Regd. Office: Sai Hira, Survey No. 93,
Mundhwa, Pune - 411 036, India.
Tel: +91 (20) 6645 8000

**DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED**

17th July 2019

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir/ Madam,

Subject: Annual Report for the financial year ended 31st March 2019.

In terms of the requirements of Section 34(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith a copy of Annual Report of the Company for the financial year ended 31st March 2019.

You are requested to take the same on your record.

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**K. Subharaman
Executive Vice President (Legal) & Company Secretary**

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Products to Solutions.
Commodities to Brands.

Annual Report 2018-19

40
a journey of 40 years

Contents

Company Overview

Statutory Reports

Financial Statements

Annual Report 2018-19
View Online
Please visit **www.dfpcl.com**

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Products to Solutions. Commodities to Brands.

With a solid foundation in chemistry, DFPCL is transitioning into a holistic solutions provider by offering differentiated and value-added product offerings. Continuing our endeavour to go beyond customers' expectations and offer innovative solutions, we are committed to offering unique value propositions and enhance consumer experiences. At the same time, we are ensuring that our offerings are sustainable in today's rapidly transforming world of technology and aligns with the end user's requirement.

Inspired by four decades of our experience at product innovation and motivated by our contribution to the nation's growth, we are evolving as a one-stop solution provider. With a relentless focus, enduring our journey as an integrated specialty chemical manufacturing company, we are serving three of the most critical sectors of the economy namely mining, industrial chemicals and agriculture.

Strong brand recognition and customers' faith in our offerings is testament to our efforts of delivering unique products and has enabled us to establish a leadership position with market share ranging from 20% to 80% across our key products.

We continue to transform with an objective of enhancing consumer experience and offering innovative solutions across all our business segments. In line with our long-established strategy to move from commodity to speciality products, we have introduced a number of differentiated products and services across all our business verticals.

With a focus on strengthening our core business, ramping up capacities, penetrating new geographies and process improvements to support our growth strategies, we are committed to work progressively to ensure we offer holistic solutions.

We believe that our journey from **Products to Solutions** and **Commodities to Brands** is steadily evolving despite challenging business environment. We have come a long way in our strategic path and will continue marching towards a brighter future...

Company Overview

Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) is one of the largest manufacturers of chemicals in India. With a strong presence in Technical Ammonium Nitrate (mining chemicals), Industrial Chemicals and Crop Nutrition, the Company supports more than three critical sectors of the economy namely infrastructure, mining, chemicals, pharmaceutical and agriculture.

TECHNICAL AMMONIUM NITRATE (TAN):

Preferred partner for mining, infrastructure and explosives companies, DFPCL is the largest mining chemicals provider in India.

INDUSTRIAL CHEMICALS (IC):

Produces various grades of Nitric Acid, Iso Propyl Alcohol (IPA), Methanol and Carbon Dioxide.

CROP NUTRITION BUSINESS (CNB):

Produces Nitro Phosphate (NP) and Nitrogen Phosphorous Potassium (NPK) variants, differentiated NPK variants, water soluble fertilisers and Bentonite Sulphur.

DFPCL owns and operates India's first home lifestyle centre, Creaticity in Pune as part of its value added real estate (VARE) offerings. It is a first of its kind retail destination that focuses on fine home and interiors along with unique food & beverage and entertainment experiences.

Since the start of its journey as a manufacturer of Ammonia, the Company has always focused on innovation and aligning its products to the consumer's needs. As a result, DFPCL has emerged as a multi-product manufacturing company today. The Company has been constantly refining its business strategies, optimizing competencies and focused on product development and differentiation to build leadership position across all its businesses. Today, the Company caters to sectors that are directly linked to the growth of the nation, manufacturing specific products required for multiple industries including mining, cement, infrastructure, pharmaceuticals, chemicals and agriculture.

DFPCL has plants located in four states, namely Maharashtra (Taloja), Gujarat (Dahej), Andhra Pradesh (Srikakulam) and Haryana (Panipat). DFPCL has adopted advanced global technologies that enables it to manufacture and supply superior quality products that meet international standards. The facilities across different states of India ensures its proximity to the consumers.

Focus of the Company is on customer satisfaction through value added products, shift from commodity to speciality and full capacity utilisation to drive economies of scale. Staying ahead of the curve with its strategy of anticipating the growth in demand and augmenting capacities in a timely manner with differentiated product portfolio has enabled the Company to maintain its leadership position.

Installed Capacity

4,84,900 MTPA

Technical Ammonium Nitrate (TAN)

(Low Density Ammonium Nitrate, High Density Ammonium Nitrate, Ammonium Nitrate Melt)

13,52,400 MTPA

Industrial Chemicals (IC)

(Nitric Acid - Weak and Concentrated, Methanol, Iso Propyl Alcohol & Liquid CO_2)

9,57,000 MTPA

Crop Nutrition Division (CNB)

(Nitro Phosphate Fertiliser, NPK Fertiliser & Bentonite Sulphur)

Contribution to Total Revenues (in %)

(Consolidated)

21.72%
Technical Ammonium Nitrate (TAN)

44.13%
Industrial Chemicals (IC)

33.71%
Crop Nutrition Divisoin (CNB)

0.44%
VARE & Other

Our Leadership Position

- Only manufacturer of TAN Solids in India
- Only producer of the merchant Iso Propyl Alcohol (IPA) in India
- Largest manufacturer of Nitric Acid in India
- Only manufacturer of NP prill 24:24:0 fertiliser in India
- Largest manufacturer of Bentonite Sulphur in India
- Market leaders in Speciality and Water Soluble Fertilisers in India

Manufacturing Capacity (MT/Year)*

Ammonia

Installed (Taloja)
1,28,700

Planned Additional Capacity (Taloja)
5,00,000

Technical Ammonium Nitrate

Installed (Taloja)
4,84,900

Planned Additional Capacity (Odisha)
3,76,000

Concentrated Nitric Acid

Installed (Taloja & Dahej)
2,31,000

Diluted Nitric Acid

Installed (Taloja, Dahej & Srikakulam)
8,85,000

Methanol

Installed (Taloja)
1,00,000

Iso Propyl Alcohol

Installed (Taloja)
70,000

Planned Additional Capacity (Taloja)
1,00,000

Liquid CO_2

Installed (Taloja)
66,000

Nitro Phosphate Fertiliser

Installed (Taloja)
3,00,000

Nitrogen Phosphorous Potassium Fertiliser

Installed (Taloja)
6,00,000

Planned Additional Capacity (Taloja)
2,00,000

Bentonite Sulphur

Installed (Taloja & Panipat)
57,000

*As on 30th May 2019.

Sectors Served

Technical Ammonium Nitrate

- Mining
- Infrastructure
- Explosives
- Pharmaceuticals
- Electronics

Industrial Chemicals

- Pharmaceuticals
- Nitro Aromatics
- Paints & Coatings
- Steel
- Inks
- Explosives
- Dyes
- Agrochemicals
- Cosmetics
- Adhesives

Crop Nutrition Division

- Agriculture

Value Added Real Estate

- Home Makers and Interior Solution Seekers
- Architects and Interior Designers
- Food and Entertainment Patrons
- Art and Culture Enthusiasts

Geographical Presence

DAHEJ, GUJARAT

Capacity (KTPA)

- DNA : 149
- CNA : 92

Geographic advantage

- Major customers of nitroaromatics and nitrocellulose are located in Gujarat

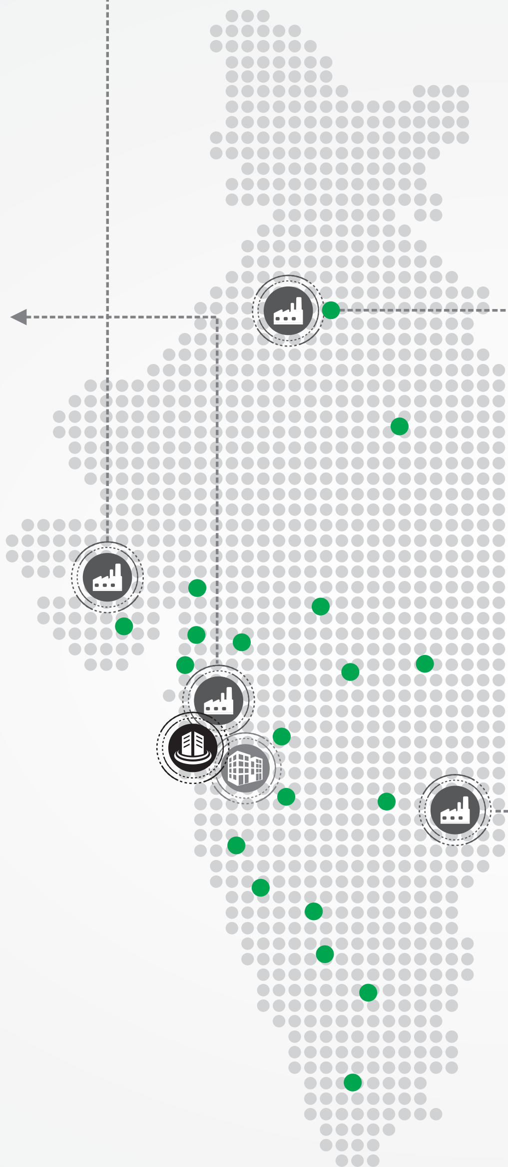
TALOJA, MAHARASHTRA

Capacity (KTPA)

- TAN: 445
- DNA: 703
- CNA: 139
- IPA: 70
- Liquid CO_2: 66
- Methanol: 100
- NP: 300
- NPK: 600
- Ammonia: 129
- Bensulf: 25
- IPA: 100
- Ammonia: 500

Geographic advantage

- Located in Maharashtra, horticulture capital of India with highest consumption of NPKs and specialities
- Caters to IPA demand of North as well as South India
- Proximate to NA consuming belt of Gujarat-Maharashtra
- Strategically located near explosives manufacturers in Central India



Installed Capacity

Planned Additional Capacity

PANIPAT, HARYANA

Capacity (KTPA)	Geographic advantage
• Bensulf: 32	• Oil-seed growing belts of North and Central India • Significant geographic advantage over imported Bentonite Sulphur

EAST COAST, ODISHA

Capacity (KTPA)	Geographic advantage
• TAN: 376	• Closer to customer base

SRIKAKULAM, ANDHRA PRADESH

Capacity (KTPA)	Geographic advantage
• TAN: 40 • DNA: 34	• Satellite unit catering to regional explosives manufacturers

Corporate Office

Production Facilities

Area Sales Offices

Value Added Real Estate

Recent Strategic Initiatives

- To strategically support the downstream sectors already in operations, a world scale Ammonia facility of 1,500 TPD is being planned as a backward integration at Taloja
- Planning capacity expansion of Iso Propyl Alcohol (IPA) at Taloja
- Planning capacity expansion of TAN in Odisha
- Developing new grades of nitric acid (e.g. electronic grade and steel grade) to further enhance product offerings
- Focussed ramp up of recently launched differentiated fertiliser products
- Continuously develop and launch value added nutrient products
- Forward integration of TAN through down the hole (DTH) and blasting services

Operational Highlights

TAN

- Plants capacity utilisation crossed 100% during the year
- Achieved the highest sales volumes in FY19 of 506 KT, an increase of 20% year on year

Industrial Chemicals

- Started commercial production of Nitric Acid at Dahej, Gujarat in April 2019
- Highest production of CNA from Taloja plant during the year

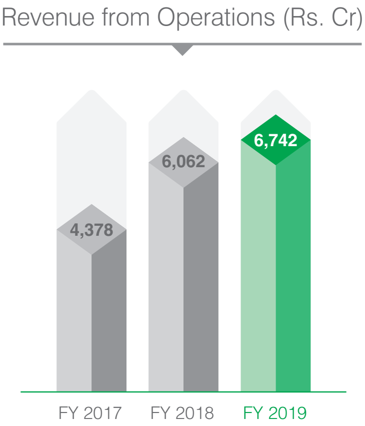
CNB

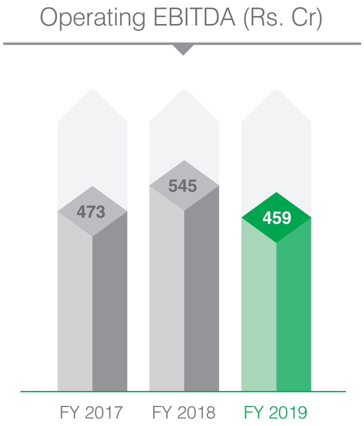
- First full year of commercial roll out of differentiated products like Smartek NPK, Bensulf (FRT) and crop specific grades in WSF
- Smartek NPK sales of 123 KT accounting for 43% of total NPK production
- Highest ever sales of Bentonite Sulphur of 24 KT

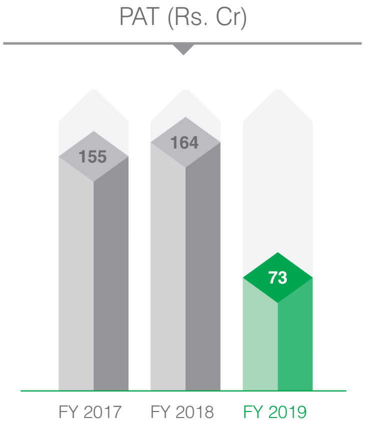
VARE

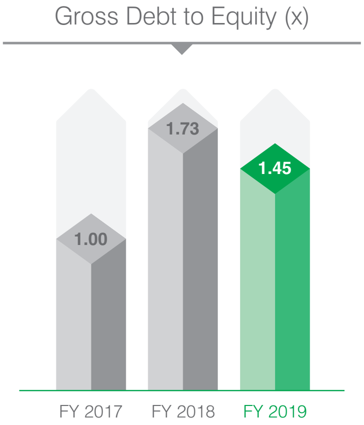
- 45% increase in footfall year on year
- Half a million focused visitors visited the campus
- 80% occupancy, up by 40% year on year

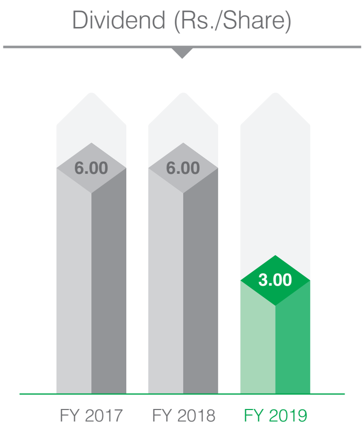
Financial Highlights











Chairman & Managing Director's Message

Riding through a perfect storm

Dear Shareholders,

In the financial year 2019, all that could go amiss, did!

