SoilFert Limited which acquired equity shares of MCFL. The investment was classified as non-current investment.

SCM Soilfert Limited has subsequent to the year end disposed its investment in MCFL in the current year. Hence the said investment has been reclassified as current investment. The Non Convertible Debentures are intended to be redeemed by SCM Soilfert Limited out of sale proceeds of investment.

## NOTE-55 SEGMENT REPORTING

		(₹ in Lacs)						
Sr. No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
<b>1</b>	<b>Revenue</b>							
a)	<b>External Sales</b>							
i)	<b>Manufactured</b>	183,809.37	16,582.03	-	703.18	-	-	201,094.58
	<i>Previous Year</i>	191,378.15	67,497.13	-	790.99	-	-	259,666.27
ii)	<b>Traded</b>	79,843.12	87,086.50	333.84	-	-	-	167,263.46
	<i>Previous Year</i>	46,782.19	72,513.26	46.10	-	-	-	119,341.55
b)	<b>Inter-segment sales</b>	4,231.99	-	-	-	(4,231.99)	-	-
	<i>Previous Year</i>	12,097.31	-	-	-	(12,097.31)	-	-
c)	<b>Other operating income</b>	1,890.10	438.58	489.91	-	-	-	2,818.59
	<i>Previous Year</i>	1,206.45	526.97	302.70	-	-	-	2,036.12
d)	<b>Unallocated Corporate other income</b>	-	-	-	-	-	3,828.04	3,828.04
	<i>Previous Year</i>	-	-	-	-	-	4,486.41	4,486.41
	<b>Total Revenue</b>	269,774.58	104,107.11	823.75	703.18	(4,231.99)	3,828.04	375,004.67
	<i>Previous Year</i>	251,464.10	140,537.36	348.80	790.99	(12,097.31)	4,486.41	3,85,530.35
<b>2</b>	<b>Segment Result</b>	25,313.07	2,488.12	(1,719.79)	318.58	-	3,828.04	30,228.02
	<i>Previous Year</i>	35,879.31	15,640.39	(2,124.88)	424.26	-	4,486.41	54,305.49
<b>3</b>	<b>Unallocated Corporate expenses</b>	-	-	-	-	-	22,392.87	22,392.87
	<i>Previous Year</i>	-	-	-	-	-	29,917.06	29,917.06
<b>4</b>	<b>Net profit</b>	-	-	-	-	-	-	7,835.15
	<i>Previous Year</i>	-	-	-	-	-	-	24,388.43
<b>5</b>	<b>Other Information</b>							
a)	<b>Segment Assets</b>	173,635.63	65,974.79	26,302.16	2,785.47	-	-	268,698.05
	<i>Previous Year</i>	1,77,106.13	38,829.22	26,850.09	3,104.86	-	-	2,45,890.30
	<b>Unallocated corporate Assets</b>	-	-	-	-	-	77,673.33	77,673.33
	<i>Previous Year</i>	-	-	-	-	-	70,028.72	70,028.72
	<b>Total Assets</b>	-	-	-	-	-	-	346,371.38
	<i>Previous Year</i>	-	-	-	-	-	-	315,919.02
b)	<b>Segment Liabilities</b>	13,468.66	12,163.71	1,780.02	11.36	-	-	27,423.75
	<i>Previous Year</i>	11,869.76	20,175.70	1,491.04	-	-	-	33,536.50
	<b>Unallocated corporate Liabilities</b>	-	-	-	-	-	166,461.41	166,461.41
	<i>Previous Year</i>	-	-	-	-	-	133,271.07	133,271.07
	<b>Total Liabilities</b>	-	-	-	-	-	-	193,885.16
	<i>Previous Year</i>	-	-	-	-	-	-	166,807.57
c)	<b>Capital Expenditure incurred during the year</b>	5,606.36	5,155.06	143.94	-	-	3,805.68	14,711.04
	<i>Previous Year</i>	11,657.67	433.65	673.72	-	-	1,735.87	14,500.91
d)	<b>Depreciation/ Amortisation*</b>	9,160.31	444.01	1,171.92	225.26	-	729.28	11,730.78
	<i>Previous Year</i>	8,071.25	456.61	942.50	245.49	-	548.12	10,263.97
e)	<b>Other non-cash expenditures</b>	-	-	-	-	-	-	-
	<i>Previous Year</i>	-	-	-	-	-	-	-

(\*) Depreciation excludes ₹ 585.62 Lacs adjusted against retained earnings.

**Segment information****1. Primary segment reporting (by business segments)***Composition of business segment*

<b>Segment</b>	<b>Products covered</b>
a) Chemicals	Ammonia, Methanol, DNA, CNA, SNA, CO <sub>2</sub> , TAN, Iso propyl alcohol, Propane, Bulk and Speciality Chemicals
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables and 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** 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 ₹ Nil (₹ 945.00 Lacs) over a period of six / eight years from the date of license.

**Note-57** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-58** 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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

**S.C. MEHTA**

*Chairman & Managing Director*

**PARTHA BHATTACHARYYA**

*Executive Director*

*Mumbai*

Dated: 21<sup>st</sup> May, 2015

**N.C. SINGHAL**

*Director*

**S.R. WADHWA**

*Director*

**SOMNATH PATIL**

*President & CFO*

**DR. S. RAMA IYER**

*Director*

**TUSHAR DEY**

*Executive Vice President  
(Legal) & Company Secretary*

# Consolidated Financial Statements

## Independent Auditor's Report

To the Members of

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED**

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** (hereinafter referred to as "the Company") and its subsidiaries and jointly controlled entity, ("together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation 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 whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, their consolidated Profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

9. We draw attention to Note 36(b) to the consolidated financial statements which describe the uncertainty related to the outcome of supply of natural gas and related matters. Our opinion is not qualified in respect of this matter.

**Other Matter**

10. We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of Rs. 263,40.34 Lacs as at 31<sup>st</sup> March, 2015, total revenues of Rs.100,12.16 Lacs and net cash outflows amounting to Rs.17,18.39 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, and the auditors' reports issued in accordance with the Order on subsidiary companies and jointly controlled entity incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Notes 36 (a) & 36 (b) to the consolidated financial statements;
    - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and jointly controlled entity incorporated in India.

**FOR B.K. KHARE & CO.***Chartered Accountants*

Firm Registration Number: 105102W

**NARESH KUMAR KATARIA***Partner*

Membership Number: 37825

Mumbai

Dated 21<sup>st</sup> May, 2015

## Annexure to the Independent Auditors' Report referred to in paragraph 10 of Report on Other Legal and Regulatory Requirements in our report of even date

Our reporting on the Order includes subsidiary companies and jointly controlled entity incorporated in India on which the auditors have reported in accordance with the Order. Our report in respect of these subsidiaries and jointly controlled entity incorporated in India is based solely on the reports of the other auditors.

1. In respect of the fixed assets of the Company, its aforesaid subsidiaries and jointly controlled entity:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management of the respective entities according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion and based on the auditors' reports issued on the aforesaid subsidiaries and jointly controlled entity, is reasonable. No material discrepancies as compared to book records were noticed on assets verified during the year.
2. In respect of the Inventories of the Company, its aforesaid subsidiaries and jointly controlled entity:
  - (a) As explained to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, we report that the inventory has been physically verified by the management of the respective entities during the year. Confirmations have been received in respect of inventories lying with third parties.
  - (b) In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and respective subsidiaries and jointly controlled entity and the nature of their business.
  - (c) In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, are maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The Company and its aforesaid subsidiaries and jointly controlled entity have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Act.
4. Based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations as reported by auditor of one subsidiary, in our opinion and according to the information and explanations given to us, the Company and its aforesaid subsidiaries and jointly controlled entity have an adequate internal control system commensurate with the size and the nature of their business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audits and based on auditors' reports issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity the Company and its aforesaid subsidiaries and jointly controlled entity have not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73-76 of the Act apply. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and its aforesaid subsidiaries and jointly controlled entity.
6. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, we report that pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 the aforesaid companies to the extent applicable have made and maintained prescribed accounts and records pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity:
- The respective entities have generally been regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Income Tax, VAT, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess are in arrears, as on 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - There are no dues of income tax, sales tax, wealth tax, service-tax, duty of excise, duty of customs, value added tax, and cess which have not been deposited on account of any dispute except as follows::

Name of the Statute	Amount (₹ Lacs)	Forum where the dispute is pending	Periods to which amounts 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 2000 to August 2007
The Central Excise Act, 1944	866.55	CESTAT	May 2000 to March 2007
The Income Tax Act, 1961	1,357.51	Commissioner of Income Tax (Appeals) Mumbai	Assessment Year 2011-12
The Income Tax Act, 1961	113.79	Income Tax Appellate Tribunal	Assessment Year 2010-12
The Central Sales Act, 1956	630.58	Commissioner of Sales Tax (Appeals) Pune	Financial Year 2004-05 and 2006-07
The Central Sales Act, 1956	192.12	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 Act, 1956	741.90	Karnataka High Court	April 2005 to March 2010
The Central Sales Act, 1956	620.04	Commissioner of Sales Tax (Appeals) Pune	Financial Year 2005-06
The Central Sales Act, 1956	648.93	Commissioner of Sales Tax (Appeals) Pune	Financial Year 2010-11
The Income Tax Act, 1961	33.22	Supreme Court	Financial Year 2004-05
The Maharashtra Value Added Tax Act, 2002	190.93	Commissioner of Sales Tax (Appeals) Pune	Financial Year 2005-06
Finance Act, 1994- Service Tax	1,880.87	Commissioner of Central Excise & Service Tax Pune-II	October 2007 to March 2012.
The Income Tax Act, 1961	8.91	Income tax Appellate Tribunal	Financial Year 2001-02
The Income Tax Act, 1961	0.97	The Commissioner of Income Tax (Appeals)	Financial Year 2011-12

- The amount required to be transferred to Investor Education and Protection Fund by the Company have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. There are no amounts required to be transferred by the subsidiary companies and jointly controlled entity incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Act and the rules made there under.
8. The Group does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current and the immediately preceding financial year, except in the case of jointly controlled entity which has accumulated losses at the end of the financial year which are greater than fifty percent of its networth and which has incurred cash losses in the current and immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, the respective entities have not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
10. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Group.
11. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, in our opinion the term loans availed by the respective entities have been applied by the aforesaid companies for the purposes for which they were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiaries and jointly controlled entity, except for one instance where loss of ₹ 26 Lacs was estimated and provided by Management in the financial statements and for which the Management has taken appropriate steps including filing of police complaint, we have neither come across any instance of fraud on or by the Company and its aforesaid subsidiaries and jointly controlled entity, noticed or reported during the year, nor have we been informed of such case by the Management.

**FOR B.K. KHARE & CO.**

*Chartered Accountants*

Firm Registration Number: 105102W

**NARESH KUMAR KATARIA**

*Partner*

Membership Number: 37825

*Mumbai*

Dated 21<sup>st</sup> May, 2015



# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2015

	Note	As at 31 <sup>st</sup> March, 2015	(₹ in Lacs) As at 31 <sup>st</sup> March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	8,820.49	8,820.49
Reserves and surplus	3	1,38,388.21	1,36,498.19
		<b>1,47,208.70</b>	<b>1,45,318.68</b>
Minority interest		552.76	13.61
<b>Non-current liabilities</b>			
Long-term borrowings	4	33,854.17	59,206.84
Deferred tax liabilities (Net)	5	12,643.52	11,993.09
Other long-term liabilities	6	81.99	21.91
Long-term provisions	7	2,692.50	2,427.69
		<b>49,272.18</b>	<b>73,649.53</b>
<b>Current liabilities</b>			
Short-term borrowings	8	78,510.99	23,162.47
Trade payables	9	24,463.27	35,594.43
Other current liabilities	10	38,468.47	28,064.96
Short-term provisions	7	5,540.40	8,129.88
		<b>1,46,983.13</b>	<b>94,951.74</b>
<b>Total</b>		<b>3,44,016.77</b>	<b>3,13,933.56</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
-Tangible assets	11	1,36,531.92	1,40,308.47
-Intangible assets	12	1,865.40	2,429.04
Capital work-in-progress	13	15,182.10	9,529.88
		<b>1,53,579.42</b>	<b>1,52,267.39</b>
Non-current investments	14	82.37	18,083.96
Long-term loans and advances	15	6,819.36	4,265.47
Other non-current assets	20	247.45	619.10
		<b>1,60,728.60</b>	<b>1,75,235.92</b>
<b>Current assets</b>			
Current investments	16	25,244.51	2,951.60
Inventories	17	40,940.53	34,622.33
Trade receivables	18	95,350.85	78,906.12
Cash and bank balances	19	6,035.43	9,568.51
Short-term loans and advances	15	14,419.61	11,754.37
Other current assets	20	1,297.24	894.71
		<b>1,83,288.17</b>	<b>1,38,697.64</b>
<b>Total</b>		<b>3,44,016.77</b>	<b>3,13,933.56</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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

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

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

**N.C. SINGHAL**  
Director

**S.R. WADHWA**  
Director

**SOMNATH PATIL**  
President & CFO

**DR. S. RAMA IYER**  
Director

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

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2015

(₹ in Lacs)

	Note	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>CONTINUING OPERATIONS</b>			
<b>Revenue:</b>			
Revenue from operations (Gross)	21	4,04,061.22	4,15,418.28
Less: Excise duty		22,816.35	23,962.84
<b>Revenue from operations (Net)</b>		<b>3,81,244.87</b>	<b>3,91,455.44</b>
Other Income	22	2,891.59	4,685.07
<b>Total Revenue</b>		<b>3,84,136.46</b>	<b>3,96,140.51</b>
<b>Expenses:</b>			
Cost of materials consumed	23	1,45,449.02	1,71,338.12
Purchase of stock-in-trade	24	1,60,257.33	1,15,240.04
Change in Inventory of finished goods and stock-in-trade- (increase)/decrease	25	(7,220.15)	(4,775.03)
Employee benefits expenses	26	15,362.35	16,885.32
Finance costs	27	11,109.02	10,097.84
Depreciation, amortisation and impairment	28	12,442.86	11,428.44
Other expenses	29	37,811.16	41,096.32
<b>Total expenses</b>		<b>3,75,211.59</b>	<b>3,61,311.05</b>
<b>Profit before exceptional, extraordinary items and tax</b>		<b>8,924.87</b>	<b>34,829.46</b>
Exceptional items - Expenses / (Income)	38	(857.32)	1,135.20
<b>Profit before extraordinary items and tax</b>		<b>9,782.19</b>	<b>33,694.26</b>
<b>Profit before tax</b>		<b>9,782.19</b>	<b>33,694.26</b>
Tax expenses:	48		
Current tax		2,875.37	10,011.83
MAT credit entitlement		(171.11)	141.57
Deferred tax charge/(credit)		419.02	(508.84)
<b>Total Tax Expenses</b>		<b>3,123.28</b>	<b>9,644.56</b>
<b>Profit for the year before minority interest</b>		<b>6,658.91</b>	<b>24,049.70</b>
Minority Interest		(139.92)	(0.46)
<b>Profit for the period</b>		<b>6,798.83</b>	<b>24,050.16</b>
Earning per equity share: Face value ₹ 10 each (₹ 10)	30		
i) Basic (in ₹)		7.71	27.27
ii) Diluted (in ₹)		7.71	27.27
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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

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

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

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Director

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President & CFO

**DR. S. RAMA IYER**  
Director

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

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2015

(₹ in Lacs)

	2014-15	2013-14
<b>(A) Cash flow from operating activities</b>		
Net profit before tax	8,924.87	34,829.46
Adjustments for-		
Depreciation and amortisation	12,442.86	11,428.44
Exchange fluctuations (net)	3,348.70	3,204.04
Profit on sale of investments	(532.43)	(1,225.31)
Provision for diminution in the value of investments	(229.61)	227.30
Provision for doubtful debts	61.92	(0.76)
Bad debts written off	-	1,697.44
Loss/ (profit) on sale of asset	74.57	68.08
Interest/dividends (net)	9,673.63	8,868.32
<b>Operating profit before working capital changes</b>	<b>33,764.51</b>	<b>59,097.01</b>
Adjustments for-		
Trade and other receivables	(18,262.54)	(16,032.03)
Inventories	(6,318.20)	(9,581.78)
Trade and other payables	(12,364.93)	18,088.27
<b>Cash generated from operations</b>	<b>(3,181.16)</b>	<b>51,571.47</b>
Direct taxes paid	(3,053.51)	(8,957.49)
<b>Cash flow before exceptional items</b>	<b>(6,234.67)</b>	<b>42,613.98</b>
Exceptional items	857.32	(1,135.20)
<b>Net cash from operating activities</b>	<b>(A) (5,377.35)</b>	<b>41,478.78</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets	(13,946.73)	(16,119.56)
Sale of fixed assets	60.51	1,155.75
Movement in capital advances	(1,831.58)	1,789.68
Acquisition of investments- others (net)	(5,834.24)	(18,228.89)
Sale of investments	2,304.96	23,643.77
Deposits placed	(851.07)	(85.46)
Interest received	1,025.05	507.58
Dividend received	384.43	367.88
<b>Net cash used in investing activities</b>	<b>(B) (18,688.67)</b>	<b>(6,969.25)</b>
<b>(C) Cash flow from financing activities</b>		
Exchange fluctuation (Net)	(3,279.02)	(3,329.22)
Working capital borrowings - proceeds / (repayment) (net)	55,348.53	(7,155.37)
External commercial borrowings - proceeds / (repayment) (net)	(5,800.17)	(1,251.31)
Debentures - proceeds / (repayment) (net)	(7,499.98)	(7,500.00)
Interest paid	(11,732.96)	(10,725.76)
Equity dividend and corporate dividend tax paid	(6,737.27)	(5,603.84)
<b>Net Cash Generated/ (Used) in Financing Activities</b>	<b>(C) 20,299.13</b>	<b>(35,565.50)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) (3,766.89)</b>	<b>(1,055.97)</b>
<b>Cash and cash equivalents opening balance</b>	<b>8,985.54</b>	<b>10,041.51</b>
<b>Cash and cash equivalents closing balance</b>	<b>5,218.65</b>	<b>8,985.54</b>
<b>Earmarked balances with the bank</b>	<b>496.45</b>	<b>423.95</b>
<b>Short term bank deposits</b>	<b>320.33</b>	<b>159.02</b>
<b>Cash and bank balances at the end of the year</b>	<b>Note 19 6,035.43</b>	<b>9,568.51</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, prescribed under Section 133 of Companies Act, 2013.  
(iii) Previous year's figures have been re-grouped wherever necessary to conform to current year's classification.

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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

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

**PARTHA BHATTACHARYYA**  
Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

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Director

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Director

**SOMNATH PATIL**  
President & CFO

**DR. S. RAMA IYER**  
Director

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

# Notes

## to the financial statements for the year ended 31<sup>st</sup> March, 2015

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

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

Deepak Fertilisers and Petrochemicals Corporation Limited, Corporate office in Pune, Maharashtra, India carries on business in fertiliser, agri services, bulk chemicals, mining and value added real estate. The Company along with subsidiaries and joint venture entity which are consolidated (Refer Note 2 below) are referred to as the “Group” or the “Company”.

#### 2. Subsidiaries considered in Consolidated Financial statements:

List of subsidiary companies:

List of jointly controlled entities:

Name of the Companies	Country of incorporation	Percentage of ownership interest	Name of the Companies	Country of incorporation	Percentage of ownership interest
1. Smartchem Technologies Limited* (STL)	India	99.99%			
2. Deepak Nitrochem Pty Limited*	Australia	100.00%			
3. Deepak Mining Services Private Limited (DMSPL)	India	100.00%			
4. RungePincocKMinarco India Private Limited (Subsidiary of DMSPL)	India	51.00%	Desai Fruits and Vegetables Limited	India	49.00%
5. SCM Soilfert Limited*	India	99.98%			
6. SCM Fertichem Limited**	India	99.99%			
7. Platium Blasting Services Pty Limited (Subsidiary of STL)**	Australia	79.27%			

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

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

#### Note-1 SIGNIFICANT ACCOUNTING POLICIES

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

This 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 under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

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 III to the Companies Act, 2013. 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.

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

a) 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.

b) The financial statements of the Company and its jointly controlled entities 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) 27 on “Financial Reporting of Interest in Joint Ventures” issued by the Institute of Chartered Accountants of India.

c) The difference between the cost of investments in the subsidiary and joint venture entity, over the parent 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.

d) Goodwill arising on interest acquired in joint venture (Desai fruits and Vegetables Private Limited) is being amortised.

- e) 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.
- f) 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.
- g) The Company follows non-integral basis for translation of foreign currency transactions in respect of its subsidiary, Deepak Nitrochem Pty Limited registered in Australia.
- h) 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 investment 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 Consolidated Financial Statements are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.
- i) 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 (AS) 23. "Accounting for Investment in Associates in Consolidated Financial Statements". However, since these companies have not commenced the commercial operations as on 31<sup>st</sup> March, 2015, 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), 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), except for certain assets as stated in note 12(e).
- 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.

**F) Depreciation and amortisation**

- Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, or as assessed by the Management based on technical evaluation. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule – II of the Companies Act, 2013.

Name of assets	Estimated useful life
Computers - Servers and Networks	4 Years or 6 Years
End User Devices such as, desktops, laptops etc.	4 Years or 6 Years
Vehicles	4 years for employees vehicles and 6-7 Years for other vehicles
Buildings other than Factory Buildings RCC Frame Structure	61 Years
Plant and Machinery	Various estimated life upto 21 years. WNA III plant at the rate of 25.88% on WDV basis
Windmill	19 Years

- Depreciation for assets purchased/sold during a period is proportionately charged.
- 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 Account as per the terms of the contract.

**Assets given on operating lease:**

- Assets given 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 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 including those held for captive consumption are valued at lower of factory cost (Including Depreciation excise duty payable/paid wherever 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 or discount on foreign exchange forward and options contract are amortised and recognised in statement of profit and loss over the period of contract. Foreign exchange forward and options contract outstanding at the balance-sheet date are stated
- 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 Profit and Loss Account 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 was managed by a Trust and the fund is 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 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

medic claim 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. Borrowing costs includes exchange differences to the extent treated as finance cost under AS-16 on borrowing cost.

#### M) Provisions and contingents liabilities

- 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 where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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 year end date.

- Contingent Assets are not recognised or disclosed in the financial Statements.