Over the last 40 years, we have weathered many a storm impacting one or the other sector of our business. During these times, our balanced risk mitigating and diverse product / market portfolio of Pharmaceutical Chemicals, Mining Chemicals and Fertilisers, has always come to the rescue. Rarely have we had destiny present us challenges on all sectors simultaneously:

- Unprecedented raw material price hike across all sectors
- Major supplier constraints
- Acute water shortages at manufacturing complex
- Drought hitting fertiliser markets
- Severe financial debt market crisis
- Massive volatility impacting trading arising out of USA-Iran relations threats

Don't find fault. Find a remedy

– Henry Ford

Our top management team converged into a think-tank, evaluating each challenge and creating various scenarios. This team then wind-tunneled each available option to put together a meticulous plan of action to mitigate this crisis. We reviewed and cut costs, we moved to alternative supply points, we reworked better logistics, sharpened our product mix, recast trading basket and innovated our water management….

Our single-minded focus and resilient determination bore visible and valuable results. Some of these I wish to share with you include:

- A significant jump of 27% of TAN revenue growth over previous year
- A rise of 18% in the Acid business revenue over last year
- Reduction of over ₹ 1,000 crores in working capital from high octane collection drive and consolidation of trading portfolio
- Debt reduction of ₹ 500 crore and achieving zero commercial paper
- Our overall product basket now reflected 65% tilt towards the more profitable Chemical sector
- Uniquely Differentiated Performance fertiliser crossing 43% of the commodity NPK basket
- Commencement of the new Acid Complex at Dahej with accelerated plant capacity utilisation
- Over 50% savings in demurrage from proactive management of port-plant logistics
- 800 KL per day savings from better water conservatism

Deep within every crisis is an opportunity for something beautiful

– Kate McGahan

With a larger vision to become future-ready and future- relevant, we have embarked on a journey of transformation from:

- Product to Solutions
- Customer to Consumer
- Commodities to Brands

As part of this transformation, we have already started to shift from:

- *Generic Fertilisers to Crop Specific Performance Nutrients*
- *Technical Ammonium Nitrate products to Mining Solutions*
- *Commodity Chemicals to End-use Certified and Customised Chemicals*

Our transformation strategies and growth plan have been strongly validated by International Financial Corporation, Washington, who have joined us as strategic alliance partners bringing invaluable global sectorial knowledge and experience.

Our strategic transformative drive has likewise caught the attention of Sectorial Global Leaders, who have shown keenness in associating with us as they embark on their journey into India.

The most careful thing is to dare

– Shimon Peres

The next few years will see us radically transform from a Commodities mindset to creating Customised Solutions and Brands. This will, in turn, see us move from Competition pricing to Value pricing. This shift will be bolstered by our capacity enhancement and backward integration capex plan, cementing a solid foundation for sustained returns in the medium and long term. Moving ahead, our financial game plan will see monetization of non-core assets, equity infusions from the promoters, strategic partners and capital markets along with the next level of restructuring to reflect sectorial focus.

With faith and conviction, we need to dare!

Warm Regards,

SCMehta

S. C. Mehta
Chairman & Managing Director

Investor Relations

Investor Relations (IR) is a strategic management function that is focused on positioning and communicating DFPCL's equity story and investment proposition to institutional investors and shareholders. Over the years, this function has witnessed a significant change in its relevance due to increased investors' participation along with enhanced focus on corporate governance and disclosure standards.

DFPCL strongly believes in elaborate and consistent disclosures with all of its stakeholders, both existing and potential. During the year, the Company has also created a dedicated Investor Relations (IR) cell to ensure focused and systematic implementation of its long-term IR strategy. This enables an effective two-way communication between the Company and the capital market participants.

Furthermore, as part of its ongoing efforts to adopt best in class IR practices while doing regulatory disclosure activities, the Company strongly believes that interacting with existing shareholders, potential investors and capital market community is essential for implementing a successful IR program. The Company has continuously been increasing its participation in various investor conferencesorganised by reputed brokerage firms such as M/s. Batlivala & Karani and M/s. JM Financial.

"We are pleased to announce our strategic association with International Finance Corporation. This association is a testament to the strength of our existing business as well as future growth plans. It will bring global best in class Fertiliser & Petrochemical sector practices."

Amitabh Bhargava
President and
Chief Financial Officer

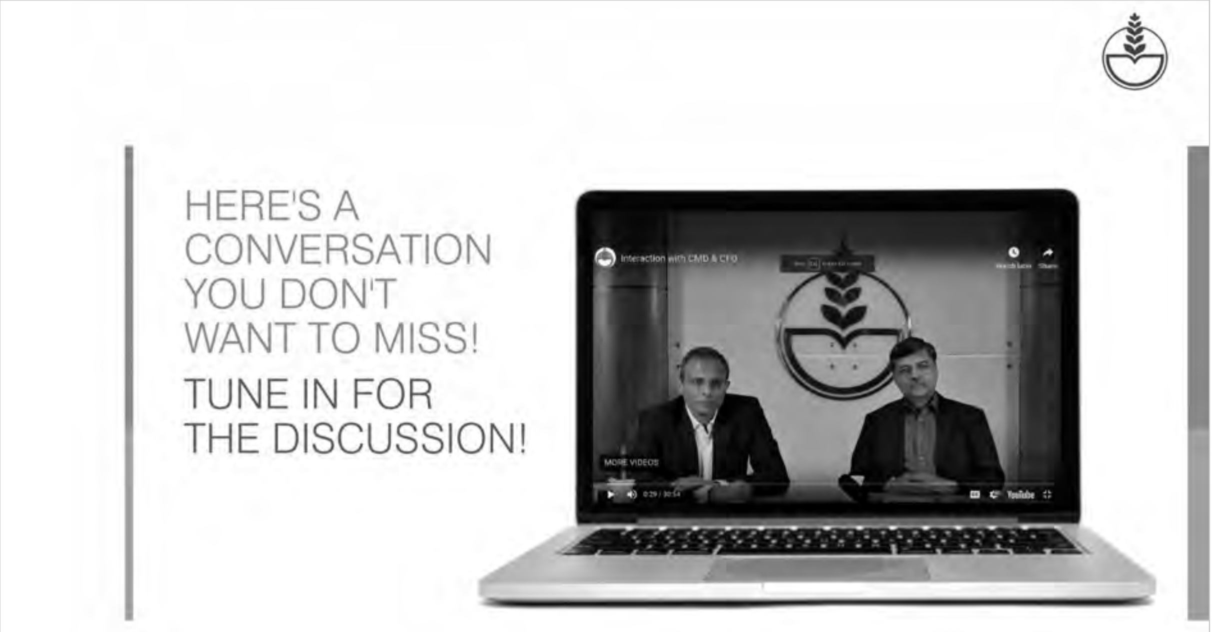
In addition to the traditional IR practices such as meetings with investors, company news releases, plant visits, annual reports and websites, DFPCL undertook 'first of its kind' initiative where Chairman & Managing Director and Chief Financial Officer addressed common concerns of the stakeholders through a YouTube platform. This initiative has been well received and appreciated by capital market participants.

To further enhance interactions with shareholders, the Company also re-initiated quarterly conference call from the third quarter of this financial year to discuss financial and operational performance and address any queries that the investors and research analysts may have.

DFPCL also undertook an 'innovative initiative' with use of 'technology and Social media' by embedding management audio commentary with earnings presentation in video format and made available on YouTube platform along with Company website for all stakeholders.

Furthermore, with the objective of educating stakeholders about the TAN business, competitive landscape, customer profile, end use of TAN products and key financials, DFPCL initiated another 'Out of the Box' Initiative of having segment focussed conference call in April 2019 with capital market participants. The conference call witnessed participation from high quality research analysts and institutional investors.

The Company has announced its partnership with International Finance Corporation, an institution of global repute in April 2019. International Finance Corporation (IFC) has agreed to invest US$ 60 million (~₹ 4,200 million), by way of Compulsory Convertible Debentures (CCDs) and Foreign Currency Convertible Bonds (FCCBs). This



association is undoubtedly a strong endorsement from a member of the World Bank Group which brings long and rich global expertise and experience in the Chemical & Petrochemical space. The Company has earlier taken an enabling overall approval from shareholders amongst other capital raising options, for issuance of FCCBs for an aggregate amount of ₹ 600 Crores. The current FCCBs is the first utilisation of the said approved limited by shareholders. IFC is the largest global development institution focused on the private sector in the emerging markets.

The Company continues to effectively communicate with capital market through regular updates, press releases and investor presentations. The Company's communication materials have been redesigned after extensive benchmarking against best in class global peers. DFPCL also proactively provided requisite clarifications to stock exchanges with respect to unfounded rumours in the capital market to protect the shareholders interest.

The daily average trading volumes have increased considerably during the year (average trading volumes were ~244,000 equity shares for Jan-Mar 2018 compared to ~455,000 equity shares for Jan-Mar FY2019). Total shareholder base increased from about ~96,000 (31st March 2018) to over 1,00,000 (31st March 2019). Promoter's shareholding increased from 51.07% (31st March 2018) to 51.50% (31st March 2019). The Company has been consistently paying dividend to its shareholders.

Investor Relations is undoubtedly a function of finance, communication, marketing and regulatory compliance designed to regularly update stakeholders about the business, ongoing developments and the overall outlook. With continuous effort of achieving best in class IR practices, the Company strives to set higher benchmark for the financial community in the coming years.

Given the cyclical nature of the business and regulatory environment, DFPCL faced some challenges with respect to the fluctuations in raw material prices and a lag in transferring its impact in new MRPs in the short term. However, operationally, the Company continues to be on its growth trajectory through increased capacities, improved efficiencies by adopting best practices, retaining market share in key products and better product mix. DFPCL is committed to creating long term value for all its stakeholders.

Awards & Recognition

Received the 'ET Brand Equity- Kaleido 2019' award for the 'Best Integrated Launch Campaign'. The award was given for SMARTEK launch campaign in Agriculture & Agri Tech Category.

Received the 'Golden Peacock Award' for innovative product - 'SMARTEK'. The Golden Peacock Awards recognise and laud innovative products across the globe.

Received the 'Brand Excellence Award' organised by ABP News, for overall contribution as a brand to agri-input industry. The award was judged based on strategic marketing objectives that aim to augment sales, profits, market share and customer attitude.

Received the 'Agribusiness Leadership Award' at the 11th Global Agriculture Leadership Summit 2018 for notable contribution in business growth and new product introduction. Organised by the Indian Council of Food and Agriculture (ICFA), this award was in recognition of the leadership roles played by individuals and institutions positively impacting the lives of farmers and rural communities.

Received the 'National Best Employer Brand Award (Manufacturing Category)' by World HRD Congress. The award recognises notable achievements in the Human Resource domain among manufacturing companies in the country.

Recieved the 'Pune Best Employer Award 2018'. The award ceremony was hosted by the World HRD Congress.

Received a 'Certificate of Appreciation' from the National Safety Council of India (NSCI) during Safety Awards 2018. The certificate was awarded in recognition of appreciable achievements in occupational safety & health during the assessment period of three years from 2015 to 2017.

Corporate Social Responsibility

Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) is actively working in the areas of social welfare and community development through the Ishanya Foundation (IsFon) and Deepak Foundation. Over three decades, the Company has been driving social change by creating sustainable communities across various urban and rural areas of Maharashtra and Gujarat. Its CSR efforts are centered around uplifting the bottom of the pyramid through various initiatives and outreach programs.

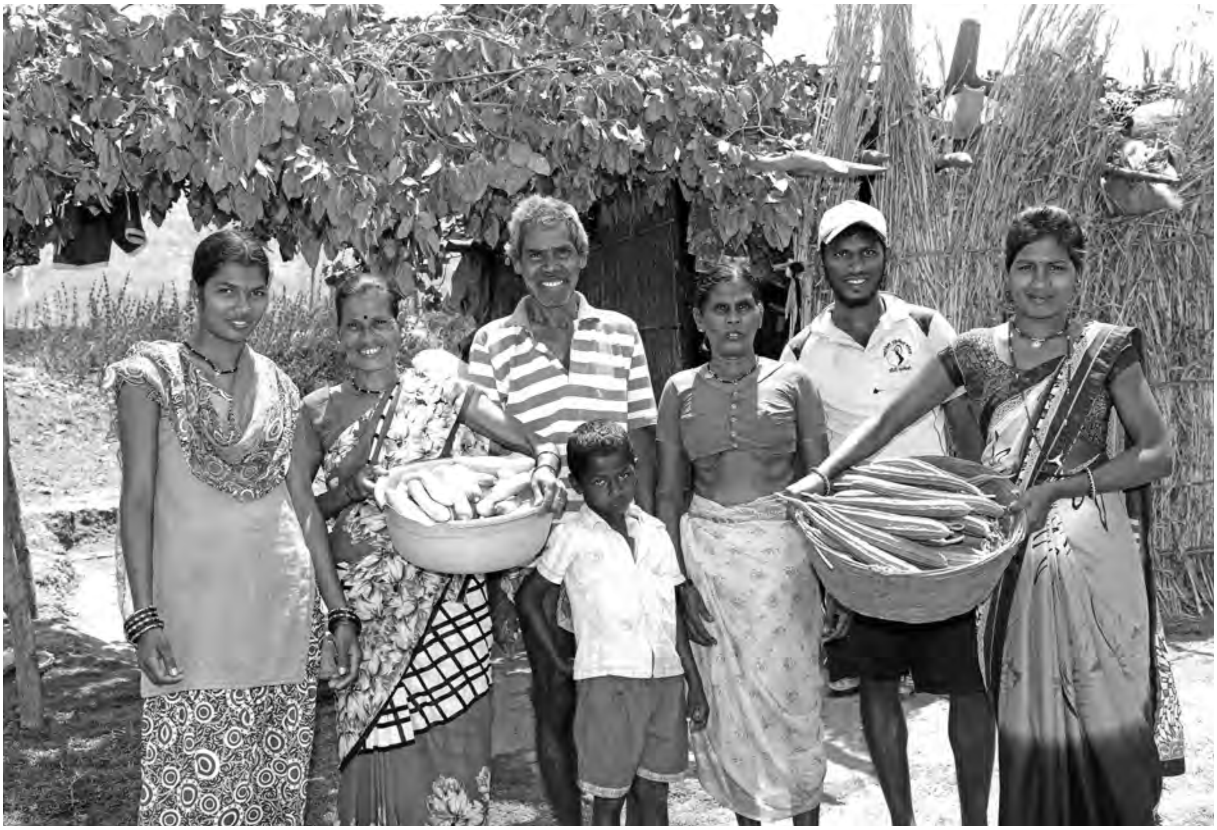
As an integral part of its values and culture, it believes in inclusive growth for all and is committed towards the economic development and social well-being of the communities around it.

With a vision of achieving greater impact of Corporate Social Responsibility (CSR) projects, the Company's efforts are focused on Livelihood & Women Empowerment, Health, Education, Art & Culture, Community Development and Social Welfare for relevant target groups. The Company is striving to make a meaningful contribution to the social issues that can bring fundamental change in the society.

ISHANYA FOUNDATION (IsFon)

With the vision of contributing towards creating an empowered India, the Company has been engaged in many impactful activities in rural as well as urban areas.

Impacted 11,253 families in the rural, urban and tribal areas through various initiatives



A picture tells a thousand words and smiles we brought to the faces of the community says it all

URBAN INITIATIVES

Vocational Skill Development with Health & Education (VSDHE)

With an aim of empowering lives, enabling livelihood, developing self-reliance and improving standard of living, the Company has started a range of vocational skill development programs. The individuals who are uneducated, dropouts from the school and belong to economically weaker sections of the society are trained in collaboration with reputed technical and knowledge partners. During the year, 315 individuals completed the various courses.

Professional Beautician Course being conducted at IsFon

Job Mela

About 103 job aspirants participated in the Job Mela organised by IsFon. Seven companies in different sectors were present to interview the candidates.

Soft Skill Training

English Speaking & Soft Skill Classes for aspirants who are undergoing skill based training courses was introduced to fetch better opportunities in the job market.

Mentorship

All students who are undergoing vocational training courses are counselled every Thursdays at a one-on-one meeting with their mentor. The spouses of our employees play a vital role of mentorship thus, impacting the engagement levels of the employees.

Mahila Melawa

An annual initiative that gathers all beneficiaries associated with IsFon under various projects and provides aspirants an opportunity to share their experiences on completion of their courses at IsFon. Their success stories motivate and inspire other beneficiaries.

Professional Beautician Course & Art of Mehendi with Spoken English
- *No. of Aspirants Trained:* ***123***

Certificate Course in Information Technology (CCIT) with Spoken English
- *No. of Aspirants Trained:* ***90***

Post Basic B.Sc. Nursing (P.B.B.Sc. Nursing (in collaboration with Symbiosis)
- *No. of Aspirants Trained:* ***21***

Optometry
- *Diploma in Optometry:* ***05***
- *B.Sc. Optometry :* ***07***

Financial & Accounting Course
- *No. of Aspirants Trained:* ***18***

Other Courses (Tailoring, web design, etc.): ***51***

Placement: 72%

Health Camps

As part of our commitment towards providing better quality of life, IsFon periodically organises health check-up camps at the foundation centre and in local communities around Pune city. These camps are conducted in collaboration with the Aundh Government Hospital, KK Eye Institute and Symbiosis College of Nursing.

General health check-up camp being organised at Yerawada, Jadhav Nagar in collaboration with Aundh Government Hospital

Pathology Lab

Most of the underprivileged are unable to bear the high cost of diagnostic tests thereby making the illness more complicated. IsFon started a collection centre for pathological investigations in association with NM Medicals for patients to avail diagnostic services at minimal cost.

Patients covered (3 Health Check-up Camps): ***426***
Patients covered (Pathology Lab): ***607***

Livelihood Enhancement through Entrepreneurship Development (LEED)

Muskaan - more reasons to smile

Muskaan initiative empowers financially challenged women to earn through the sale of pre-owned good quality garments while the deserving underprivileged get access to good quality donated branded garments at a very nominal price, thus instilling a sense of dignity in the buyers.

Total sale of garments : ₹ ***2,52,270/-***

Income Generation Program (IGP)

IGP provided training to financially challenged women to manufacture quality products such as table mats, envelopes, fancy hand bags, batwas and many more,. thereby inculcating in them not only skills but also self-confidence and a sense of dignity.

Exquisite handcrafted products under IGP Program

Sale of IGP products: ₹ ***7,57,328/-***
Income Generation by ladies: ₹ ***2,84,966/-***

Entrepreneurship Development

IsFon has taken a step to co-create solutions with the community and to empower entrepreneurs with tools to make their own destinies. Eight aspirants were supported by providing them handcarts and weighing scales to sell fruits and vegetables, beauty equipment like parlour chairs and head steamers, so that they can start their business.

Juice Paree

About 12 women were trained by National Institute of Naturopathy for making fresh vegetable juices. They now put their stalls in various companies boosting a healthy lifestyle among employees at the same time generating income for themselves.

Entrepreneurship Development – YRNF

Support was given to women of Nirmalya Trust for jewellery making, an award making artisan, M. Khatri for making pocket squares and Maheshwari Mahila Bachat Gat to market hand pound spices in support of their micro entrepreneurship development.

Training in progress for making jewellery sets for women from Nirmalya Trust supported by IsFon

Yellow Ribbon NGO and Artisan Fair (YRNF)

YRNF is an annual event organised to support grassroot level NGOs, Self Help Groups and Artisans supporting different causes from various states of India. The four-day fair showcased handpicked items from the 120 NGOs across the country.

Inauguration Ceremony by Chief Guest Mrs. Tina Ambani, Former Bollywood actress, Mrs. Parul S. Mehta, Trustee – IsFon, Mr. Pramod Jagtap, Associate Director – IsFon & Mr. M. Mahesh, CEO – Creaticity

NGOs / SHGs / Artisan Stalls: ***120***
Footfalls: ***6,395***
Sales Turnover of Participating Stall Holders:
₹ 55 lakh

RURAL INITIATIVES

IsFon has been actively engaged in welfare initiatives covering over 47 villages and 19 hamlets in Raigad and Thane districts of Maharashtra. Rural initiatives of IsFon are well planned with a focus on Dairy, Wadi, Health and Women Empowerment.

Wadi

The Wadi project encourages families to take up intensive land development and plantation on wasteland. Under the project, wasteland is converted into a productive forestry plantation and orchard (WADI). This is achieved through an inclusive program of mobilisation within the communities, plantation of fruit and forestry trees, development of eroded wasteland through soil and water conservation and water resource development.

Kitchen Garden

Total no. of mango trees planted: ***14,760***
Acres: ***247***
Families covered: ***488***
Villages & hamlets covered: ***16 villages & 6 hamlets***
Total income from vegetable sales: ***₹ 88.62 Lacs***
No. of farmers supported for vegetable cultivation: ***276***

Kitchen gardens are designed as nutrition-based cultivation model in homestead land, in villages around Taloja. This activity helps to grow nutrient-rich food to reduce malnutrition and improve quality of life.

Seasonal kitchen garden: ***600 nos.***
Vegetable seed provided: ***8 types***

Health Camps

IsFon organised several health camps

During the year, IsFon organised several health camps in villages around Taloja, Maharashtra to bring healthcare to the doorsteps of people in the rural areas. IsFon, in collaboration with Laxmi Charitable Trust, organised dedicated eye check-ups by providing screening, diagnosis and surgery assistance to patients suffering from cataracts. The foundation also provided free spectacles to patients and organised free eye check-ups in schools to detect eye related ailment in children.

Health Camp (4 Nos): ***1,019 patients screened***
Eye Camp (3 Nos): ***691 patients screened***
Eye Check-up in Schools (4 Nos): ***1,416 patients screened***

A tribal couple with fruit bearing mango trees

Dairy Development

Dairy Development is a sustainable and long-term impact project that empowers women across villages of Taloja area. Women are provided with cross-breed cows for generating additional income through dairy farming. The program provides holistic support in form of dairy management training, vaccination, assistance in development of fodder plots, and artificial insemination, along with an opportunity to generate additional income through the sale of surplus milk.

A happy beneficiary of the Dairy Development project

Areas covered: ***39 Villages & 15 Hamlets of Panvel (Raigad District) and Ambarnath Taluka (Thane District)***
Total milk produced: ***4,14,440 lit.***
Milk consumed by calf: ***54,080 lit.***
Milk consumed at home: ***78,660 lit.***
Milk sold: ***2,81,700 lit.***
Additional income through sale of milk: ***₹ 97 lakh***
Cow dung produced: ***92.56 MT***
No. of AI during the year: ***735***
No. of pregnancy diagnosis during the year: ***431 (+ve 362, -ve 69)***
No. of calving during the year: ***279 (M-142, F-137)***

Eco-friendly SAGOMAYA Diya Pots

SAGOMAYA diyas is an unique environment friendly initiative taken by Ishanya Foundation to support the farmers going through tough situation, to earn an additional source of income. These diyas are made by the tribal marginalized farmers by using the cowdung.

Cowdung, as we know, is an excellent manure and is considered auspicious. After using it as a diya, the pots can be crumbled and used as a manure for the house/society plants.

This additional source of income for farmers will also decrease the percentage of migration to urban areas.

An 100% biodegradable product, Made In India.

Ms. Parul Mehta, Founder Trustee, IsFon, seen with Mr. Shivaji Tatre & Ms. Boyabai Tatre, with their cow dung pots

SAGOMAYA - Diya Pots

Success Stories

Rajani Abasaheb Girhe

Rajani migrated from a remote village from Beed district of Maharashtra, and is now residing at Wagholi, Pune. Due to her perseverance she completed her Beautician Course at IsFon.

“ My husband is the only breadwinner and works in a small firm with a monthly salary of ₹ 13,000/- per month. Staying in a rented house and managing the daily expenses was a difficult task for both of us. The beautician course at IsFon has helped me to get a job at Urban Clap Beauty Company at Pune, in their home services section. I now earn ₹ 30,000/- per month, and I feel proud of the fact that I can now contribute for the well-being of my family. ”

Mr. Ananta Rama & Mrs. Gomi Ananta Vara

(Yelmar village, Panvel, Dist. Raigad)

“ Thanks to the Wadi Project of IsFon, as it has changed our lives. Our cultivated area is 1.5 acres and due to better agricultural practices, we got an average yield of 2,160 kgs. Our average income has gone up by ₹ 32,400/- with the bottle gourd plantation. ”

DEEPAK FOUNDATION

With an commitment to act for the benefit of society at large, CSR activities of Deepak Foundation are focused on making a positive contribution to the society through high impact and sustainable programs. Deepak Foundation undertakes many initiatives in the areas of healthcare, sustainable livelihood, skill development, capacity building, education and child welfare activities.