#### N) Taxes on Income

- 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) Earning Per Share

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

#### Note-2 SHARE CAPITAL

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Authorized</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 Equity Shares

(₹ in Lacs)

Equity Shares	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	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 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:

(₹ in Lacs)

Name of Shareholders	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. S. C. Mehta	212.84	24.13%	192.81	21.86%
Nova Synthetic Limited	172.67	19.58%	172.67	19.58%
Fidelity Puritan Trust - Fidelity Low-Priced Stock Fund	75.69	8.58%	75.69	8.58%
<b>Total</b>	<b>461.20</b>	<b>52.29%</b>	<b>441.17</b>	<b>50.02%</b>

## Note-3 RESERVES AND SURPLUS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Capital reserve</b>	0.13	0.13
<b>Capital redemption reserve</b>	1,950.00	1,950.00
<b>Securities premium reserve</b>	10,798.95	10,798.95
<b>Revaluation reserve</b>		
Balance as at the beginning of the year	696.12	814.73
Less: Transferred to the Statement of Profit and Loss (Refer Note No. 28)	118.60	118.61
<b>Balance as at the end of the year</b>	<b>577.52</b>	<b>696.12</b>
<b>Debenture redemption reserve</b>		
Balance as at the beginning of the year	7,874.93	6,916.63
Add: Transferred from Surplus in the Statement of Profit and Loss	229.20	958.30
<b>Balance as at the end of the year</b>	<b>8,104.13</b>	<b>7,874.93</b>
<b>General reserve</b>		
Balance as at the beginning of the year	17,636.69	15,166.69
Add: Transfer from Statement of Profit and Loss	-	2,470.00
<b>Balance as at the end of the year</b>	<b>17,636.69</b>	<b>17,636.69</b>
<b>Foreign currency translation reserve</b>	(191.49)	(6.30)
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	97,547.67	83,627.85
Transitional impact of change in useful life of assets (net of deferred tax of ₹ 226.27 Lacs) (Refer Note 28)	(359.35)	-
Add: Profit during the year	6,798.83	24,050.16
Less: Appropriations		
Proposed dividend on Equity Shares (Net of reversal of ₹ 0.12 Lacs (₹ 0.13 Lacs)) Amount ₹ 4.00 (₹ 6.50)	3,528.32	5,733.45
Tax on proposed dividend on Equity Shares (Net of credit of tax on dividend distributions by the Subsidiary company)	717.35	968.59
Transfer to Debenture redemption reserve	229.20	958.30
Transfer to General reserve	-	2,470.00
<b>Total appropriations</b>	<b>4,474.87</b>	<b>10,130.34</b>
<b>Net Surplus in the Statement of Profit and loss</b>	<b>99,512.28</b>	<b>97,547.67</b>
<b>Total</b>	<b>1,38,388.21</b>	<b>1,36,498.19</b>

## Note-4 LONG-TERM BORROWINGS-SECURED

(₹ in Lacs)

	Non-Current		Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>External Commercial Borrowings (ECBs)</b>				
Bank of Baroda, London	6,250.00	8,386.00	2,500.00	1,497.50
HSBC Bank (Mauritius) Ltd.	2,604.17	7,487.50	5,208.33	4,991.67
(A)	<b>8,854.17</b>	<b>15,873.50</b>	<b>7,708.33</b>	<b>6,489.17</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, 10.00% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	1,666.67	1,666.67	1,666.67
500, 9.75% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	1,666.67	1,666.67	1,666.67
1250, 10.80% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	-	-	-	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>25,000.00</b>	<b>43,333.34</b>	<b>18,333.34</b>	<b>7,500.01</b>
<b>Total</b>	(A + B)	<b>33,854.17</b>	<b>59,206.84</b>	<b>26,041.67</b>
Less: Current maturity of long-term borrowings disclosed under the "Current liabilities".(Refer Note 10)			<b>26,041.67</b>	<b>13,989.18</b>

Sr. No.	Particulars	Rate and Repayment schedule	Security
1.	External Commercial Borrowing from Bank of Baroda, London, ₹ 8,750.00 Lacs (₹ 9,883.50 Lacs). ₹ 624.94 Lacs (₹ 299.40 Lacs) kept as fixed deposit with Bank of Baroda, London, as per lien for ECB (refer Note No. 15)	At variable interest rate of Libor plus 325 bps payable quarterly (average for the year 3.59% (3.89%)). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 to 30 <sup>th</sup> June, 2017	<i>Pari passu</i> 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 thereto.
2.	External Commercial Borrowing from HSBC Bank (Mauritius) Ltd., ₹ 7,812.50 Lacs (₹ 12,479.17 Lacs)	At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating to fixed rate of 6.09%. Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 to 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	<i>Pari passu</i> 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 equipment, 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 along with to rank <i>pari passu</i> 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 ₹1,666.67 Lacs (₹3,333.34 Lacs)	10% per annum payable quarterly. Redeemable in three equal installments commencing from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	<i>Pari passu</i> 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 thereto along with to rank <i>pari-passu</i> 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 ₹1,666.67 Lacs (₹3,333.34 Lacs)	9.75% per annum payable quarterly. Redeemable in three equal installments commencing from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015	<i>Pari passu</i> 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 <i>pari passu</i> with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favour of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking <i>pari passu</i> with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.
6.	Redeemable Privately Placed NCDs ₹ Nil (₹ 4,166.67 Lacs)	10.80% per annum payable annually. Redeemable in three equal installments commencing from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014	<i>Pari Passu</i> 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.
7.	Redeemable Privately Placed NCDs ₹10,000 Lacs (₹10,000 Lacs)	9.70% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2016	<i>Pari Passu</i> 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 NCDs ₹ 25,000 Lacs (₹ 25,000 Lacs)	9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018	<i>Pari Passu</i> 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.

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

(₹ in Lacs)

	Balance on 31 <sup>st</sup> March, 2014	Increase/ (Decrease)	Balance as on 31 <sup>st</sup> March, 2015
<b>Deferred tax liabilities</b>			
- Timing difference on account of depreciation	14,546.38	373.29	14,919.67
- Others	86.79	(12.76)	74.03
	(A) <b>14,633.17</b>	<b>360.53</b>	<b>14,993.70</b>
<b>Deferred tax assets</b>			
- Provision for doubtful debts/loan and advances	798.98	(457.01)	341.97
- Accrued expenses deductible on actual payments	1,841.10	(35.22)	1,805.88
- Others	-	202.33	202.33
	(B) <b>2,640.08</b>	<b>(289.90)</b>	<b>2,350.18</b>
<b>Total</b>	(A-B) <b>11,993.09</b>	<b>650.43</b>	<b>12,643.52</b>
Previous Year	12,501.93	(508.84)	11,993.09

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Retention money	81.99	21.91
<b>Total</b>	<b>81.99</b>	<b>21.91</b>

**Note-7 PROVISIONS**

(₹ in Lacs)

	Long-term Provisions		Short-Term Provisions	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Provision for employee benefits</b>				
Compensated absences	1,438.18	1,298.37	327.01	281.93
Gratuity	1,052.64	984.05	763.82	672.72
Post retirement benefits	201.68	145.27	75.68	67.77
Wealth creation scheme	-	-	-	9.24
	(A) <b>2,692.50</b>	<b>2,427.69</b>	<b>1,166.51</b>	<b>1,031.66</b>
<b>Others</b>				
Provision for tax (Net)	-	-	220.64	44.43
Proposed dividend	-	-	3,528.20	5,733.32
Dividend distribution tax on proposed dividend	-	-	572.89	931.89
Others	-	-	52.16	388.58
	(B) <b>-</b>	<b>-</b>	<b>4,373.89</b>	<b>7,098.22</b>
<b>Total</b>	(A + B) <b>2,692.50</b>	<b>2,427.69</b>	<b>5,540.40</b>	<b>8,129.88</b>

**Note-8 SHORT-TERM BORROWINGS**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Secured</b>		
From banks:		
Buyer's credit (in foreign currency)	31,596.02	23,093.07
Short-term loan from bank	7,500.00	-
Cash credit facilities (Refer note below)	4,810.94	69.40
<b>Unsecured</b>		
Commercial Paper Borrowings	34,604.03	-
<b>Total</b>	<b>78,510.99</b>	<b>23,162.47</b>

**Note:**

- Buyer's credits are generally due within 180 days and carry variable rate of interest (average interest rate for the year is 0.84% (0.97%)) and are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- Short-term loan from bank is repayable on 9<sup>th</sup> April, 2015 carries interest rate of 9.60% and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- Cash credit is repayable on demand and carries variable interest rate (average interest rate for the year is 10.56% (11.62%)). 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, 2015	As at 31 <sup>st</sup> March, 2014
Micro, Small and Medium Enterprises	0.31	7.19
Trade payable	24,462.96	35,587.24
<b>Total</b>	<b>24,463.27</b>	<b>35,594.43</b>

**Note-10 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Current maturities of long-term debts (Refer Note 4)	26,041.67	13,989.18
Interest accrued but not due on borrowings	1,263.96	1,628.43
Advances from customers	1,260.47	1,409.80
Unclaimed dividend (#)	496.45	423.95
Other payables (*)	4,228.23	6,068.31
Due to directors	714.71	1,182.08
Security deposits	2,298.72	1,760.53
Statutory liabilities	666.13	603.12
Creditors for capital goods	1,498.13	999.56
<b>Total</b>	<b>38,468.47</b>	<b>28,064.96</b>

(#) ₹ 34.69 Lacs (₹ 34.98 Lacs) transferred to the Investor Education and Protection Fund.

(\*) Other payables includes ₹ 1,191.65 Lacs (₹ 2,706.95 Lacs) related to employees and ₹ 2,089.05 Lacs (₹ 2,648.97 Lacs) related to sales and marketing expenses.

**Note-11 TANGIBLE ASSETS**

(₹ in Lacs)

	Land (Freehold)	Land (leasehold)	Building	Plant & Equipment	Electric Installation	Furniture & Fixtures	Office equip- ments	Laboratory Equip- ments	Vehicles	Total
<b>Gross Block as</b>										
at 1 <sup>st</sup> April, 2013	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	-	174.51	1,985.35
Exchange differences	-	-	-	2,112.22	-	-	-	-	-	2,112.22
Reclassifications	-	-	153.70	(1,124.01)	556.93	18.64	(339.98)	709.30	0.04	(25.38)
at 1 <sup>st</sup> April, 2014	9,332.91	1,617.67	40,798.46	1,73,142.44	4,033.18	1,336.40	1,934.73	709.30	1,831.69	2,34,736.78
Additions	-	-	1,229.89	5,349.20	336.90	504.04	377.66	0.20	389.96	8,187.85
Disposals	-	-	0.50	424.12	18.88	5.72	268.00	1.93	141.79	860.94
Other Adjustments										
Exchange Differences	-	-	-	504.19	-	-	-	-	-	504.19
<b>Gross Block as at 31<sup>st</sup> March, 2015</b>	<b>9,332.91</b>	<b>1,617.67</b>	<b>42,027.85</b>	<b>1,78,571.71</b>	<b>4,351.20</b>	<b>1,834.72</b>	<b>2,044.39</b>	<b>707.57</b>	<b>2,079.86</b>	<b>2,42,567.88</b>
<b>Accumulated depreciation on</b>										
1 <sup>st</sup> April, 2013	-	162.77	4,947.03	76,492.02	804.96	641.62	1,305.48	-	697.22	85,051.10
Deduction/adjustments	-	-	-	671.24	-	2.58	26.33	-	57.73	757.88
Depreciation during the year	-	19.55	887.77	8,362.10	246.14	87.97	204.58	-	352.36	10,160.47
Reclassifications	-	(0.01)	83.79	(511.74)	252.23	7.80	(121.54)	264.10	(0.01)	(25.38)
<b>Accumulated depreciation on 1<sup>st</sup> April, 2014</b>	<b>-</b>	<b>182.31</b>	<b>5,918.59</b>	<b>83,671.14</b>	<b>1,303.33</b>	<b>734.81</b>	<b>1,362.19</b>	<b>264.10</b>	<b>991.84</b>	<b>94,428.31</b>
Adjusted against surplus in profit and loss (Refer note 28)	-	-	490.55	67.05	-	1.73	26.29	-	-	585.62
Deduction/adjustment	-	-	0.51	313.01	12.31	5.20	266.73	0.10	127.98	725.84
Depreciation During the year	-	20.23	1,736.51	8,648.87	457.70	112.70	263.28	105.77	402.81	11,747.87
<b>Accumulated Depreciation on 31<sup>st</sup> March, 2015</b>	<b>-</b>	<b>202.54</b>	<b>8,145.14</b>	<b>92,074.05</b>	<b>1,748.72</b>	<b>844.04</b>	<b>1,385.03</b>	<b>369.77</b>	<b>1,266.67</b>	<b>1,06,035.96</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2015</b>	<b>9,332.91</b>	<b>1,415.13</b>	<b>33,882.71</b>	<b>86,497.66</b>	<b>2,602.48</b>	<b>990.68</b>	<b>659.36</b>	<b>337.80</b>	<b>813.19</b>	<b>1,36,531.92</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2014</b>	<b>9,332.91</b>	<b>1,435.36</b>	<b>34,879.87</b>	<b>89,471.30</b>	<b>2,729.85</b>	<b>601.59</b>	<b>572.54</b>	<b>445.20</b>	<b>839.85</b>	<b>1,40,308.47</b>