During the year, Deepak Foundation implemented the Mahila Kisan Sashaktikaran Pariyojana Project covering 6,000 tribal women farmers in Chhotaudepur district. It has trained the women and formed 300 Farmer Producer Companies (FPCs).

The Foundation is currently implementing an award winning innovative project from Millennium Alliance in which FPCs will be producing a special Instant Meal Mix from the local produce like pulses, rice, and vegetables in village level processing units. Efforts have been made to link the product to local tribal and urban elite market. The plant will go into commercial production in first quarter of FY2020.

Various other CSR activities undetaken by Deepak Foundation during the year:

- Badi-Bata campaign organized in the slum of Hyderabad, Telangana to enrol students in government schools
- Signed MoU for implementing Integrated Village Development project in Mokhada block, Palghar district, Maharashtra
- Signed MoU between SNDT Women's University, GSFC University and Deepak Foundation for upskilling mainstream school teachers on inclusive education
- Mobile library services inaugurated in Nandesari area of Vadodara district, Gujarat and Hyderabad, Telangana
- Undertook development of MESO hospitals in rural areas of Khunti and Saraikela districts, Jharkhand
- Aadhar card registration camp organised in Mokhada block of Palghar district, Maharashtra
- Mobile Health Unit initiated for salt pan workers of Bhachau taluka and Gandhidham (Kandla Port Trust) of Kutch district, Gujarat
- Received order from Government of Gujarat for conducting ASHA Training at Chhotaudepur district, Gujarat

Notice

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Registered Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036
CIN: L24121MH1979PLC021360 I Website: www.dfpcl.com I Tel.: +91 20 6645 8000

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Wednesday, 14th August, 2019 at 11:30 a.m. at Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Off Airport Road, Yerawada, Pune - 411 006 to transact the following business:

■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend on equity shares for the financial year ended 31st March, 2019 and pass the following resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT dividend at the rate of ₹ 3/- (Rupees Three only) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company be and is hereby declared for the Financial year ended 31st March, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company from previous financial years."

3. To appoint a Director in place of Smt. Parul S. Mehta (DIN: 00196410), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

■ SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) 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}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Y. R. Doshi & Company (Registration No. 000003) appointed as the Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the Financial Year ending 31st March, 2020, amounting to ₹ 3,00,000/- (Rupees Three Lakhs only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses in connection with the said audit, 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."

5. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 {including any statutory modification(s) or re-enactment thereof for the time being in force} and Regulation 25 of the Securities and Exchange Board of India [SEBI](Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Partha Bhattacharyya** (DIN: 00329479), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for first term of 5 consecutive years commencing from 1st April, 2019 and ending on 31st March, 2024.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Bhattacharyya be paid such fees and remuneration / profit-related commission as the Board may approve from time to time and subject to such limits as may be prescribed.

RESOLVED FURTHER THAT any one of the director and Company Secretary of the Company be and are hereby severally authorised to do all necessary acts and deeds to give effect to the resolution."

6. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 {including any statutory modification(s) or re-enactment thereof for the time being in force} and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Alok Perti** (DIN: 00475747), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who was appointed as an Additional Director and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for the first term of 3 consecutive years commencing from 22nd April, 2019 and ending on 21st April, 2022.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Perti be paid such fees and remuneration / profit-related commission as the Board may approve from time to time and subject to such limits as may be prescribed.

RESOLVED FURTHER THAT any one of the director and Company Secretary of the Company be and are hereby severally authorised to do all necessary acts and deeds to give effect to the resolution."

7. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 {including any statutory modification(s) or re-enactment thereof for the time being in force} and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Dr. Amit Biswas** (DIN: 08173442), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who was appointed as an Additional Director and who vacates his office at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for the first term of 3 consecutive years commencing from 22nd April, 2019 and ending on 21st April, 2022.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Dr. Biswas be paid such fees and remuneration / profit-related commission as the Board may approve from time to time and subject to such limits as may be prescribed.

RESOLVED FURTHER THAT any one of the director and Company Secretary of the Company be and are hereby severally authorised to do all necessary acts and deeds to give effect to the resolution."

8. To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT upon recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, pursuant to the provisions of Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder {including any statutory amendment(s), modification(s) or re-enactment(s) thereof} and pursuant to the Articles of Association of the Company, approval of the Members be and is hereby accorded for the waiver of excess managerial remuneration aggregating to ₹ 249.39 Lakhs paid to Shri S. C. Mehta, Chairman and Managing Director (DIN : 00128204) of the Company for the Financial Year 2018-19 due to lower profits and thereby being in excess of maximum remuneration permissible under the Act and in terms of the resolution passed by the shareholders appointing him as Chairman and Managing Director for a period of 5 years at the Annual General Meeting held on 18th September, 2018.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Company Secretary be and is hereby authorised to finalise, settle and execute such document(s) / deed(s) / writing(s) / paper(s) / agreement(s) as may be required, in respect of the aforesaid payment of remuneration and to do all acts, deeds, matters and things that may be deemed necessary, proper and expedient for the purpose of giving effect to this resolution."

9. To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Regulation 172 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and applicable provisions if any, and pursuant to the Special Resolution passed by the members at the Thirty Eighth Annual General Meeting, inter alia for creating, offering, issuing and allotting such number of equity shares of the Company of face value of ₹ 10 each, Global Depository Receipts, American Depository Receipts, Foreign Currency Convertible Bonds, fully/ partly convertible debentures or any other financial instruments convertible into equity shares, in the course of international and /or domestic offerings by way of one or more public and / or private offerings, qualified institutions placement or any combinations thereof of an aggregate amount not exceeding ₹ 600 Crore, the consent, authority and approval of the members of the Company be and is hereby accorded for rollover of the Special Resolution by another 365 days to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2019 and to take such other corporate actions as mentioned in the resolution passed on 18th September, 2018 as and when necessary within the same threshold limit of ₹ 600 Crore.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alteration(s) or modification(s) as they may deem fit and proper and give such direction(s) as may be necessary to settle any question or difficulty that may arise in regard to issue."

Dated: 30th May, 2019

By Order of the Board of Directors,

Registered Office:
Sai Hira, Survey No. 93, Mundhwa, Pune - 411 006

K. SUBHARAMAN
Executive Vice President
Legal & Company Secretary

■ NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF 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 Wednesday, 7th August, 2019 to Wednesday, 14th August, 2019 (both days inclusive).

   The dividend, if declared, will be paid to those Members whose names appear on the Register of Members of the Company as on 14th August, 2019, being the date of Annual General Meeting of the Company. In respect of shares held in electronic form, the dividend will be paid to those beneficial owners as per the details furnished by the Depository Participants for the purpose.

3. Members holding shares in physical form are requested to intimate immediately to M/s. Karvy Fintech Private Limited, UNIT: Deepak Fertilisers And Petrochemicals Corporation Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Email Id: einward.ris@karvy.com Phone: +91 40 6716 1571; Fax No: +91 40 2342 0814, quoting the Registered Folio Number: (a) details of Bank Account / change in Bank Account, if any, to enable the Company to print these details on the Dividend Warrants; and (b) change in address, if any, with the Pin Code Number.

   Members holding shares in physical form or electronic form and who are not getting Annual Reports are requested to immediately update their address by writing to Karvy Fintech Private Limited at the above given address.

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

4. 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.

5. 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.

6. 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.dfpcl.com for details.

   Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF Demat account.

   In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to Report on Corporate Governance which is a part of this Annual Report.

   As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, for assistance in this regard. Members may also refer to Frequently Asked Questions (FAQs) on Company's website.

7. Voting through electronic means:

   In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate mode of voting, for its Shareholders, to enable them to cast their votes electronically. E-voting is optional. For this purpose, necessary arrangements have been made with **Karvy Fintech Private Limited (Karvy)** to facilitate remote e-voting. It may be noted that the facility for voting through ballot paper will also be made available at the meeting and the Shareholders attending the meeting who have not cast their votes before the meeting by way of remote e-voting shall be able and entitled to exercise their right at the meeting through ballot paper or by way of e-voting at the venue of the Meeting. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. Members can opt for only one mode of voting, i.e. either through ballot papers or e-voting at Annual General Meeting or remote e-voting. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot papers or e-voting at Annual General Meeting shall be treated as invalid.

The instructions for remote e-voting are as under:

The remote e-voting period begins at 9.00 am on Sunday, 11th August, 2019 and ends at 5:00 pm on Tuesday, 13th August, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2019, may cast their vote electronically through remote e-voting. The facility for voting through electronic voting system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the venue of the meeting.

The instructions for members for remote e-voting are as under:

i. Use an internet browser and open https://evoting.karvy.com

ii. Enter the login credentials (i.e. User ID and password). User ID and Password are provided at the bottom of the Attendance Slip in the following format.

User ID	Password
-	-

iii. After entering the above details Click on 'Login'.

iv. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After change of password, you need to login again with the new credentials.

v. In case you are already registered with M/s. Karvy Fintech Private Limited for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on https://evoting.karvy.com or contact M/s. Karvy Fintech Private Limited at toll free No. 1-800-3454-001 or email to evoting@karvy.com. In case of any other queries/grievances connected with voting by electronic means, you may also contact Shri S. V. Raju of Karvy Fintech Private Limited, at telephone no. 040- 67161571.

vi. On successful login, the system will prompt you to select the E-voting Event.

vii. Select 'EVENT' of Deepak Fertilisers And Petrochemicals Corporation Limited – AGM and click on 'Submit'.

viii. Now you are ready for e-voting as 'Ballot Form' page opens.

ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

x. Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi. Once you have confirmed your vote on the resolution, you cannot modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at deulkarcs@gmail.com and they mark copy to investorgrievance@dfpcl.com. They may also upload the same in the e-voting module in their login.

The scanned image of the above-mentioned documents should be in the naming format "Deepak Fertilisers And Petrochemicals Corporation Limited - AGM".

xiii. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the 'Downloads' section of the e-voting website of M/s. Karvy Fintech Private Limited https://evoting.karvy.com.

xiv. The voting rights shall be as per the number of equity shares held by the Member(s) as on relevant date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

xv. Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the relevant date may obtain the User ID and Password by sending a request at evoting@karvy.com or investorgrievance@dfpcl.com

xvi. Shri Sridhar Mudaliar, Partner SVD & Associates, Practising Company Secretaries, (Membership No. FCS 6156, CP No. 2664) or failing him Shri S. V. Deulkar, Partner, SVD & Associates, Practicing Company Secretaries (Membership No. FCS1312, CP No. 965) have 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.

xvii. 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 Ballot Paper or e-voting at the venue of the Meeting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

xviii. 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 48 hours 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.

xix. The Results declared along with the report of the Scrutinizer shall be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

8. All relevant documents referred to in the accompanying notice and explanatory statement requiring the approval of Members at the meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company

during office hours between 11.00 a.m. and 1.00 p.m. on all working days except, Saturdays, Sundays and public holidays, from the date hereof upto the date of the Annual General Meeting.

9. Members are requested to note that pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief particulars including shareholding of the Directors proposed to be appointed / re-appointed is given at the end of the Notice and forms part of the Notice.

10. 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 to others, are being sent by post.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

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, 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 30th May, 2019 considered and approved appointment of M/s Y. R. Doshi & Company, Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹ 3,00,000/- (Rupees Three lakhs only) plus taxes as applicable and reimbursement of travel and out-of pocket expenses for the Financial Year ending 31st March, 2020.

The Board of Directors recommends Ordinary Resolution set out at Item No. 4 for approval by the 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 aforesaid resolution.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 14th February, 2019 approved and recommended the appointment of Shri Partha Bhattacharyya, non-executive director, as an Independent Director of the Company for a first term of 5 consecutive years commencing from 1st April, 2019 and ending on 31st March, 2024.

Shri Bhattacharyya has submitted the Declaration of Independence, as required pursuant to Section 149(6) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Bhattacharyya has also informed that he is not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Shri Bhattacharyya fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Shri Bhattacharyya is independent of the management.

The Board is also of the opinion that Shri Bhattacharyya possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association as an Independent Director.

Shri Bhattacharyya is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director for the first term requires approval of members by way of an ordinary resolution.

Copy of the draft letter of appointment as an Independent Director setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the meeting.

The Board of Directors recommends Ordinary Resolution set out at Item No. 5 for approval by the Members of the Company.

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution, except the appointee Director and his relatives.

Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee, Board of Directors at its meeting held on 22nd April, 2019 approved and recommended the appointment of Shri Alok Perti, as an additional director in the capacity of an Independent Director of the Company, to hold the office for a first term of 3 consecutive years commencing from 22nd April, 2019 and ending on 21st April, 2022.

Shri Perti has submitted the Declaration of Independence, as required pursuant to Section 149(6) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Shri Perti has also informed that he is not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Shri Perti fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Shri Perti is independent of the management.

The Board is also of the opinion that Shri Perti possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association as an Independent Director.

Shri Perti is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In respect of the appointment of Shri Perti, a notice in writing in the prescribed manner, as required by Section 160 of the Companies Act, 2013 as amended and Rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director for the first term requires approval of members by way of an ordinary resolution.

Copy of the draft letter of appointment as an Independent Director setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the meeting.

The Board of Directors recommends Ordinary Resolution set out at Item No. 6 for approval by the Members of the Company.

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution, except the appointee Director and his relatives.

Item No. 7

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 22nd April, 2019 approved and recommended the appointment of Dr. Amit Biswas, as an additional director in the capacity of an Independent Director of the Company for a first term of 3 consecutive years commencing from 22nd April, 2019 and ending on 21st April, 2022.

Dr. Biswas has submitted the Declaration of Independence, as required pursuant to section 149(6) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Dr. Biswas has also informed that he is not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Dr. Biswas fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Dr. Biswas is independent of the management.

The Board is also of the opinion that Dr. Biswas possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association as an Independent Director.

Dr. Biswas is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In respect of the appointment of Dr. Biswas, a notice in writing in the prescribed manner, as required by Section 160 of the Companies Act, 2013 as amended and Rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director for the first term requires approval of members by way of an ordinary resolution.

Copy of the draft letter of appointment as an Independent Director setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the meeting.

The Board of Directors recommends Ordinary Resolution set out at Item No. 7 for approval by the Members of the Company.

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution, except the appointee Director and his relatives.

Item No. 8

The Nomination and Remuneration Committee at its meeting held on 30th May, 2018 had recommended re-appointment of Shri S. C. Mehta as Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st August, 2018.

The Board at its meeting held on 30th May, 2018 had re-appointed Shri S. C. Mehta as Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st August, 2018.

The shareholders at the Annual General Meeting held on 18th September, 2018 had re-appointed Shri S. C. Mehta as Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st August, 2018 on fresh terms and conditions with basic salary in the range of ₹ 21 lakhs to ₹ 30 lakhs per month along with other applicable perquisites and commission payable within an overall limit provided in Sections 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the Articles of Association of the Company, so long as it does not exceed the overall limit of ten percent of the net profits of the Company.

The Company had demerged two Business Units i.e. TAN & Fertilisers to Wholly owned subsidiary which impacted the standalone working. Further, the Company's financial performance was also affected due to sharp fall in prices of solvents, flip flop policies of USA against Iran and dumping of IPA from Chinese suppliers. Overall slow down in the fertiliser industry arising out of consecutive monsoon failures also affected the profitability of the Company's subsidiary. Though the Subsidiary had profit during the financial year but no dividend was declared during the year, further impacting the standalone profitability of the Company. Due to the difficult period for the Company during the Financial Year 2018-19, the Company, on standalone basis, would be having inadequacy of profits for paying fixed portion of the remuneration to Shri S. C. Mehta.

The approval of the shareholders is sought for waiver of excess remuneration paid to Shri S. C. Mehta as follows:-

Particulars	F.Y. 2018-19
Amount payable based on the profits of the Company in terms of the resolution passed by the shareholders	₹ 124.43 Lakhs
Amount actually paid as Remuneration	₹ 373.82 Lakhs
Excess Remuneration	₹ 249.39 Lakhs

The Company, on a consolidated basis, has sufficient profit and there would not be any excess payment of managerial remuneration. However, since the profit for the purpose is to be computed on standalone basis, the resolution is proposed.

Currently, the Company has not defaulted in payment of dues to any of its secured creditors, therefore, prior approval of the secured creditors is not required.

Accordingly, approval of the Members of the Company is being sought by way of Special Resolution to waive recovery of excess remuneration amounting to ₹ 249.39 Lakhs paid during the Financial Year 2018-19 to Shri S. C. Mehta, Chairman and Managing Director.

The information required pursuant to Schedule V of the Companies Act, 2013 is given below:

I. GENERAL INFORMATION:

1. **Nature of Industry**

   The Company is engaged in the business of manufacturing and trading of Industrial Chemicals.

2. **Date or expected date of commencement of commercial production:** Your Company is already in commercial production.

3. **In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable as the Company is an existing Company.

4. **Financial Performance based on given indicators:**

(₹ In Lakhs)

Particulars	F.Y. 2018-19
Total Income	3,17,247
Expenditure other than Interest and Depreciation	3,03,311
Profit before Interest, Depreciation and Tax	13,936
Interest (Net)	8,018
Profit before Depreciation and Tax	5,918
Depreciation	4,804
Profit before Tax and Exceptional Items	1,114
Provision for Current Tax	314
Provision for Deferred Tax	8
Net Profit	792

II. INFORMATION ABOUT THE CHAIRMAN AND MANAGING DIRECTOR:

1. Background Details:

Name of Director	Shri S. C. Mehta
Age	58
Designation	Chairman and Managing Director of the Company
Qualification	B.Com., M.B.A. (USA)
Date of Appointment	4th September, 1991
Expertise	Industrialist with rich business and management experience

2. Past remuneration:

During the Financial Year ended 31st March, 2018 ₹ 12,17,14,660 /- was paid as remuneration to Shri S. C. Mehta.

3. Job profile Suitability:

Shri S. C. Mehta is the Chairman and Managing Director of your Company. Taking into account Shri S. C. Mehta's qualifications, his extensive experience and the responsibilities shouldered by him, his association with the Company is in the best interest of the Company.

4. Remuneration:

The approval of the Members is being sought for waiver of excess managerial remuneration paid to Shri S. C. Mehta, Chairman and Managing Director as follows:-

Particulars	F.Y. 2018-19
Amount payable based on the profits of the Company in terms of the resolution passed by shareholders	₹ 124.43 Lakhs
Amount actually paid as Remuneration	₹ 373.82 Lakhs
Excess Remuneration	₹ 249.39 Lakhs

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Shri S. C. Mehta, the remuneration paid is commensurate with the remuneration packages paid to the similar counterparts in other companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution, except Shri S. C. Mehta and Smt. P. S. Mehta being wife of Shri S. C. Mehta and their relatives.

III. OTHER INFORMATION:

1	Reasons of loss or inadequate profits:	The Company had demerged two Business Units i.e. TAN & Fertilisers to Wholly owned subsidiary which impacted the standalone working. Further, the Company's financial performance was also affected due to sharp fall in prices of solvents, flip flop policies of USA against Iran and dumping of IPA from Chinese suppliers as well as non-receipt of dividend from its material subsidiary Company housing the TAN & Fertilisers business. Due to the difficult period for the Company during the Financial Year 2018-19 and non-receipt of Dividend from its material subsidiary Company, the Company would be having inadequacy of profits for paying remuneration to Shri S.C. Mehta.
2	Steps taken or proposed to be taken for improvement:	The Company has drawn up Strategic Plans for improving margins.

The Board of Directors recommends Special Resolution set out at Item No. 8 for approval by the Members of the Company.

Item No. 9

At the Thirty Eighth Annual General Meeting the Members had approved inter alia to create, offer, issue and allot such number of equity shares of the Company of face value of ₹ 10 each, Global Depository Receipts, American Depository Receipts, Foreign Currency Convertible Bonds (FCCBs), fully / partly Convertible Debentures or any other financial instruments convertible into equity shares, in the course of international and / or domestic offerings by way of one or more public and / or private offerings, qualified institutions placement or any combinations thereof of an aggregate amount not exceeding ₹ 600 Crore.

The Company had identified International Finance Corporation (IFC) who have agreed to invest the funds in the Company by subscribing to FCCBs of the Company.

Further, the Board of Directors at its meeting held on 22nd April, 2019 granted an in-principle approval for offering FCCBs aggregating upto US$ 30,000,000 (United States Dollars Thirty Million) in two tranches to International Finance Corporation (IFC).

Later, the Securities Issue Committee on 8th May, 2019 decided the date of opening of the issue as 8th May, 2019 and approved the documents for execution.

IFC will be investing in the Company's FCCBs in two tranches and cut-off dates for the disbursement of the amount will be as below:

For First Disbursement	3 months from the date of signing of the FCCB Agreement
For Last Disbursement	6 months from the subscription date of the first tranche of FCCBs or November 30, 2019, whichever is earlier

The FCCB agreement is signed on 10th May, 2019.

Pursuant to the Regulation 172 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the allotment of FCCBs needs to be completed within a period of 365 days from the date of passing of the special resolution by shareholders. Accordingly, the Company would be required to complete the allotment on or before 17th September, 2019.

As an abundant caution, if IFC decides to subscribe to the second tranche of FCCBs on or after 17th September, 2019, the Company would need a valid resolution duly approved by members post the aforesaid date.

The Board of Directors at its meeting held on 30th May, 2019 accorded its approval for roll over of the resolution passed in the last year's Annual General Meeting, to enable the Company to complete the subscription of FCCBs and also to take such other corporate actions, as mentioned in the resolution passed on 18th September, 2018 as and when necessary, within the same threshold limit of ₹ 600 Crore, subject to the approval of the shareholders.

This Special Resolution, if passed, will enable the Company to subscribe the second tranche of FCCBs on or after 17th September, 2019 and also to take such other corporate actions as and when required.

The Board accordingly recommends special resolution as set out in Item No. 9 for approval by the Members of the Company.

None of the Promoters, Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested financially or otherwise in the aforesaid resolution, except to the extent of Equity Shares / Securities that may be subscribed to by them or by companies/firms / institutions in which they are interested as director or member or otherwise.

Dated: 30th May, 2019

By Order of the Board of Directors,

Registered Office:
Sai Hira, Survey
No. 93, Mundhwa,
Pune - 411 006

K. SUBHARAMAN
Executive Vice President
Legal & Company Secretary

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

[In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Smt. Parul S. Mehta	Shri Partha Bhattacharyya	Shri Alok Perti	Dr. Amit Biswas
DIN	00196410	00329479	00475747	08173442
Date of Birth	17th March, 1965	27th February, 1951	15th May, 1952	10th June, 1960
Age	54 Years	68 Years	67 Years	59 Years
Qualification	B.Com	M.Sc., (Physics), FCMA, Programme on Investment Appraisal and Management, Advanced Management Programme	Bachelor's degree in science, Master's degree in Physics, Master's degree in Social Planning & Policy in developing countries	Ph. D
Date of Appointment	20th October, 2005	1st April, 2019	22nd April, 2019	22nd April, 2019
Expertise	Has experience in the areas of corporate public relations and social welfare activities	Has rich and vast expertise in strategy, project execution, administration and finance	Had joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government for several years.	Has 30 years of diverse and rich international experience, spanning academic and industrial research, product development, research & technology in the areas of pharmaceuticals, engineering polymers and plastics, high performance fibers coatings and Chemicals.

Name of the Director	Smt. Parul S. Mehta	Shri Partha Bhattacharyya	Shri Alok Perti	Dr. Amit Biswas
Major Directorships	1. Smartchem Technologies Ltd. 2. Nova Synthetic Ltd. 3. Ishanya Brand Services Ltd. 4. Ishanya Reality Corporation Ltd. 5. Hightide Investments Pvt. Ltd. 6. Robust Marketing Services Pvt. Ltd. 7. Performance Chemiserve Ltd. 8. Deepak Fertilisers And Petrochemicals Corporation Ltd.	1. Haldia Petrochemicals Ltd. 2. Usha Martin Ltd. 3. Karam Chand Thapar & Bros (Coal Sales) Ltd. 4. Ramkrishna Forgings Ltd. 5. Tide Water Oil Co. India Ltd. 6. NIS Management Ltd. 7. Smartchem Technologies Ltd. 8. Advanced Performance Materials Pvt. Ltd. 9. Deepak Fertilisers And Petrochemicals Corporation Ltd.	1. Shalimar Paints Ltd. 2. IIFCL Projects Ltd. 3. Donkey Sanctuary Welfare Association 4. Deepak Fertilisers And Petrochemicals Corporation Ltd.	1. Vivaan Assisted Living Pvt. Ltd. 2. Deepak Fertilisers And Petrochemicals Corporation Ltd.
Chairman / Member of the Audit Committee	1. Nova Synthetic Ltd.	1. Karam Chand Thapar & Bros (Coal Sales) Ltd. 2. Deepak Fertilisers And Petrochemicals Corporation Ltd.	1. Shalimar Paints Ltd.	Nil
Chairman / Member of the Stakeholders' Relationship Committee	-	1. Deepak Fertilisers And Petrochemicals Corporation Ltd.	1. Shalimar Paints Ltd.	Nil
Chairman / Member of the Nomination and Remuneration Committee	-	1. Karam Chand Thapar & Bros (Coal Sales) Ltd.	1. Shalimar Paints Ltd.	Nil
Shareholding in the Company	1,226 shares	Nil	Nil	Nil
Relationship between the directors inter-se	Shri S.C.Mehta, Chairman & Managing Director and Smt. Parul Mehta are husband & wife	Nil	Nil	Nil

In terms of provisions of the Companies Act, 2013 and rules made thereunder, 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.dfpcl.com. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses on the website of the Company i.e. www.dfpcl.com or by sending e-mail to einward.ris@karvy.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).