**Note-12 INTANGIBLE ASSETS**

(₹ in Lacs)

	Computer Software	Technical Know how/ Engineering Fee	License/ Franchise fees	Upfront fees/ Way leave charges	Design	Leasehold land development	Goodwill on Consolidation	Total
<b>Gross Block as</b>								
at 1 <sup>st</sup> April, 2013	610.75	142.26	973.65	511.37	5.96	-	7,015.75	9,259.74
Additions	37.91	-	111.32	-	-	-	450.28	599.51
Disposals	-	-	-	-	-	-	-	-
Reclassification	4.61	-	20.78	(0.01)	-	-	-	25.38
at 1 <sup>st</sup> April, 2014	653.27	142.26	1,105.75	511.36	5.96	-	7,466.03	9,884.63
Additions	-	-	92.82	-	-	105.85	52.03	250.70
Disposals	0.75	-	-	-	-	-	-	0.75
<b>Gross Block as at 31<sup>st</sup> March, 2015</b>	<b>652.52</b>	<b>142.26</b>	<b>1,198.57</b>	<b>511.36</b>	<b>5.96</b>	<b>105.85</b>	<b>7,518.06</b>	<b>10,134.58</b>
<b>Accumulated Amortisation on 1<sup>st</sup> April, 2013</b>	<b>470.23</b>	<b>142.23</b>	<b>467.83</b>	<b>116.03</b>	<b>4.11</b>	<b>-</b>	<b>4,961.81</b>	<b>6,162.24</b>
Deduction/adjustment	-	-	-	-	-	-	-	-
Amortisation During the year	78.18	-	204.05	31.89	1.85	-	952.00	1,267.97
Reclassification	4.58	0.03	20.77	-	-	-	-	25.38
<b>Accumulated Amortisation on 1<sup>st</sup> April, 2014</b>	<b>552.99</b>	<b>142.26</b>	<b>692.65</b>	<b>147.92</b>	<b>5.96</b>	<b>-</b>	<b>5,913.81</b>	<b>7,455.59</b>
Deduction/adjustment	-	-	-	-	-	-	-	-
Amortisation During the year	45.07	-	272.46	31.90	-	17.28	446.88	813.59
<b>Accumulated Amortisation on 31<sup>st</sup> March, 2015</b>	<b>598.06</b>	<b>142.26</b>	<b>965.11</b>	<b>179.82</b>	<b>5.96</b>	<b>17.28</b>	<b>6,360.69</b>	<b>8,269.18</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2015</b>	<b>54.46</b>	<b>-</b>	<b>233.46</b>	<b>331.54</b>	<b>-</b>	<b>88.57</b>	<b>1,157.37</b>	<b>1,865.40</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2014</b>	<b>100.28</b>	<b>-</b>	<b>413.10</b>	<b>363.44</b>	<b>-</b>	<b>-</b>	<b>1,552.22</b>	<b>2,429.04</b>

## (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 investment 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 ₹ 10,453.95 Lacs (₹ 9,949.76 Lacs) towards foreign exchange fluctuation on Long-Term Loans .

e) The gross block of fixed assets includes an increased amount of ₹ 2,251.44 Lacs (₹ 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 ₹ 118.60 Lacs (₹ 118.60 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, 2015	As at 31 <sup>st</sup> March, 2014
Projects	13,572.97	7,571.90
Others	1,609.13	1,957.98
<b>Total (#)</b>	<b>15,182.10</b>	<b>9,529.88</b>

(#) Includes borrowing cost of ₹ 259.47 Lacs (₹ 415.16 Lacs)

## Notes-14 NON-CURRENT INVESTMENTS (AT COST)

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Trade Investment (Unquoted)</b>		
<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	3.68
Nil (2,89,91,150) Equity Shares of ₹ 10 each of Mangalore Chemicals & Fertilisers Limited (Note 49)	-	18,001.59
<b>Total</b>	<b>82.37</b>	<b>18,083.96</b>

## Details of Investment in Equity (Quoted)

Equity (All Fully paid-up)	Face Value	As at 31 <sup>st</sup> March, 2015		Face Value	As at 31 <sup>st</sup> March, 2014	
	(₹)	No. of Shares	Amount (₹ in Lacs)	(₹)	No. of Shares	Amount (₹ in Lacs)
Punjab National Bank Ltd.	2	4,715	3.68	10	943	3.68
Mangalore Chemicals and Fertilisers Limited		-	-	10	28,991,150	18,001.59
<b>Total</b>			<b>3.68</b>			<b>18,005.27</b>

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Aggregate amount of Quoted Investments	3.68	18,005.27
Market value of Quoted Investments	6.81	17,989.01
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, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Capital advances	3,254.66	1,423.08	-	-
Deposits with bank with maturity for more than 12 months *	625.14	299.60	-	-
Security deposits	2,064.46	1,612.71	99.14	25.37
Balance with Central Excise and Customs	590.34	590.37	1,914.83	1,913.67
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	-	-	291.26	166.86
- Advances to suppliers	-	-	4,170.38	2,830.60
- Others @	-	-	4,982.76	4,364.27
- Prepaid expenses	84.76	139.71	1,702.39	1,720.20
Advance payments of taxes (Net)	-	-	1,087.74	733.40
MAT credit entitlement	-	-	171.11	-
<b>Total</b>	<b>6,819.36</b>	<b>4,265.47</b>	<b>14,419.61</b>	<b>11,754.37</b>

\* ₹ 624.94 Lacs (₹ 299.40 Lacs) kept as fixed deposit with Bank of Baroda, London, as a lien for ECB and ₹ 0.20 Lacs (₹ 0.20 Lacs) with Sales Tax Authorities.

@ Other advances include Vat/Sales Tax receivable of ₹ 3,773.42 Lacs (₹ 2,956.06 Lacs) and Duty Drawback Receivable of ₹ 264.94 Lacs (₹ 200.04 Lacs).

## Loans and advances - Related parties

(₹ in Lacs)

	Long-term		Short-term	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
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>

## Notes-16 CURRENT INVESTMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Trade Investments Quoted</b>		
<b>Investment in Equity</b>		
3,37,49,623 Equity shares of ₹ 10 each of Mangalore Chemicals and Fertilisers Limited (Refer Note 49)	23,919.61	-
<b>Quoted bonds</b>		
Investment in Debt Securities	243.40	242.51
Investment in Tax free bonds	-	1,502.20
Investment in Government Securities	1,081.50	1,081.50
Less: Provision for diminution in value	-	(223.63)
	(A) 25,244.51	2,602.58
<b>Quoted Mutual Funds (Non Trade)</b>		
Mutual Funds	-	355.00
Less: Provision for diminution in value	-	(5.98)
	(B) -	349.02
<b>Total</b>	(A + B) 25,244.51	2,951.60

## Investment in Debt Securities

(₹ in Lacs)

Name of Securities	As at 31 <sup>st</sup> March, 2015				As at 31 <sup>st</sup> March, 2014			
	No. of Units	Face Value in ₹	Cost	Market Value	No. of Units	Face Value in ₹	Cost	Market Value
9.72% TANGENDCO BONDS 16/07/2024	4.00	10.00	40.20	40.90	-	-	-	-
11% BANK OF INDIA PERPETUAL BONDS (TIER I - BASEL III) (Int date 08/08/)	3.00	10.00	30.76	32.57	-	-	-	-
11.50% IL&FS TRANSPORTATION NETWORKS LTD. 21/06/2024	3.00	10.00	30.08	30.19	-	-	-	-
10.15% TMFL NCD 28/05/2023	-	-	-	-	6.00	10.00	60.03	60.03
9.80% GSPC NCD SERIES 2 22/03/2073	-	-	-	-	4.00	10.00	40.12	41.01
9.84% Air India NCD 27/09/2026 (#)	13.00	10.00	142.36	143.27	13.00	10.00	142.36	131.08
<b>Total</b>			<b>243.40</b>	<b>246.93</b>			<b>242.51</b>	<b>232.12</b>

(#) Includes earmarked investments against debentures.