Board's Report

To the Members,

Your Directors have pleasure in presenting the Thirty Ninth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	**2018-19**	2017-18
Total Revenue (including Other Operating Revenues)	3,14,888	3,21,421	6,74,206	6,06,154
Profit Before Tax (PBT)	1,114	13,093	11,284	23,288
Less:a) Current Tax (Net)	314	2,221	1,351	2,349
b) Deferred Tax	8	(417)	2,281	4,290
Share of (Loss) of equity accounted investees	NA	NA	(305)	(239)
Net Profit for the year after share in (loss) of associates	792	11,289	7,347	16,410
Minority Interest	NA	NA	238	139
Net Profit / (Loss) for the period	792	11,289	7,067	16,267
Total Comprehensive Income	385	11,362	6,548	16,119
Add: Surplus brought forward	1,24,244	1,13,051	1,65,864	1,56,254
Amount available for Appropriations	1,25,036	1,24,340	1,72,931	1,72,521
Appropriations:				
a) Transferred to Debenture Redemption Reserve	-	6,250	-	6,250
b) Transferred to General Reserve	-	-	-	(55)
c) Dividend on Equity Shares (Net)	(5,292)	(5,292)	(5,292)	(5,292)
d) Tax on Proposed Dividend (Net)	(1,088)	(1,054)	(1,046)	(2,000)
Deferred Tax Adjustment	-	-	-	(5,560)
Surplus carried to Balance Sheet	1,18,656	1,24,244	1,66,593	1,65,864

STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved the Total Revenues of ₹ 3,149 Crore (including ₹ 1,989 Crore from trading operations) during the year under review as against previous year's level of ₹ 3,214 Crore (including ₹ 2,027 Crore from trading operations). Profit Before Tax (PBT) for the year under review was ₹ 11 Crore as against ₹ 131 Crore in the previous year. Net Profit for the current year was recorded at ₹ 8 Crore as against ₹ 113 Crore in the previous year. The Company's financial performance was affected due to major supply constraints in key raw material, unprecedented raw material price hike across all sectors, acute water shortage, sharp fall in prices of solvents, flip flops policies of USA against Iran, drought impacting fertiliser market and severe financial debt market crisis. The Management Discussion and Analysis (MDA), which forms part of this Report, inter alia, deals adequately with the operations and also current and future outlook of the Company.

COMMENCEMENT OF COMMERCIAL OPERATIONS AT DAHEJ

Commencement of new acid complex at Dahej with accelerated plant capacity utilization of 92 KTPA for CNA and 148 KTPA for DNA. With these capacities the Company's market share is expected to increase to 54%.

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs) / COMPULSORY CONVERTIBLE DEBENTURES (CCDs)

The Board at its meeting held on 22nd April, 2019 granted an in-principle approval for issuing FCCBs aggregating upto US$ 30,000,000 (United States Dollars Thirty Million) in two tranches to International Finance Corporation (IFC).

The Board also granted an in-principle approval for issue of Compulsory Convertible Debentures (CCDs) by Smartchem Technologies Limited (a wholly owned subsidiary of the Company) aggregating upto ₹ 210 Crore (Rupees Two Hundred Ten Crore only) in two tranches to IFC.

Subsequently, the security issue agreements have been executed by the Company and IFC. The issue of FCCBs and CCDs would be completed shortly after the Conditions Precedent (CP) are met.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the year under review, pursuant to the approval of shareholders, the Company had allotted 64,76,893 warrants of face value of ₹ 10/- each at a premium of ₹ 298.79 per warrant (aggregating to approximately ₹ 200 Crore) convertible into 64,76,893 equity shares of face value of ₹ 10/- each at a premium of ₹ 298.79 per equity share (aggregating to approximately ₹ 200 Crore) to Robust Marketing Services Private Limited (RMSPL), a promoter group company and RMSPL paid ₹ 50 Crore, an amount equivalent to 25% of the warrants issue size pursuant to the applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations.

The Company has utilised the above funds for the purposes as mentioned in the Notice of the Annual General Meeting held on 18th September, 2018, wherein the shareholders had approved the raising of funds.

DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company recommends a dividend @ 30 % i.e. ₹ 3 per Equity Share (Previous year ₹ 6 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2019.

The proposed dividend (including tax on proposed dividend) will absorb ₹ 31.90 Crore and the same is in line with the 'Dividend Distribution Policy' adopted by the Board at its meeting held on 30th June, 2017.

CHANGES IN THE BOARD OF DIRECTORS

During the year under review, the second term of Independent Directors i.e. Shri U. P. Jhaveri, Shri S. R. Wadhwa and Shri Anil Sachdev came to an end at the conclusion of 38th Annual General Meeting i.e. 18th September, 2018. On completion of the second term of the aforesaid directors, the Board had adequate number of Independent Directors pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri R. A. Shah, Non-Executive Director of the Company did not seek re-appointment in terms of the retirement policy of the Company.

Further, on recommendation of Nomination and Remuneration Committee, and in compliance with the regulatory requirements the Board at its meeting held on 14th February, 2019 appointed Shri Partha Bhattacharyya, non-executive director as an Independent Director of the Company for the first term of 5 consecutive years w.e.f. 1st April, 2019.

The Board at its meeting held on 22nd April, 2019 on the recommendation of Nomination and Remuneration Committee appointed Shri Alok Perti and Dr. Amit Biswas as additional directors in the capacity of Independent Directors for the first term of 3 consecutive years w.e.f. 22nd April, 2019.

Shri Anil Singhvi, Independent Director of the Company tendered his resignation to be effective from 19th April, 2019 due to his active involvements with NGOs he has been associated with and other personal engagements. The Board placed on record its appreciation of the valuable contribution rendered by Shri Singhvi during his tenure as director on the Board of the Company.

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

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the year under review, seven meetings of the Board of Directors were held on 30th May, 2018, 9th August, 2018, 18th September, 2018, 13th November, 2018, 13th December, 2018, 14th February, 2019 and 28th March, 2019.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, there were no changes in key managerial personnel.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REULATORS / STATUTORY AUTHORITIES:

1. As disclosed in the last year's report, effective 15th May, 2014, domestic gas supply to the Company was arbitrarily stopped by the Ministry of Petroleum and Natural Gas. The Company successfully challenged the same before the Hon' ble Delhi High Court, which by its Orders dated 7th July, 2015 and 19th October, 2015 directed the Government of India (GoI) to restore the supply of gas. Review petition filed by the GoI, challenging the said Orders was rejected by the said Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was also disposed without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The hearing in the Delhi High Court is now posted in the month of August 2019.

2. The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy due to the Company in accordance with applicable Nutrient Based Subsidy (NBS) Scheme of the Government of India (GoI), alleging undue gain arising to the Company on account of supply of cheap domestic gas. The Company had filed a Writ Petition in the Hon'ble High Court of Judicature at Bombay, challenging the withholding of subsidy. Based on the directive of the High Court, the GoI released the subsidy amounting to ₹ 463 Crore and subsidy amounting to ₹ 310 Crore was withheld pending final decision. On the request of the Company, the DoF has released subsidy amounting to ₹ 310 Crore against a Bank Guarantee pending final decision.

3. The Income Tax Department had carried out search and seizure operations in the Company's Office premises and plants in November 2018 under section 132, 133A of the Income Tax Act, 1961. The Company and the concerned officers had fully co-operated with the Tax officials responding to all clarifications they had sought. The Company has so far not received any Show Cause Notice consequent to the said operations.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2018-19 and corresponding figures for 2017-18 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

The Board present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, and as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate statement containing the salient features of its subsidiaries, associates and joint ventures subsidiaries in the prescribed form AOC-1 is annexed separately.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and based on the guidance and insights from the Auditors and pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

i) in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2019 and of the profit and loss of the Company for that period;

iii) proper and sufficient care had been taken for 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;

iv) the annual accounts had been prepared on a going concern basis;

v) internal financial controls, to be followed by the Company are duly laid down and these controls are adequate and were operating effectively; and

vi) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company at the Thirty Seventh Annual General Meeting held on 21st September, 2017 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of Companies Act, 2013 and Rules made thereunder to appoint, M/s. B S R & Associates LLP (Chartered Accountants) (Firm Registration number: 11623IW/W-100024), as the Statutory Auditors of the Company for the period of five years commencing from the conclusion of Thirty Seventh Annual General Meeting until the conclusion of Forty Second 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 AUDITORS & SECRETARIAL STANDARDS

The Secretarial Auditors, M/s. SVD & Associates, Practising Company Secretaries, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2018-19 pursuant to Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is annexed to Directors' Report. (Refer Annexure-1).

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Jog Limaye & Associates, Practising Company Secretary, the Secretarial Auditor of the Smartchem Technologies Limited, the material unlisted subsidiary Company, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2018-19.

There are no adverse comments and the observations of the secretarial auditors of the Company in their report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

COST AUDITORS

Your Directors had appointed M/s Y. R. Doshi & Company, Cost Accountants, as the Cost Auditors for the Financial Year 2018-19. M/s Y. R. Doshi & Company, Cost Accountants will submit the cost audit report along with 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 31st March, 2018 was duly filed with the Central Government (Ministry of Corporate Affairs).

Pursuant to the provisions of Section 148 of Companies Act, 2013, the 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 31st March, 2020 at a remuneration, of ₹ 3,00,000/- (Rupees Three Lakhs only) plus GST as applicable and reimbursement of travel and out-of-pocket expenses, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

The provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is required to be maintained by the Company and accordingly, such accounts and records were made and maintained.

INTERNAL AUDITOR

The Board had appointed Ernst & Young (EY) as an Internal Auditor in compliance with Section 138 of the Companies Act, 2013 and rules made thereunder for a period of three-years from 2016-17 to 2018-19 in the year 2016.

Further, the Board on the recommendation of the Audit Committee, renewed the contract for appointment of EY as an Internal Auditor of the Company for the Financial Year 2019-20.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Details of investments made and loans advanced and guarantees given by the Company have been given in notes to the Financial Statement.

RELATED PARTY TRANSACTIONS

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and at arm's length basis. Thus provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

CORPORATE GOVERNANCE

Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' is attached to this Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

AWARDS AND ACCOLADES

Please refer to section "Awards and Accolades" in this Annual Report for details of the awards received by the Company during the year under review.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted Nomination and Remuneration Committee and also approved the Nomination and Remuneration 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 available on the website of the Company on the following web link: https://www.dfpcl.com/wp-content/uploads/2017/04/Nomination-and-Remuneration-Policy.pdf There is no change in the Nomination and Remuneration Policy during the year under review. The Nomination and Remuneration Policy is provided in Annexure 3 of the Board's Report.

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, to look after cyber security and other matters delegated to the Committee by Board of Directors of the Company from time to time.

Information on the development and implementation of Risk Management Policy of the Company including identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company is engaged in concerted CSR initiatives through Ishanya Foundation as Operating Agency for CSR activities. CSR initiatives of your Company are focused 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.dfpcl.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).

The details of composition of Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report.

AUDIT COMMITTEE COMPOSITION

The details of composition of Audit Committee and other details are provided in the Corporate Governance Report.

ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013, and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII of the Companies Act, 2013, is appended as Annexure 5. The Extract of Annual Return is available on the Company's website.

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors is given in the Corporate Governance Report.

INDEPENDENCE OF DIRECTORS

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of Directors have taken on record the declaration and confirmation received from the Independent Directors and verified the veracity of such disclosures.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company follows the practice of conducting familiarisation programme 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 the following weblink: https://www.dfpcl.com/wp-content/uploads/2018/12/WhistleBlowerPolicy.pdf.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection at the Registered Office of the Company during working hours. 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 is being sent to all the Members of the Company excluding the aforesaid information.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE THE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, there were no such instances.

FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8 (5) (v) and 8 (5) (vi) of the Companies (Accounts) Rules, 2014 are reported.

DISCLOSURE AS PER SEXUAL HARASSMENT 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. The said policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

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 Board's Report. (Refer Annexure-6).

BUSINESS RESPONSIBILITY REPORT

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that the top 500 listed entities based on the market capitalization (calculated as on 31st March of every financial Year) to attach Business Responsibility Report with its Annual Report.

The Company was not in top 500 list of companies as on 31st March, 2018.

In view of the above, Business Responsibility Report is not enclosed with this year's Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the 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 committed contribution made by employees at all levels who through their competence and hard work have enabled your Company to achieve good performance amidst challenging times and look forward to their support in the future as well.

For and on behalf of the Board,

Pune
Dated: 30th May, 2019

S. C. MEHTA
Chairman &
Managing Director

ANNEXURE - 1

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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]
and
[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Deepak Fertilisers and Petrochemicals Corporation Limited
Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036

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 **31st March, 2019** 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 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;

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. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as applicable till 8th November, 2018) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 9th November, 2018;

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

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) (Amendment) Regulations, 2016 **(not applicable to the Company during the Audit Period)**; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as applicable till 10th September, 2018 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11th September, 2018 **(not applicable to the Company during the Audit Period)**;

vi. We **further report** that, the other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector / industry are:

a) Petroleum Act, 1934 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 Transboundary 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 and regulations of the following:

(i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

(ii) The Listing Agreement entered into by the Company with Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 generally 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:-

a) In the Annual General Meeting of the Company held on 18th September, 2018, Special Resolutions were passed for following items:

   1. Reclassification of the Authorized Share Capital of the Company.

   2. Raising of funds aggregating to ₹ 600 Crore through one or more of various options of securities such as Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds or Partly Convertible Debentures or by way of qualified institutions placement to QIB (Qualified Institutional Buyers) in terms of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 SEBI [ICDR] Regulations, 2009.