## Investment in tax free bonds

(₹ in Lacs)

Name of Securities	As at 31 <sup>st</sup> March, 2015				TOTAL	As at 31 <sup>st</sup> March, 2014				TOTAL
	No. of Units	Face Value in ₹	Cost	Market Value		No. of Units	Face Value in ₹	Cost	Market Value	
7.22% RECL Tax-free Bonds 2022	-	-	-	-	-	100,000	1,000	1,002.20	936.78	
7.51% HUDCO TaxFree Bonds TRANCHE A SR 2	-	-	-	-	-	50,000	1,000	500.00	454.57	
<b>Total</b>								<b>1,502.20</b>	<b>1,391.35</b>	

## Investment in Government Securities

(₹ in Lacs)

Name of Securities	As at 31 <sup>st</sup> March, 2015				As at 31 <sup>st</sup> March, 2014			
	No. of Units	Face Value (₹ in Lacs)	Cost	Market Value	No. of Units	Face Value (₹ in Lacs)	Cost	Market Value
8.97% GOI 05/12/2030	1,000	1.00	1,081.50	1,097.10	1,000	1.00	1,081.50	980.00
<b>Total</b>			<b>1,081.50</b>	<b>1,097.10</b>			<b>1,081.50</b>	<b>980.00</b>

## Details of mutual fund

(₹ in Lacs)

Name of the Fund	As at 31 <sup>st</sup> March, 2015			As at 31 <sup>st</sup> March, 2014		
	No. of Units in Lacs	Cost	Market Value	No. of Units in Lacs	Cost	Market Value
SBI Infrastructure Fund I - Dividend	-	-	-	2.50	25.00	19.02
Axis Liquidity Fund	-	-	-	1.50	15.00	15.24
Birla Sunlife Cash Plus Direct Growth Fund	-	-	-	10.00	100.00	101.69
ICICI Prudential Liquid Fund Direct Growth	-	-	-	10.00	100.00	101.62
J P Morgan India Liquid Fund Direct Growth	-	-	-	10.00	100.00	101.53
Religare Invesco Liquid Fund Direct Growth	-	-	-	1.50	15.00	15.24
<b>Total</b>					<b>355.00</b>	<b>354.34</b>

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Aggregate amount of quoted investments	25,244.51	3,181.21
Market value of quoted investments	30,638.70	2,957.81

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Raw materials ₹ 37.52 Lacs (₹ 4,012.67 Lacs) in transit	10,629.06	11,305.70
Packing materials ₹ 16.62 Lacs (₹ 16.87 Lacs) in transit	1,111.45	1,315.83
Work-in-progress	12.39	3.78
Finished goods	5,358.40	5,781.66
Stock-in-trade ₹ 1,337.96 Lacs (₹ 359.00 Lacs) In transit	15,686.39	8,214.92
Stores and spares ₹ 17.54 Lacs (₹ 29.24 Lacs) in transit	8,142.84	8,000.44
<b>Total</b>	<b>40,940.53</b>	<b>34,622.33</b>

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

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Outstanding for a period exceeding six months:</b>		
Considered good	28,089.89	6,252.44
Considered doubtful	129.60	72.19
	<b>28,219.49</b>	<b>6,324.63</b>
Less: Provision for doubtful debts	(129.60)	(72.19)
	<b>28,089.89</b>	<b>6,252.44</b>
Others	67,260.96	72,653.68
<b>Total</b>	<b>95,350.85</b>	<b>78,906.12</b>

Sundry debtors includes ₹ 33,498.73 Lacs (₹ 20,748.52 Lacs) towards fertiliser subsidy receivable from the Government of India. Sundry debtors are net of realisation of ₹ 17,213.03 Lacs (₹ 27,510.33 Lacs) from short term finance facility provided by a bank to the Company's fertiliser dealers.

**Note-19 CASH AND BANK BALANCES**

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Cash and cash equivalents:</b>		
Cash on hand	11.05	13.99
Cheques on hand	1,719.33	2,694.26
Balance in current account with banks	3,476.18	4,303.48
Short-Term deposit with banks	12.09	1,973.81
	<b>5,218.65</b>	<b>8,985.54</b>
<b>Other bank balances</b>		
On unpaid dividend (Earmarked balances)	496.45	423.95
Deposits - maturity for more than 3 months but less than 12 months	320.33	159.02
	<b>816.78</b>	<b>582.97</b>
<b>Total</b>	<b>6,035.43</b>	<b>9,568.51</b>

**Note-20 OTHER ASSETS**

(₹ in Lacs)

	Non-current		Current	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Sale tax paid under protest	52.19	47.19	-	-
Interest accrued on deposits	0.07	0.07	408.20	300.44
Derivative contracts receivable	195.19	571.84	889.04	594.27
<b>Total</b>	<b>247.45</b>	<b>619.10</b>	<b>1,297.24</b>	<b>894.71</b>

## Notes-21 REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>A Sale of products</b>		
- Finished goods	2,28,203.83	2,68,379.14
Less: Excise duty	22,816.35	23,962.84
	<b>2,05,387.48</b>	<b>2,44,416.30</b>
Stock-in-trade	1,55,095.62	1,03,812.03
Subsidy on manufactured fertilisers	4,304.34	24,073.38
Subsidy on traded fertilisers	14,057.83	17,071.61
	<b>3,78,845.27</b>	<b>3,89,373.32</b>
Revenue from reality business	543.78	338.56
Less: Service tax	53.87	35.86
	<b>489.91</b>	<b>302.70</b>
Other operating revenues	2,044.24	1,878.90
Less: Service tax	134.55	99.48
	<b>1,909.69</b>	<b>1,779.42</b>
<b>Revenue from operations (Net)</b>	<b>3,81,244.87</b>	<b>3,91,455.44</b>
<b>B Details of Sales of products</b>		
<b>Finished goods</b>		
Iso propyl alcohol	63,870.76	66,811.65
Nitrophosphate	11,932.72	64,030.40
Bentonite sulphur	4,649.31	3,466.72
Technical ammonium nitrate	88,467.72	88,205.53
Nitric acid	30,319.42	21,723.45
Methanol	2,300.20	11,394.88
Propane	6,098.33	9,364.13
Liquid CO <sub>2</sub>	490.23	1,565.09
Hydrogen	322.10	790.29
Power generated from windmill	703.18	790.99
Others	537.85	346.55
<b>Total(A)</b>	<b>2,09,691.82</b>	<b>2,68,489.68</b>
<b>Stock-in-trade</b>		
Muriate of potash	15,544.51	16,735.18
Specilty fertiliser	19,245.63	16,796.33
Single super phosphate	4,654.83	4,266.10
Mixture fertiliser	608.68	724.39
Ammonium sulphate	3,564.03	258.03
DAP	12,538.25	12,847.41
Complexes fertiliser	21,478.02	16,597.92
Toluene	31,576.00	14,564.11
Iso propyl alcohol	23,215.13	17,122.98
Acedone	24,043.52	13,095.41
Ammonia	1,008.48	1,999.69
Phos Acid	5,127.51	-
Others	6,548.86	5,876.09
<b>Total (B)</b>	<b>1,69,153.45</b>	<b>1,20,883.64</b>
<b>Total (A + B)</b>	<b>3,78,845.27</b>	<b>3,89,373.32</b>

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

**Note-22 OTHER INCOME**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Interest on term deposits with banks (Gross)	52.06	33.91
Other Interest income	971.54	725.83
<b>Income from non-current investments:</b>		
<b>Dividend</b>		
a) Trade investments	384.08	367.05
b) Non-trade investments	-	2.30
<b>Income from current Investments</b>		
Interest on Bonds and Government securities	27.36	100.43
Dividend from Mutual funds	0.35	0.83
Profit on sale of current investments in Mutual fund	532.43	1,225.31
Foreign exchange gains (net)	8.86	27.86
Miscellaneous receipts (*)	914.91	2,201.55
<b>Total</b>	<b>2,891.59</b>	<b>4,685.07</b>

(\*) Includes income from Carbon Credit ₹ Nil (₹ 1,152.32 Lacs).

**Note-23 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>Raw materials consumed</b>		
Ammonia	55,002.95	57,375.81
Natural gas	35,621.44	27,233.17
Propylene	43,378.57	52,358.71
Phosphoric acid	4,129.02	26,595.29
Others	3,319.41	3,189.35
	<b>1,41,451.39</b>	<b>1,66,752.33</b>
<b>Packing materials consumed</b>	<b>3,997.63</b>	<b>4,585.79</b>
<b>Total</b>	<b>1,45,449.02</b>	<b>1,71,338.12</b>

Note: Raw Material consumption figures is derived from Purchases and Stock variations. Wastage if any is with in the tolerable limit and included in above amount.

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
DAP	11,034.68	12,559.50
Muriate of potash	12,704.41	15,855.02
Mixture fertiliser	584.17	705.85
Single super phosphate	4,165.74	4,049.78
Specialty fertilisers	16,099.33	15,533.70
Complexes fertiliser	23,874.08	15,362.66
Toluene	29,316.49	14,839.84
Iso propyl alcohol	24,627.17	16,657.83
Acetone	24,830.32	12,991.13
Ammonia	569.06	2,305.80
Phos Acid	5,119.11	-
Ammoniam sulphate	3,825.96	234.00
Others	3,506.81	4,144.93
<b>Total</b>	<b>1,60,257.33</b>	<b>1,15,240.04</b>

**Note-25 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK-IN-TRADE**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Inventories at the end of the year		
Finished Goods	5,358.40	5,781.66
Stock-in-trade	15,686.39	8,214.92
	<b>(A) 21,044.79</b>	<b>13,996.58</b>
Inventories at the beginning of the year		
Finished Goods	5,781.66	4,215.04
Stock-in-trade	8,214.92	4,928.84
	<b>(B) 13,996.58</b>	<b>9,143.88</b>
(Increase)/Decrease in Excise duty on stock of finished goods	<b>(C) 171.94</b>	<b>(77.67)</b>
<b>Total</b>	<b>(B-A-C) (7,220.15)</b>	<b>(4,775.03)</b>

**Note-26 EMPLOYEE BENEFITS EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Salary and Wages	12,966.85	14,084.58
Contribution to provident and other funds	1,555.38	1,831.00
Staff welfare	840.12	969.74
<b>Total</b>	<b>15,362.35</b>	<b>16,885.32</b>

**Note-27 FINANCIAL COSTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Interest on fixed loans #	5,612.33	6,322.99
Interest - Others	5,194.37	3,564.24
Other financial charges	302.32	210.61
<b>Total</b>	<b>11,109.02</b>	<b>10,097.84</b>

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,324.86 Lacs (₹ 1,625.62 Lacs) excluding amount capitalised ₹259.47 Lacs (₹ 415.16 Lacs)

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Depreciation of tangible assets	11,747.87	10,253.70
Amortisation of Intangible assets	813.59	1,293.35
	<b>12,561.46</b>	<b>11,547.05</b>
Less: Transferred from Revaluation reserve (Refer Note 3)	118.60	118.61
<b>Total</b>	<b>12,442.86</b>	<b>11,428.44</b>

During the year, the Company has provided depreciation over estimated useful lives of assets as prescribed in Schedule - II of the Company Act, 2013, or as assessed by the management based on technical evaluation. This has resulted in an additional charge of depreciation amounting to ₹ 1,060.37 Lacs for the year ended 31<sup>st</sup> March, 2015. The written down value of asset of ₹ 359.35 Lacs as on 1<sup>st</sup> April, 2014 (net of deferred tax of ₹ 226.27 Lacs) whose residual life is exhausted, has been adjusted against retained earnings.

**Note-29 OTHER EXPENSES**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Power, fuel and water	3,619.71	3,412.41
Stores, spares, oils, chemicals and catalysts consumed	3,160.28	3,697.36
Repairs to:		
- Buildings	627.70	520.49
- Plant and machinery	2,957.13	3,705.18
- Others	774.78	676.44
	<b>4,359.61</b>	<b>4,902.11</b>
Insurance	1,638.33	1,470.50
Rent	1,137.21	947.97
Rates, taxes and duties	953.82	1,090.67
Directors' sitting fees	10.70	8.09
Auditors' remuneration	81.24	73.76
Carriage outward (net)	12,947.58	10,881.91
Cash discounts	415.45	992.73
Provision for diminution in value of investments (*)	(229.61)	227.30
Foreign exchange fluctuations( Net)	3,348.70	3,204.04
Loss on sale of fixed assets	74.57	68.08
Commission on sales	342.42	194.07
Legal and professional fees	1,921.11	2,232.51
Sales promotion expenses	970.57	591.75
Donation (#)	148.10	69.41
CSR expenses	4.04	-
Miscellaneous expenses	2,907.33	7,031.65
<b>Total</b>	<b>37,811.16</b>	<b>41,096.32</b>

(\*) Consist of reversal of ₹ 229.61 Lacs (Provision of ₹ 227.30 Lacs) relating to current investments.

# Includes donation to Bhartiya Janta Party ₹ 50 Lacs (Indian National Congress ₹ 25 Lacs).

**Note-30 EARNING PER SHARE**

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>Profit after tax (₹ in Lacs)</b>	<b>6,798.83</b>	<b>24,050.16</b>
Average number of Equity Shares of ₹ 10 each	88,204,943	88,204,943
<b>Basic and diluted earning per Share</b>	<b>7.71</b>	<b>27.27</b>
Face value per Equity Share	10.00	10.00

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

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>As Auditor</b>		
Audit fees	45.63	40.59
Tax audit	6.61	5.50
	<b>52.24</b>	<b>46.09</b>
<b>Other Capacity</b>		
Certification	10.31	15.62
Taxation matters	14.58	10.22
Reimbursement of expenses	4.11	1.83
<b>Total</b>	<b>81.24</b>	<b>73.76</b>

**Note-32 RELATED PARTY DISCLOSURE****Name of the related parties and relationship****ASSOCIATES**

Ishanya Brand Services Limited

Ishanya Realty Corporation Limited

**KEY MANAGEMENT PERSONNEL**

Shri S. C. Mehta

Shri Partha Bhattacharyya

Shri Somnath Patil

Shri Tusar Dey

**ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE**

Blue Shell Investments Private Limited

Nova Synthetic Limited

The Lakaki Works Private Limited

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

**ENTERPRISES OVER WHICH RELATIVES ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE**

Deepak Nitrite Limited

**JOINTLY CONTROLLED ENTITY**

Desai Fruits and Vegetables Private Limited

**Note-33A RELATED PARTY TRANSACTIONS**

(₹ in Lacs)

Nature of Transactions	31 <sup>st</sup> March, 2015				31 <sup>st</sup> March, 2014			
	Jointly Controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Total	Jointly Controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Total
Sale of Goods	-	-	6,257.05	6,257.05	10.15	-	6,231.82	6,241.97
Purchase of Goods	-	-	-	-	-	-	(0.10)	(0.10)
Donation Given	-	-	(80.50)	(80.50)	-	-	(35.00)	(35.00)
Rendering of Services / Reimbursement of Expenses	0.36	-	7.94	8.30	12.32	-	4.00	16.32
Receiving of Services / Reimbursement of Expenses	-	(1,349.54)	(0.41)	(1,349.95)	(1.91)	(1,546.82)	-	(1,548.73)
Leasing or Hire Purchase arrangements	-	(9.00)	8.09	(0.91)	-	(15.62)	2.36	(13.26)
Purchase of Equity Shares	-	(2.17)	-	(2.17)	-	(5.00)	-	(5.00)
Purchase of DEPB licenses	(51.95)	-	-	(51.95)	(31.73)	-	-	(31.73)
Dividend Paid	-	(1,259.79)	(1,204.40)	(2,464.19)	-	(956.55)	(1,019.10)	(1,975.65)
Interest on Loan	4.59	-	-	4.59	-	-	-	-
<b>Balance Receivable/ (Payable)</b>	<b>0.11</b>	<b>(429.39)</b>	<b>803.41</b>	<b>384.13</b>	<b>-</b>	<b>(896.76)</b>	<b>624.92</b>	<b>271.84</b>

Note : Figures in bracket are outflows.

**Note-33B DETAILS OF THE TRANSACTIONS OF THE RELATED PARTIES EXCEEDING 10% OF THE TRANSACTIONS VALUE:**

(₹ in Lacs)

Nature of Transactions	31 <sup>st</sup> March, 2015				31 <sup>st</sup> March, 2014			
	Jointly Controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL	Jointly Controlled Entity	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	TOTAL
<b>Sale of Goods</b>								
Deepak Nitrite Limited	-	-	6,257.05	6,257.05	-	-	6,231.82	6,231.82
<b>Purchase of Goods</b>								
Ishanya Foundation	-	-	-	-	-	-	(0.10)	(0.10)
<b>Interest on Loan/Advance</b>								
Desai Fruits and Vegetables Private Limited	4.59	-	-	4.59	-	-	-	-
<b>Rendering of Services/Reimbursement of Expenses</b>								
Desai Fruits and Vegetables Private Limited	0.36	-	-	0.36	12.32	-	-	12.32
Ishanya Foundation	-	-	7.94	7.94	-	-	4.00	4.00
<b>Receiving of Services/Reimbursement of Expenses</b>								
Shri S.C. Mehta ( Remuneration/ Commission)	-	(851.10)	-	(851.10)	-	(1,265.82)	-	(1,265.82)
Shri Partha Bhattacharyya (Remuneration/ Commission)	-	(255.85)	-	(255.85)	-	(281.00)	-	(281.00)
Shri Somnath Patil (Remuneration/Perks)	-	(181.62)	-	(181.62)	-	-	-	-
Shri Tushar Dey (Remuneration/Perks)	-	(60.97)	-	(60.97)	-	-	-	-
<b>Leasing or Hire Purchase arrangements</b>								
Deepak Nitrite Limited	-	-	8.09	8.09	-	-	2.36	2.36
Shri S.C. Mehta	-	(9.00)	-	(9.00)	-	(9.00)	-	(9.00)
Shri Partha Bhattacharyya	-	-	-	-	-	(6.62)	-	(6.62)
<b>Purchase of DEPB License</b>								
Desai Fruits and Vegetables Private Limited	(51.95)	-	-	(51.95)	(31.73)	-	-	(31.73)
<b>Purchase of Equity Shares</b>								
Shri S.C. Mehta (Shares of SCM Fertichem Limited)	-	(2.17)	-	(2.17)	-	(5.00)	-	(5.00)
<b>Donation Given</b>								
Ishanya Foudation	-	-	(80.50)	(80.50)	-	-	(35.00)	(35.00)
<b>Dividend Paid</b>								
Shri S.C. Mehta	-	(1,259.79)	-	(1,259.79)	-	(956.55)	-	(956.55)
Nova Synthetics Limited	-	-	(1,122.36)	(1,122.36)	-	-	(949.69)	(949.69)
<b>Balance Receivable / (Payable)</b>								
Desai Fruits and Vegetables Private Limited	0.11	-	-	0.11	-	-	-	-
Deepak Nitrite Limited	-	-	799.67	799.67	-	-	624.92	624.92
Ishanya Foundation	-	-	3.74	3.74	-	-	-	-
Shri S.C. Mehta	-	(404.39)	-	(404.39)	-	(846.76)	-	(846.76)
Shri Partha Bhattacharyya	-	(25.00)	-	(25.00)	-	(50.00)	-	(50.00)

Note : Transactions with joint venture are disclosed at full value in the above table.

Refer Note 37 for details of letter of comfort in respect of Desai Fruits and Vegetables Private Limited

Figures in bracket are outflows.



**Note-34** In respect of jointly controlled entities, the Company's share of assets, liabilities, income and expenditure which are consolidated on proportionate basis are as under:

Particulars	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>i) Assets</b>		
Fixed assets	1,502.67	1,937.26
Loans and advances	15.94	29.80
Current assets	404.93	266.95
<b>ii) Liabilities</b>		
Non-Current liabilities & provisions	2.68	7.53
Current liabilities and provisions	367.70	491.78
<b>iii) Income</b>	1,893.50	1,606.17
<b>iv) Expenses</b>	2,488.75	2,538.42
<b>v) Contingent liabilities</b>	18.38	18.38
<b>vi) Capital commitments</b>	5.43	2.19

**Note-35 CAPITAL AND OTHER COMMITMENTS**

Capital commitments:	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Related to projects	17,841.14	9,223.32
Related to reality (Ishanya) business	396.20	368.11
Others	5.43	32.03
	<b>18,242.77</b>	<b>9,623.46</b>
<b>Other commitments:</b>		
Desai Fruit and Vegetables Private Limited (Unpaid amount of Equity and premium)	-	130.70
<b>Total</b>	<b>18,242.77</b>	<b>9,754.16</b>

For details of operating lease, refer note 47 (B)

**Note-36 CONTINGENT LIABILITIES**

a. Liabilities classified and considered contingent	(₹ in Lacs)	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Claim by suppliers	4,356.18	3,989.96
Income tax demands	3,907.36	3,326.28
Excise demands	2,862.87	2,880.75
Sale tax /Vat demands	3,405.27	2,783.03
Bank guarantee issued on behalf of Company	7,868.27	2,698.78
Penalty levied by Competition Commission of India and contested by Company before CPAT.	200.00	-
Letter of Credit issued in favour of suppliers	22,335.00	13,228.49
Other Claims	-	0.40
<b>Total</b>	<b>44,934.95</b>	<b>28,907.69</b>

- b. Natural gas is a key raw material for the Company and, based on the allocation, it had long-term contracts for its supply from domestic sources. Effective from 15<sup>th</sup> May, 2014 the domestic gas supply to the Company has been stopped, pursuant to an Order passed by the Ministry of Petroleum and Natural Gas. As a consequence, the Nitro phosphate plant has been under shut down. The Company is of the view that this abrupt decision to stop the gas supply is arbitrary and discriminatory and moved the Delhi High Court against the said Order. The Company had simultaneously approached the Department of Fertilisers to reconsider its decision of stoppage of gas supply.

In the meantime, the Government is examining the issue of alleged undue gain to the Company arising out of supply of natural gas and has formed Inter Ministerial Committee to examine this issue as well as that of supply of gas. Pending decision, the Government has withheld release of subsidy to the Company. On an invitation from the Committee, the Company has presented its case and also requested Government for release of the subsidy. In the absence of any decision in this regard, financial impact if any, on this account is not quantifiable.

The Company is hopeful of favourable outcome of the above matters.

- Note-37** The Company has provided Letter of Comfort of ₹ 700.00 Lacs (₹ 700.00 Lacs) to a Bank in respect of credit facilities granted by the bank to Desai Fruits and Vegetables Private Limited.
- Note-38** Exceptional items represent profit on sale of investments in Mangalore Chemical and Fertilizers Ltd. ₹ 892.17 Lacs (₹ Nil), cost of voluntary separation scheme to employees at Talaja unit ₹ 34.85 Lacs (₹ 1,135.20 Lacs) (refer note 49).
- Note-39** Employee benefit expenses in the previous year included additional cost of ₹ 256.23 Lacs arising out of the long-term settlement with the employees of Talaja unit.
- Note-40** Provisions for others as at 31<sup>st</sup> March, 2014 included in Note 7 represented provision towards price differences which were written back during the year as the same were no longer payable, and as at 31<sup>st</sup> March, 2015 represent balance provisions towards price differences. The outflow on this account is expected within a year.
- Note-41** 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 continues to be hopeful of turnaround in performance of the Mall in the coming years due to expected improvements in the economic environment and strategic initiatives being taken 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-42** 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 ₹ Nil Lacs (₹ 945.00 Lacs) over a period of six / eight years from the date of license.
- Note-43** During the year the Group has incurred CSR expenses of ₹ 84.54 Lacs which includes contribution/donation of ₹ 80.50 Lacs to trusts (related party) which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto and other expenses of ₹ 4.04 Lacs directly incurred by the Company.