   3. Approval of issue of convertible equity warrants on preferential basis to the Promoters of the Company not exceeding ₹ 200 Crore.

   4. Approval of increase of limits to provide loans, guarantees / securities investments beyond the threshold provided under Section 186 of the Companies Act, 2013.

   5. Approval of the Shareholders of the Company pursuant to the provisions of Section 62(3) of the Companies Act, 2013 enabling Board of Directors for conversion of financial assistance extended / to be extended by the Banks / Financial Institutions / any other Lender(s) into Equity Shares of the Company in case of default.

b) Domestic gas supply to the Company was stopped by the Ministry of Petroleum and Natural Gas w.e.f. 15th May, 2014. The Company had challenged the same before the Hon'ble Delhi High Court, which by its Orders dated 7th July, 2015 and 19th October, 2015 directed the Government of India (GoI) to restore the supply of gas. Review petition filed by the GoI, challenging the said Orders was rejected by the Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was disposed of without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee

(IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature.

c) The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy due to the Company in accordance with applicable Nutrient Based Subsidy (NBS) Scheme of the Government of India (GoI), alleging undue gain arising to the Group on account of supply of cheap domestic gas, since challenged by the Group before the Honourable High Court of Bombay. Based on the directive of the Honourable High Court, DoF agreed to release subsidy with held except a sum of ₹ 31,052 Lakhs pending final decision, which has been released during the month of January, 2018 against a bank guarantee of equal amount.

d) Search and Seizure Operations were carried out by Income Tax Department in the Company's Office premises and plants from 15.11.2018 to 21.11.2018. Company intimated to the stock exchanges that it did not anticipate the search and seizure operations to have any material adverse impact on the Company.

e) Company has shifted its Registered Office within local limits from Opposite Golf Course, Shastri Nagar, Yerawada, Pune - 411 006 to Sai Hira, Survey No.93, Mundhwa, Pune - 411 036 with effect from 28th March, 2019.

For **SVD & ASSOCIATES**
Company Secretaries

SRIDHAR MUDALIAR
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: 30th May, 2019

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Deepak Fertilisers and Petrochemicals Corporation Limited
Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & ASSOCIATES**
Company Secretaries

SRIDHAR MUDALIAR
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: 30th May, 2019

ANNEXURE 2
FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 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 Lakhs)

Sl. No.	Name of Subsidiary	Details of Subsidiaries								
		Smartchem Technologies Limited#	Platinum Blasting Services Pty. Limited#$1	Australian Mining Explosives Pty. Limited #$2	Performance Chemiserve Limited$1	SCM Fertichem Limited#	Deepak Mining Services Private Limited#	Deepak Nitrochem Pty Limited#	Runge Pincock Minarco India Private Limited# $3	Yerrowda Investments Limited#
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
2	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 = ₹ 49.03	AUD 1 AUD = ₹ 49.03	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = ₹ 49.03	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,585	-	7	5	1	81	29	24
4	Reserves & Surplus	2,60,207	-685	429	44,595	-25	-27	-56	-2	3,851
5	Total Assets	5,66,732	8,414	1,926	1,29,699	1	16	25	28	3,880
6	Total Liabilities	3,04,820	4,514	1,498	85,097	21	42	-	1	5
7	Investments	44,735	-	-	24,253	-	15	-	-	1
8	Turnover	3,75,938	17,839	1,283	229	-	-	-	-	-
9	Profit / (Loss) before taxation	2,345	231	325	1,728	-2	-2	-1	-3	-6
10	Provision for taxation	811	13	68	496	-	-	-	-	-
11	Profit / (Loss) after taxation	1,534	218	256	1,232	-2	-2	-1	-3	-6
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	68.06%	68.06%	85.64%	100.00%	100.00%	100.00%	51.00%	85.00%

Standalone Figures

$1 Subsidiary of Smartchem Technologies Limited

$2 Subsidiary of Platinum Blasting Services Pty. Limited

$3 Subsidiary of Deepak Mining Services Private Limited

+ Share capital of Australian Mining Explosives Pty. Limited consists of 1 ordinary share of $1 which is held by Platinum Blasting Services Pty. Limited.

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 and manufacturer and trading of fertilisers. The Company achieved a turnover of ₹ 3,759.38 Crore (excluding other income) and profit before tax of ₹ 23.45 Crore.

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. STL supplies Technical Ammonium Nitrate to the JV.

3. **Australian Mining Explosives Pty. Limited**

Australian Mining Explosives Pty. Limited (AME), an Australian company, is a wholly owned subsidiary of Platinum Blasting Services Pty. Ltd. (a subsidiary of Smartchem Technologies Limited, which is a wholly owned subsidiary of the Company) and is engaged in the business of storage and handling of Technical Ammonium Nitrate.

4. **Performance Chemiserve Limited (PCL) (formerly Performance Chemiserve Private Limited)**

Performance Chemiserve Limited is a subsidiary Company of Smartchem Technologies Limited (STL). STL is holding 85.64% of the Equity share capital of PCL. PCL is involved in Chemicals drum filling activities. Further, PCL is setting up Ammonia Project of 1,500 MTPD Capacity.

5. **Deepak Mining Services Private Limited**

Deepak Mining Services Private 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.

6. **Runge Pincock Minarco India Co. Ltd. (RPM)**

Runge Pincock Minarco India Co. Ltd. is a joint venture between Deepak Mining Services Private Limited and Runge Pincock Minarco (RPM) Co. Ltd., 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.

7. **Yerrowda Investments Limited**

Yerrowda Investments Limited (YIL), a subsidiary of your Company, is operating in real estate sector and has in its possession immovable property in Pune. YIL is jointly controlled entity and DFPCL owns 85% of shares issued in addition to economic and ownership interest in the immovable properties of YIL.

8. **To capture any emerging business opportunity, the Company has following subsidiary Companies focussed at respective sectors:**

   a) SCM Fertichem Limited – Agri sector

   b) Deepak Nitrochem Pty Limited – TAN, Australia

FORM AOC-1

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

Part-B: Associates and Joint Ventures

(₹ in Lakhs)

S. No.	Particulars	Details of Associates & Joint Venture			
1	Name of the Associates and Joint Ventures	Ishanya Brand Services Limited#	Ishanya Realty Corporation Limited#	Desai Fruits and Vegetables Private Limited#	Mumbai Modern Terminal Market Complex Private Limited#
2	Latest audited balance Sheet Date	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
3	No. Shares of Associate / Joint Ventures held by the Company on the year end	49,994	49,994	50,81,363	4,000
	- Amount of Investment in Associate / Joint Venture	5.00	5.00	919.00	0.40
	- Extend of Holding %	49.99%	49.99%	28.67%	40.00%
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%	DFPCL is holding more than threshold limit of 20%	DFPCL is holding more than threshold limit of 20%
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.	N/A (it is consolidated)	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	4	1	430	0
7	Profit / (Loss) for the year	0	0	-984	0
8	Considered in Consolidation	-	-	-305	-
9	Not Considered in Consolidation	-0.25	-0.33	-679	0

Standalone Figures

1. **Desai Fruits and Vegetables Private Limited**

This is an associate company, which is focused on growing banana plantation and supplies to domestic as well as international market. During the financial year, the JV achieved a turnover of ₹ 100,93 Lakhs and its loss is ₹ 984 Lakhs (turnover excludes other income of ₹ 5 Lakhs).

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

a) Ishanya Brand Services Limited - Realty sector

b) Ishanya Realty Corporation Limited - Realty sector

c) Mumbai Modern Terminal Market Complex Private Limited

ANNEXURE - 3

Nomination and Remuneration Policy

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 29th 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 applicable regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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;

   (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; and

   (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"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;

    (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; and

    (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 Directors 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 Shareholders.

(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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE - 4

Corporate Social Responsibility (CSR) activities for the financial year 2018-19

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

For over three decades as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), has engaged in community work through Ishanya Foundation and Deepak Foundation in and around the areas where the Company has established its business units. The Ishanya Foundation has been conducting several outreach programmes and these programmes are in the area of :

a) Women empowerment through vocational training (skill development) and livelihood programmes;

b) Health; and

c) 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 programmes, culture and heritage support programmes 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 S. Bhattacharyya	Member

3. Average net profit of the Company for last three financial years: ₹ 16,618 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 332 Lakhs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 332 Lakhs

b) Amount unspent, if any: ₹ 274 Lakhs

c) *Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programmes		Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes for the FY 2018-19		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 Programme was undertaken		Direct Expenditure on project	Overheads		
1	Dairy Development	Livelihood enhancement through Entrepreneurship	Taloja	Maharashtra	26.51	11.76	0.25	113.46	Implementing Agency- Ishanya Foundation
2	Establishment of Private Industrial Training Institute / Contribution for promotion of education	Employment enhancing vocational skills especially amongst women and children	Taloja	Maharashtra	348.00	53.25	0.45	238.32	Implementing Agency- Ishanya Foundation
3	Horticulture Development / Contribution for environmental protection	Ensuring Environmental sustainability, ecological balance, protection of flora and fauna	Taloja	Maharashtra	62.60	42.21	0.87	177.92	Implementing Agency- Ishanya Foundation
4	Job Oriented Vocational Training & Health	Vocational Training Courses for Women, General Health check up	Pune / Taloja	Maharashtra	101.97	43.22	0.91	227.34	Implementing Agency- Ishanya Foundation
5	Promotion of Art and Culture	Promotion and development of Traditional Arts and Handicrafts	Pune	Maharashtra	22.48	11.33	0.20	36.03	Implementing Agency- Ishanya Foundation
6	Livelihood Generation Activity / Yellow Ribbon NGO Fair / Development of Web Based Compendium	Livelihood enhancement through Entrepreneurship	Pune	Maharashtra	36.62	32.28	0.70	105.68	Implementing Agency- Ishanya Foundation
7	a) Community Development		Paradeep	Odisha	145.82	6.69	0.12	40.07	Implementing Agency- Ishanya Foundation
	b) Community Development (Donations by DFPCL)	-	-	-	-	17.00	-	17.00	Direct by the Comopany
8	Promotion of Road Safety	Promoting Education and Vocational Skills	Taloja	Maharashtra	-	-	-	0.20	Implementing Agency- Ishanya Foundation
9	Contribution for medical assistance and draught relief	Eradication of hunger, poverty and malnutrition, promoting healthcare	Other	Maharashtra	-	-	-	31.36	Direct by the Company
	Total				**744.00**	**217.74**	**3.50**	**987.38**	

* The amount spent during the year is spent out of the donations received from earlier years as well as this Financial Year.

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.

Ishanya Foundation was having sufficient funds out of the earlier donations received and hence it did not require a fresh drawal of funds from the Company and hence the funds of the Company towards Corporate Social Responsibility has remained unspent in the year under review. The Company is looking into CSR avenues around its business units where the unspent amount could be utilised.

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.

PRANAY VAKIL
(Chairman – CSR Committee)

PARUL S. MEHTA
(Director)

ANNEXURE - 5

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1	**CIN**	L24121MH1979PLC021360
2	**Registration Date**	31st May, 1979
3	**Name of the Company**	Deepak Fertilisers And Petrochemicals Corporation Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares / Indian Non- Government Company
5	**Address of the Registered office & contact details**	Sai Hira, Survey No. 93, Mundhwa, Pune, Maharashtra - 411 036 Phone : (020) 6645 8000 Email : investorgrievance@dfpcl.com Website : www.dfpcl.com
6	**Whether listed company**	Yes
7	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone : (040) 6716 2222 Fax : (040) 2342 0814 Contact Person: Mr. S V Raju Designation : Deputy General Manager Email id : einward.ris@karvy.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	20119	14.63%
2	Nitric Acid	20123	13.24%
3	Wholesale of Industrial Chemicals	46691	59.87%

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 shares held	Applicable Section
1	Smartchem Technologies Limited	20123	U67120PN1987PLC166034	Subsidiary	100	2 (87)
2	SCM Fertichem Limited	-	U24211PN2012PLC145023	Subsidiary	100	2 (87)
3	Deepak Mining Services Private Limited	09900	U14100PN2008PTC132562	Subsidiary	100	2 (87)
4	RungePincockMinarco India Private Limited#	09900	U14200PN2012PTC145300	Subsidiary	51	2 (87)
5	Yerrowda Investments Limited	-	U65990MH1954PLC009228	Subsidiary	85	2 (87)
6	Ishanya Brand Services Limited	-	U74900PN2008PLC131967	Associate	49.99	2(6)
7	Ishanya Realty Corporation Limited	-	U70101PN2008PLC131330	Associate	49.99	2(6)
8	Mumbai Modern Terminal Complex Private Limited	-	U45201MH2014PTC257412	Associate	40	2(6)
9	Desai Fruits and Vegetables Limited	-	U63020GJ1999PTC035377	Associate	28.67	2(6)
10	Performance Chemiserve Limited##	21009	U24239PN2006PLC022101	Subsidiary	85.64	2(87)
11	Deepak Nitrochem Pty. Limited	-	-	Subsidiary	100	2 (87)
12	Platinum Blasting Services Pty Limited##	-	-	Subsidiary	68.06	2 (87)
13	Australian Mining Explosives Pty Limited###	-	-	Subsidiary	68.06	2 (87)