**Note-44 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, SPARE PARTS CONSUMED** (₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	%	Year ended 31 <sup>st</sup> March, 2014	%
Raw Material				
- Imported	39,572.19	28%	66,666.12	40%
- Indigenous	1,01,879.20	72%	1,00,086.21	60%
(A)	1,41,451.39	100%	1,66,752.33	100%
Components and Spares				
- Imported	67.99	2%	221.11	6%
- Indigenous	3,160.28	98%	3,697.36	94%
(B)	3,228.27	100%	3,918.47	100%
<b>Total</b>	<b>(A + B)</b>		<b>1,70,670.80</b>	

**Note-45 CIF VALUE OF IMPORTS**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
Raw material	40,742.55	69,962.50
Components and spare parts	1,061.99	748.92
Capital goods	474.56	737.87
Stock-in-trade	1,16,972.66	84,796.78
<b>Total</b>	<b>1,59,251.76</b>	<b>1,56,246.07</b>

**Note-46 FOREIGN CURRENCY TRANSACTIONS OUTSTANDING AS AT 31<sup>ST</sup> MARCH, 2015:**

	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	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	1,25,00,000	7,813	2,08,33,333	12,479
Creditors				
- In USD	25,61,156	1,601	1,78,60,369	10,698
Buyers Credit				
- In USD	4,75,92,748	29,745	3,52,85,045	21,136
<b>Unhedged Positions</b>				
Foreign Currency Loans (including Interest)				
- In USD	1,40,73,030	8,795	1,66,17,387	9,954
Creditors				
- In USD	36,03,669	2,252	48,38,659	2,898
- In Euro	3,955	3	69,934	58
- In CHF	-	-	28,808	19
Buyers Credit				
- In USD	30,09,341	1,881	31,42,432	1,882
Bank Balances				
- In USD	10,49,788	656	5,37,600	322
Exports				
- In USD	15,18,214	948	6,07,155	364
- In Euro	48,325	32	1,19,718	99

Note: Figures of jointly controlled entity have been excluded from the above table as the same are considered immaterial.

The Company has also hedged the interest rate on foreign currency loan of USD 12.50 million (USD 20.83 million) by swaping floating interest rate of LIBOR plus 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, 2015		31 <sup>st</sup> March, 2014	
	Notional amount in foreign currency (USD)	Equivalent amount at the year end (₹ lacs)	Notional amount in foreign currency (USD)	Equivalent amount at the year end (₹ lacs)
Forward contracts	-	-	23,04,560	1,380
Option contracts	6,26,53,904	39,159	7,16,74,187	42,933

**Note-47 A.** The company has taken residential accommodation, office premises and warehouses on lease/ rental basis. Lease period varies from one month to twelve month. These lease are cancellable in nature. Lease rental recognised in the Statement of Profit and Loss is ₹ 1,137.21 Lacs (₹ 947.97 Lacs).

**B.** The Company has taken premises on operating lease for a period of one to ten years. The future lease payment of such operating lease is as follows:

Particulars	Not later than one year	Later than one year, not later than 5 Years	Later than 5 Years
Minimum lease rental payable	278.98 Lacs	923.48 Lacs	-

**Note-48** Current tax of ₹ 2,875.37 (₹ 10,011.83 Lacs) for the year includes MAT availment of ₹ 312.68 Lacs (₹ 564.79 Lacs). MAT credit adjustment for the year represents reversal of excess MAT availment of ₹ 171.11 (₹ 141.57 Lacs) relating to previous year.

**Note-49** The Group is having investment of ₹ 23,919.61 Lacs (₹ 18,001.59) in Mangalore Chemical and Fertiliser Limited representing 28.48% (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". Further, the Group has subsequent to the year end sold 27.35% equity shares, resulting in reduction of its shareholding to 1.13%. Having regard to the sale, the investment has been classified from non-current to current investment in the current year.

## Note-50 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, 2015	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
<b>Components of employer expenses</b>						
Current service costs	357.65	418.20	176.33	158.75	61.68	53.88
Interest cost	311.91	241.89	123.84	97.36	18.06	17.07
Expected return on plan assets	(193.04)	(189.68)	-	-	-	-
Actuarial losses / (gains)	32.70	336.53	56.44	159.66	(14.28)	(70.72)
<b>Total expenses / (Income) recognised in the Statement of Profit and Loss</b>	<b>509.22</b>	<b>806.94</b>	<b>356.61</b>	<b>415.77</b>	<b>65.46</b>	<b>0.23</b>
<b>Actual contributions and benefits paid during the year</b>						
Actual benefits paid	327.61	565.33	192.84	159.05	1.14	1.07
Actual contributions	319.83	317.88	-	-	-	-
<b>Total</b>	<b>647.44</b>	<b>883.21</b>	<b>192.84</b>	<b>159.05</b>	<b>1.14</b>	<b>1.07</b>
<b>Net asset / (liability) recognised in the Balance Sheet as on 31<sup>st</sup> March, 2015</b>						
Present Value of defined benefit obligations	(4,092.76)	(3,833.34)	(1,717.18)	(1,553.41)	(277.36)	(213.04)
Fair value of plan assets	2,282.74	2,182.32	-	-	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,810.02)</b>	<b>(1,651.02)</b>	<b>(1,717.18)</b>	<b>(1,553.41)</b>	<b>(277.36)</b>	<b>(213.04)</b>
<b>Change in Defined benefit obligations during the year ended 31<sup>st</sup> March, 2015</b>						
Present Value of DBO at beginning of year	3,833.34	3,305.57	1,553.41	1,296.69	213.04	213.88
Current Service cost	357.65	418.20	176.33	158.75	61.68	53.88
Interest cost	311.91	241.89	123.84	97.36	18.06	17.07
Actuarial (gains)/losses	(82.53)	433.01	56.44	159.66	(14.28)	(70.72)
Benefits paid	(327.61)	(565.33)	(192.84)	(159.05)	(1.14)	(1.07)
<b>Present Value of Defined benefit obligations</b>	<b>4,092.76</b>	<b>3,833.34</b>	<b>1,717.18</b>	<b>1,553.41</b>	<b>277.36</b>	<b>213.04</b>
<b>Change in Fair Value of plan Assets during the year ended 31<sup>st</sup> March, 2015</b>						
Plan assets at beginning of year	2,182.32	2,139.48	-	-	-	-
Actual return on plan assets	193.04	189.68	-	-	-	-
Contributions	319.83	317.88	-	-	-	-
Actuarial (gains)/losses on plan assets	(115.29)	96.48	-	-	-	-
Benefits paid	(297.16)	(561.20)	-	-	-	-
<b>Plan assets at the end of year</b>	<b>2,282.74</b>	<b>2,182.32</b>				
<b>Actuarial Assumptions</b>						
Discount Rate	8.00%	8.50%	8.00%	8.50%	8.00%	8.50%
Expected Return on plan assets	8.80%	9.40%	-	-	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Experience adjustments for gratuity benefits					(₹ In Lacs)
Experience adjustments	Gratuity Benefits				
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Defined Benefit Obligations	4,092.76	3,833.34	3,305.57	2,492.46	2,412.58
Plan Assets	2,282.74	2,182.32	2,139.48	1,830.52	1,539.25
Surplus / (Deficit)	(1,810.02)	(1,651.02)	(1,166.09)	(661.94)	(873.33)
Experience Adjustments on Plan Liabilities	(227.53)	(554.25)	(372.59)	179.13	(298.37)
<b>Experience Adjustments on Plan Assets</b>	<b>(102.13)</b>	<b>96.48</b>	<b>11.79</b>	<b>11.26</b>	<b>14.47</b>

Experience adjustments for post retirement benefits				(₹ In Lacs)
Experience adjustments	Post retirement benefits			
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013	
Defined Benefit Obligation				
Plan assets	277.36	213.04	213.88	
Surplus/(Deficit)	-	-	-	
Experience adjustment on plan liabilities	(277.36)	(213.04)	(213.88)	
<b>Experience adjustment on plan assets</b>	<b>49.41</b>	<b>51.11</b>	<b>60.88</b>	

Note : Figures of jointly controlled entity have been excluded from the above table as the same are considered immaterial. The expected contribution is based on same assumptions used to measure the Company's gratuity obligations as of 31<sup>st</sup> March, 2015. The Company is expected to contribute ₹ 350 Lacs (₹ 175 Lacs) for the year ended 31<sup>st</sup> March, 2016.

Note-51 EXPENDITURE IN FOREIGN CURRENCY			(₹ in Lacs)
	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014	
Interest and repayments of Loans	1,01,835.96	70,669.09	
Technical Fees to foreign vendors	77.76	190.12	
Foreign travel	79.11	189.93	
Others (Net of reimbursements)	4,755.69	1,492.18	
<b>Total</b>	<b>1,06,748.52</b>	<b>72,541.32</b>	

Note : Figures of jointly controlled entity have been excluded from the above table as the same are considered immaterial.

## Note-52 SEGMENT REPORTING

(₹ in Lacs)

Sr. No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
<b>1</b>	<b>Revenue</b>							
	<b>a) External Sales</b>							
	<b>i) Manufactured</b>	<b>1,92,406.61</b>	<b>16,582.03</b>	<b>-</b>	<b>703.18</b>	<b>-</b>	<b>-</b>	<b>2,09,691.82</b>
	<i>Previous Year</i>	<i>2,00,201.57</i>	<i>67,497.12</i>	<i>-</i>	<i>790.99</i>	<i>-</i>	<i>-</i>	<i>2,68,489.68</i>
	<b>ii) Traded</b>	<b>79,753.76</b>	<b>89,065.85</b>	<b>333.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,69,153.45</b>
	<i>Previous Year</i>	<i>46,782.19</i>	<i>74,055.35</i>	<i>46.10</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,20,883.64</i>
	<b>b) Inter-segment sales</b>	<b>4,231.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,231.99)</b>	<b>-</b>	<b>-</b>
	<i>Previous Year</i>	<i>12,097.31</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(12,097.31)</i>	<i>-</i>	<i>-</i>
	<b>c) Other operating income</b>	<b>1,471.11</b>	<b>438.58</b>	<b>489.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,399.60</b>
	<i>Previous Year</i>	<i>1,220.06</i>	<i>559.36</i>	<i>302.70</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,082.12</i>
	<b>d) Unallocated Corporate other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,891.59</b>	<b>2,891.59</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4,685.07</i>	<i>4,685.07</i>
	<b>Total Revenue</b>	<b>2,77,863.47</b>	<b>1,06,086.46</b>	<b>823.75</b>	<b>703.18</b>	<b>(4,231.99)</b>	<b>2,891.59</b>	<b>3,84,136.46</b>
	<i>Previous Year</i>	<i>2,60,301.13</i>	<i>1,42,111.83</i>	<i>348.80</i>	<i>790.99</i>	<i>(12,097.31)</i>	<i>4,685.07</i>	<i>3,96,140.51</i>
<b>2</b>	<b>Segment Result</b>	<b>24,615.30</b>	<b>2,215.31</b>	<b>(1,719.79)</b>	<b>318.58</b>	<b>-</b>	<b>2,891.59</b>	<b>28,320.99</b>
	<i>Previous Year</i>	<i>36,682.70</i>	<i>14,955.17</i>	<i>(2,124.88)</i>	<i>424.26</i>	<i>-</i>	<i>4,685.07</i>	<i>54,622.32</i>
<b>3</b>	<b>Unallocated Corporate expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,522.16</b>	<b>21,522.16</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30,572.16</i>	<i>30,572.16</i>
<b>4</b>	<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,798.83</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>24,050.16</i>
<b>5</b>	<b>Other Information</b>							
	<b>a) Segment Assets</b>	<b>1,79,310.43</b>	<b>62,765.57</b>	<b>26,302.16</b>	<b>2,785.47</b>	<b>-</b>	<b>-</b>	<b>2,71,163.63</b>
	<i>Previous Year</i>	<i>1,82,478.74</i>	<i>40,914.13</i>	<i>26,850.09</i>	<i>3,104.86</i>	<i>-</i>	<i>-</i>	<i>2,53,347.82</i>
	<b>Unallocated corporate Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,853.14</b>	<b>72,853.14</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>60,585.74</i>	<i>60,585.74</i>
	<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,44,016.77</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,13,933.56</i>
	<b>b) Segment Liabilities</b>	<b>14,660.60</b>	<b>14,781.95</b>	<b>1,780.02</b>	<b>11.36</b>	<b>-</b>	<b>-</b>	<b>31,233.93</b>
	<i>Previous Year</i>	<i>12,588.48</i>	<i>20,476.60</i>	<i>1,491.04</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>34,556.12</i>
	<b>Unallocated corporate Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,65,021.38</b>	<b>1,65,021.38</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,34,045.15</i>	<i>1,34,045.15</i>
	<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,96,255.31</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,68,601.27</i>
	<b>c) Capital Expenditure incurred during the year</b>	<b>6,649.71</b>	<b>5,179.41</b>	<b>143.94</b>	<b>-</b>	<b>-</b>	<b>3,805.68</b>	<b>15,778.74</b>
	<i>Previous Year</i>	<i>11,826.29</i>	<i>521.56</i>	<i>673.72</i>	<i>-</i>	<i>-</i>	<i>1,735.87</i>	<i>14,757.44</i>
	<b>d) Depreciation/ Amortisation (*)</b>	<b>9,330.91</b>	<b>985.50</b>	<b>1,171.92</b>	<b>225.26</b>	<b>-</b>	<b>729.27</b>	<b>12,442.86</b>
	<i>Previous Year</i>	<i>8,753.16</i>	<i>939.17</i>	<i>942.50</i>	<i>245.49</i>	<i>-</i>	<i>548.12</i>	<i>11,428.44</i>
	<b>e) Other non-cash expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

(\*) Depreciation excludes ₹ 585.62 Lacs adjusted against retained earnings.

## 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> , TAN, IPA, Propane, Bulk and Speciality Chemicals
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables and 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-53 STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
<b>Parent - Deepak Fertilisers and Petrochemicals Corporation Limited</b>	<b>103.20%</b>	<b>152,486.23</b>	<b>115.24%</b>	<b>7,835.16</b>
<b>Subsidiaries</b>				
<b>Indian</b>				
1. Smartchem Technologies Limited (including Platinum Blasting Services Pty. Limited)	2.36%	3,487.59	-6.54%	(444.74)
2. SCM Soilfert Limited	0.14%	202.73	12.11%	823.28
3. Deepak Mining Services Private Limited ( including Runge PincockMinarco India Private Limited)	-0.02%	(24.35)	-0.11%	(7.77)
4. SCM Fertichem Limited	0.00%	4.22	-0.00%	(0.12)
<b>Foreign</b>				
1. Deepak Nitrochem Pty. Limited	0.02%	26.88	-0.01%	(0.65)
<b>Minority Interests</b>	<b>0.37%</b>	<b>552.75</b>	<b>2.06%</b>	<b>139.92</b>
<b>Joint Ventures</b>				
<b>Indian</b>				
1. Desai Fruits and Vegetables Private Limited	0.26%	388.12	-1.77%	(120.04)
Intercompany eliminations		(9,362.71)		(1,426.22)
<b>Total Net Asset/Net Profit of DFPCL</b>	<b>100%</b>	<b>147,761.46</b>	<b>100%</b>	<b>6,798.83</b>

**Note-54** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-55** 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: 21<sup>st</sup> May, 2015

For and on behalf of the Board of Directors

**S.C. MEHTA**

Chairman & Managing Director

**PARTHA BHATTACHARYYA**

Executive Director

Mumbai

Dated: 21<sup>st</sup> May, 2015

**N.C. SINGHAL**

Director

**S.R. WADHWA**

Director

**SOMNATH PATIL**

President & CFO

**DR. S. RAMA IYER**

Director

**TUSHAR DEY**

Executive Vice President  
(Legal) & Company Secretary



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

Registered Office : Opp. Golf Course Shastri Nagar, Yerawada, Pune - 411 006.  
Corporate Office : Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036.  
CIN: L24121MH1979PLC021360

**BALLOT FORM**

**Thirty Fifth Annual General Meeting, 5<sup>th</sup> August, 2015**

(For members who do not have access to e-voting facility)

Sr. No.	Particulars	Details
1.	Name of the Member(s):	
2.	Postal address	
3.	Registered Folio No./ * Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	No. of shares	

I / We hereby exercise my / our vote(s) in respect of the Resolutions to be passed for the business set out in the Notice of the Annual General Meeting of the Company to be held on Wednesday, 5<sup>th</sup> August, 2015 by sending my / our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of Resolution(s)	No. of equity shares	(For)	(Against)
			I / We assent to the resolution	I / We dissent to the resolution
<b>ORDINARY BUSINESS</b>				
1	Receive, consider and adopt: a. the audited financial statement of the Company for the financial year ended 31 <sup>st</sup> March, 2015, Directors' Report and the Auditors' Report thereon; and b. the audited consolidated financial statement of the Company for the financial year ended 31 <sup>st</sup> March, 2015.			
2	Declare a dividend for the Financial Year ended 31 <sup>st</sup> March, 2015.			
3	Appoint a Director in place of Shri Partha Bhattacharyya, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ratify appointment of Statutory Auditors to hold office from conclusion of this Meeting until the conclusion of Thirty Sixth Annual General Meeting and to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
5	Ratification and confirmation for payment of remuneration to M/s. Y. R. Doshi & Company, Cost Accountants.			
6	Appointment of Shri R. A. Shah as Non- Independent and Non- Executive Director of the Company.			
7	Consent to offer or invite subscriptions for secured redeemable non-convertible bonds / debentures, aggregating upto ₹ 1,000/- Crore, on private placement.			

Place:

Date:

Signature of Member

(Cut here)



**Note : This Ballot Form is provided for the benefit of Members, who do not have access to e-voting facility.**

#### **INSTRUCTIONS**

1. Members may fill up this Ballot Form (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to the Scrutinizer, viz. Shri. S.V. Deulkar, Partner, SVD & Associates, Company Secretaries C/o Deepak Fertilisers And Petrochemicals Corporation Limited, Sai Hira, Survey No.93, Mundhwa, Pune 411 036, **so as to reach by 5 p.m. on 4<sup>th</sup> August 2015**. The Ballot Form received thereafter will be strictly treated as not received.
2. The Ballot Form should be signed by the Member(s) as per the specimen signature registered with the Company / the Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. The right of voting by Ballot Form shall not be exercised by a Proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
4. **A Member can opt for only one mode of voting i.e. either through e-voting or by the Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and the Ballot Form shall be treated as invalid.**
5. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29<sup>th</sup> July 2015.
6. Unsigned, incomplete, improperly or incorrectly ✓ (tick) marked Ballot Forms shall be rejected. The decision of the Scrutinizer on the validity of the Ballot Form will be final.
7. The Company will not be responsible, if the envelope containing the Ballot Form is lost in transit



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

Registered Office : Opp. Golf Course Shastri Nagar, Yerawada, Pune - 411 006.  
Corporate Office : Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036.  
CIN: L24121MH1979PLC021360

**FORM OF PROXY**

**Thirty Fifth Annual General Meeting, 5<sup>th</sup> August, 2015**

[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) on my/our behalf at the **Thirty Fifth Annual General Meeting** of the Company, to be held on Wednesday, 5<sup>th</sup> August, 2015 at 11.30 a.m. at Mahatma Phule Sanskrutik Bhawan, Vitthal Rao Shivarkar Road, Next to Shivarkar Garden, Fatima Nagar, Wanawadi, Pune 411 040 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote (Optional see Note 2)	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Receive, consider and adopt: a. the audited financial statement of the Company for the financial year ended 31 <sup>st</sup> March, 2015, Directors' Report and the Auditors' Report thereon; and b. the audited consolidated financial statement of the Company for the financial year ended 31 <sup>st</sup> March, 2015.		
2	Declare a dividend for the Financial Year ended 31 <sup>st</sup> March, 2015.		
3	Appoint a Director in place of Shri Partha Bhattacharyya, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Ratify appointment of Statutory Auditors to hold office from conclusion of this Meeting until the conclusion of Thirty Sixth Annual General Meeting and to fix their remuneration.		
<b>SPECIAL BUSINESS</b>			
5	Ratification and confirmation for payment of remuneration to M/s. Y. R. Doshi & Company, Cost Accountants.		
6	Appointment of Shri R. A. Shah as Non- Independent and Non- Executive Director of the Company.		
7	Consent to offer or invite subscriptions for secured redeemable non-convertible bonds / debentures, aggregating upto ₹ 1,000/- Crore, on private placement.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature \_\_\_\_\_

15 Paise  
Revenue  
Stamp

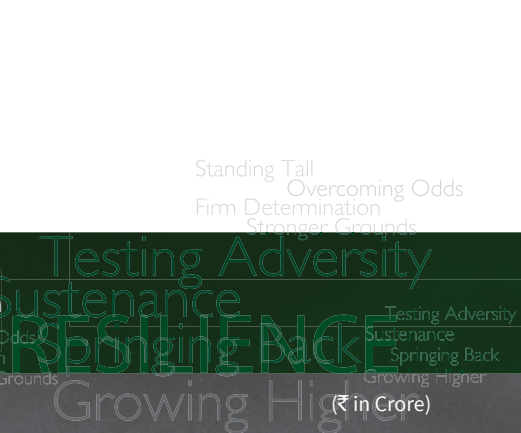
\* Applicable to Members holding shares in electronic form.

**NOTES:**

- 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.
- 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.

X (Cut here)

# Financials at a glance



(₹ in Crore)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Equity Capital	88.20	88.20	88.20	88.20	88.20	88.20
Net Worth	1,524.86	1,491.11	1,314.25	1,223.50	1,066.12	930.40
Gross Block (Incl. of CWIP)	2,524.77	2,399.56	2,261.99	2,164.76	1,946.18	1,763.52
Income from Operations	3,711.77	3,810.44	2,607.95	2,342.53	1,564.82	1,287.98
Operating Profit	180.40	403.63	222.46	318.62	272.52	214.17
Profit Before Tax	108.22	336.39	200.57	290.06	261.06	237.78
Profit After Tax	78.35	243.88	146.90	212.97	186.62	172.05
Earnings Per Share (₹)	8.88	27.65	16.65	24.15	21.16	19.51
Dividend	40%	65%	55%	55%	50%	45%
Dividend Payout	52.34%	27.50%	38.38%	26.25%	27.46%	25.91%
Long-term Debt to Equity Ratio	0.47	0.57	0.72	0.60	0.69	0.72
Net Profit Margin	2.13%	6.43%	5.66%	9.13%	12.04%	13.54%
Return on Net Worth	5.20%	17.39%	11.58%	18.60%	18.69%	19.86%

Standing Tall Overcoming Odds Firm Determination  
Stronger Grounds Testing Adversity  
Sustenance Springing Back Growing Higher Standing Tall  
Overcoming Odds Firm Determination Stronger Grounds  
Testing Adversity Sustenance Springing Back  
Growing Higher Standing Tall Overcoming  
Odds Firm Determination Stronger Grounds Testing  
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Growing Higher Standing Tall Overcoming Odds Firm  
Determination Stronger Grounds Testing  
Adversity Sustenance Springing Back Growing Higher  
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