Subsidiary of Deepak Mining Services Private Limited

Subsidiaries of Smartchem Technologies Limited

Subsidiary of Platinum Blasting Services Pty Limited

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	7,67,005	-	7,67,005	0.87	7,67,005	-	7,67,005	0.87	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,42,82,372	-	4,42,82,372	50.20	4,46,56,034	-	4,46,56,034	50.63	0.43
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**4,50,49,377**	**-**	**4,50,49,377**	**51.07**	**4,54,23,039**	**-**	**4,54,23,039**	**51.50**	**0.43**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A): (A) (1) + (A) (2)	**4,50,49,377**	**-**	**4,50,49,377**	**51.07**	**4,54,23,039**	**-**	**4,54,23,039**	**51.50**	**0.43**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	23,77,964	-	23,77,964	2.70	5,88,097	-	5,88,097	0.67	-2.03
b) Banks / FI	6,97,101	15,250	7,12,351	0.81	7,19,508	11,625	7,31,133	0.83	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others									
Insurance Companies	9,72,584	600	9,73,184	1.10	12,99,522	600	13,00,122	1.47	0.37
Foreign Institutional Investor	59,24,818	-	59,24,818	6.72	33,97,417	-	33,97,417	3.85	-2.87
Foreign Portfolio - Corp	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**99,72,467**	**15,850**	**99,88,317**	**11.32**	**60,04,544**	**12,225**	**60,16,769**	**6.82**	**-4.51**
2. Non-Institutions									
a) Bodies Corp.	86,53,069	25,181	86,78,250	9.84	78,79,756	22,106	79,01,862	8.96	-0.88
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,23,91,495	42,14,395	1,66,05,890	18.83	1,54,73,951	34,09,942	1,88,83,893	21.41	2.58
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	41,40,579	66,950	42,07,529	4.77	53,76,348	66,950	54,43,298	6.17	1.40
c) Others (specify)									
Clearing Members	1,26,700	-	1,26,700	0.14	92,851	-	92,851	0.11	-0.03
HUF	7,19,481	-	7,19,481	0.82	10,35,874	-	10,35,874	1.17	0.35
IEPF	4,73,490	-	4,73,490	0.54	8,34,485	-	8,34,485	0.95	0.41
Non Resident Indians	5,28,508	14,06,625	19,35,133	2.19	7,35,352	12,75,750	20,11,102	2.28	0.09
NRI Non-Repatriation	2,11,970	-	2,11,970	0.24	3,65,258	-	3,65,258	0.41	0.17
Non Domestic Companies	-	1,84,750	1,84,750	0.21	-	1,83,600	1,83,600	0.21	0.00
Trusts	24,056	-	24,056	0.03	12,637	-	12,637	0.01	-0.02
Foreign Nationals	-	-	-	-	275		275	0.00	0.00
Sub-total (B)(2):-	**2,72,69,348**	**58,97,901**	**3,31,67,249**	**37.61**	**3,18,06,787**	**49,58,348**	**3,67,65,135**	**41.68**	**4.07**
Total Public (B): (B) (1) + (B) (2)	**3,72,41,815**	**59,13,751**	**4,31,55,566**	**48.93**	**3,78,11,331**	**49,70,573**	**4,27,81,904**	**48.50**	**-0.43**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**8,22,91,192**	**59,13,751**	**8,82,04,943**	**100.00**	**8,32,34,370**	**49,70,573**	**8,82,04,943**	**100.00**	**0.00**

(ii) Shareholding of Promoter

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding 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	1,506	0.00	-	1,506	0.00	-	0.00
2	Nova Synthetic Limited	4,25,94,071	48.29	-	4,27,06,848	48.42	-	0.13
3	Chimanlal Khimchand Mehta	7,64,273	0.87	-	7,64,273	0.87	-	0.00
4	Parul Sailesh Mehta	1,226	0.00	-	1,226	0.00	-	0.00
5	Sofotel Infra Private Limited	16,88,301	1.91	-	16,88,301	1.91	-	0.00
6	Robust Marketing Services Private Limited	-	-	-	2,60,885	0.30	-	0.30

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Sailesh C Mehta**				
	At the beginning of the year	1,506	0.00	1,506	0.00
	At the end of the year			1,506	0.00
2	**Nova Synthetic Limited**				
	At the beginning of the year	4,25,94,071	48.29	4,25,94,071	48.29
	Purchase of shares on 13.04.2018	49,788	0.06	4,26,43,859	48.35
	Purchase of shares on 20.04.2018	62,989	0.07	4,27,06,848	48.42
	At the end of the year			4,27,06,848	48.42
3	**Chimanlal Khimchand Mehta**				
	At the beginning of the year	7,64,273	0.87	7,64,273	0.87
	At the end of the year			7,64,273	0.87
4	**Parul Sailesh Mehta**				
	At the beginning of the year	1,226	0.00	1,226	0.00
	At the end of the year			1,226	0.00
5	**Sofotel Infra Private Limited**				
	At the beginning of the year	16,88,301	1.91	16,88,301	1.91
	At the end of the year			16,88,301	1.91
6	**Robust Marketing Services Private Limited**				
	At the beginning of the year	-	-	-	-
	Purchase of shares on 05.10.2018	18,000	0.02	18,000	0.02
	Purchase of shares on 01.02.2019	1,00,000	0.11	1,18,000	0.13
	Purchase of shares on 01.03.2019	22,887	0.03	1,40,887	0.16
	Purchase of shares on 08.03.2019	10,000	0.01	1,50,887	0.17
	Purchase of shares on 15.03.2019	1,09,998	0.13	2,60,885	0.30
	At the end of the year			2,60,885	0.30

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**				
	At the beginning of the year	38,38,197	4.35	38,38,197	4.35
	Sale of Shares on 06.04.2018	470	0.00	38,37,727	4.35
	Purchase of shares on 24.08.2018	793	0.00	38,38,520	4.35
	Purchase of shares on 31.08.2018	1,890	0.00	38,40,410	4.35
	Sale of shares on 07.12.2018	15,367	0.01	38,25,043	4.34
	Sale of shares on 14.12.2018	1,27,774	0.15	36,97,269	4.19
	Sale of shares on 21.12.2018	69,646	0.08	36,27,623	4.11
	Sale of shares on 04.01.2019	1,00,000	0.11	35,27,623	4.00
	Sale of shares on 18.01.2019	2,51,288	0.29	32,76,335	3.71
	Sale of shares on 25.01.2019	16,30,626	1.85	16,45,709	1.86
	Sale of shares on 01.02.2019	4,68,440	0.53	11,77,269	1.33
	Sale of shares on 08.03.2019	45,339	0.05	11,31,930	1.28
	Sale of shares on 15.03.2019	25,000	0.03	11,06,930	1.25
	At the end of the year (or on the date of separation, if separated during the year)			11,06,930	1.25
2	**FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK F**				
	At the beginning of the year	23,84,903	2.70	23,84,903	2.70
	Sale of Shares on 06.04.2018	3,84,903	0.44	20,00,000	2.26
	Sale of Shares on 13.07.2018	48,424	0.05	19,51,576	2.21
	Sale of Shares on 20.07.2018	51,576	0.06	19,00,000	2.15
	Sale of Shares on 27.07.2018	1,00,000	0.11	18,00,000	2.04
	Sale of Shares on 31.08.2018	24,839	0.03	17,75,161	2.01
	Sale of Shares on 07.09.2018	50,044	0.06	17,25,117	1.95
	Sale of Shares on 14.09.2018	30,216	0.03	16,94,901	1.92
	Sale of Shares on 21.09.2018	38,517	0.04	16,56,384	1.88
	Sale of Shares on 28.09.2018	43,262	0.05	16,13,122	1.83
	Sale of Shares on 05.10.2018	13,122	0.01	16,00,000	1.82
	Sale of Shares on 26.10.2018	4,826	0.01	15,95,174	1.81
	Sale of Shares on 02.11.2018	95,174	0.11	15,00,000	1.70
	Sale of Shares on 16.11.2018	37,418	0.05	14,62,582	1.65
	Sale of Shares on 23.11.2018	1,62,582	0.18	13,00,000	1.47

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sale of Shares on 30.11.2018	50,000	0.06	12,50,000	1.41
	Sale of Shares on 21.12.2018	1,00,000	0.11	11,50,000	1.30
	At the end of the year (or on the date of separation, if separated during the year)			11,50,000	1.30
3	**BNP PARIBAS MID CAP FUND**				
	At the beginning of the year	6,81,351	0.77	6,81,351	0.77
	Sale of Shares on 05.10.2018	5,351	0.01	6,76,000	0.76
	Sale of Shares on 12.10.2018	6,000	0.01	6,70,000	0.75
	Sale of Shares on 07.12.2018	70,000	0.07	6,00,000	0.68
	Sale of Shares on 25.01.2019	4,00,000	0.45	2,00,000	0.23
	Sale of Shares on 01.02.2019	2,00,000	0.23	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-
4	**RUNNER MARKETING PRIVATE LIMITED**				
	At the beginning of the year	6,00,000	0.68	6,00,000	0.68
	At the end of the year (or on the date of separation, if separated during the year)			6,00,000	0.68
5	**BNP PARIBAS DIVIDEND YIELD FUND**				
	At the beginning of the year	5,98,178	0.68	5,98,178	0.68
	Purchase of Shares on 06.04.2018	10,000	0.01	6,08,178	0.69
	Purchase of Shares on 20.04.2018	5,000	0.01	6,13,178	0.70
	Purchase of Shares on 27.04.2018	6,000	0.01	6,19,178	0.71
	Purchase of Shares on 04.05.2018	3,750	0.00	6,22,928	0.71
	Purchase of Shares on 18.05.2018	2,500	0.00	6,25,428	0.71
	Purchase of Shares on 08.06.2018	12,000	0.01	6,37,428	0.72
	Purchase of Shares on 15.06.2018	5,000	0.01	6,42,428	0.73
	Sale of Shares on 12.10.2018	2,428	0.00	6,40,000	0.73
	Sale of Shares on 16.11.2018	77,003	0.09	5,62,997	0.64
	Sale of Shares on 23.11.2018	38,665	0.05	5,24,332	0.59
	Sale of Shares on 30.11.2018	5,24,332	0.59	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-
6	**ANAGHA ADVISORS LLP**				
	At the beginning of the year	2,46,806	0.28	2,46,806	0.28
	Purchase of Shares on 29.06.2018	53,194	0.06	3,00,000	0.34
	Purchase of Shares on 07.12.2018	34,250	0.04	3,34,250	0.38

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase of Shares on 25.01.2019	1,42,355	0.16	4,76,605	0.54
	Purchase of Shares on 01.02.2019	1,00,000	0.11	5,76,605	0.65
	At the end of the year (or on the date of separation, if separated during the year)			5,76,605	0.65
7	**UNION BANK OF INDIA**				
	At the beginning of the year	5,67,288	0.64	5,67,288	0.64
	Sale of Shares on 13.04.2018	13,620	0.01	5,53,668	0.63
	Sale of Shares on 20.04.2018	16,200	0.02	5,37,468	0.61
	Sale of Shares on 07.12.2018	5,37,468	0.61	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-
8	**THE NEW INDIA ASSURANCE COMPANY LIMITED**				
	At the beginning of the year	2,32,433	0.26	2,32,433	0.26
	Purchase of Shares on 15.02.2019	1,50,960	0.17	3,83,393	0.43
	Purchase of Shares on 22.02.2019	1,75,978	0.20	5,59,371	0.63
	At the end of the year (or on the date of separation, if separated during the year)			5,59,371	0.63
9	**GENERAL INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	5,00,151	0.57	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
10	**UNION BANK OF INDIA**				
	At the beginning of the year	5,37,468	0.61	5,37,468	0.61
	At the end of the year (or on the date of separation, if separated during the year)			5,37,468	0.61
11	**VIBGYOR INVESTORS AND DEVELOPERS PVT LTD**				
	At the beginning of the year	5,00,000	0.57	5,00,000	0.57
	At the end of the year (or on the date of separation, if separated during the year)			5,00,000	0.57

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	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	**Sailesh Chimanlal Mehta**				
	At the beginning of the year	1,506	0.00	1,506	0.00
	At the end of the year			1,506	0.00
2	**Partha Bhattacharyya**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
3	**Berjis Minoo Desai**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4	**Ashok Kumar Purwaha**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5	**Mahesh Ramchand Chhabria**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	**Parul Sailesh Mehta**				
	At the beginning of the year	1,226	0.00	1,226	0.00
	At the end of the year			1,226	0.00
7	**Pranay Dhansukhlal Vakil**				
	At the beginning of the year	4,475	0.01	4,475	0.01
	At the end of the year			4,475	0.01
8	**Madhumilan Parshuram Shinde**				
	At the beginning of the year	500	0.00	500	0.00
	Purchase of Shares on 28.09.2018	500	0.00	1,000	0.00
	At the end of the year			1,000	0.00
9	**Anil Singhvi**				
	At the beginning of the year	35,000	0.04	35,000	0.04
	Purchase of Shares on 15.05.2018	50,000	0.06	85,000	0.10
	At the end of the year			85,000	0.10
10	**Amitabh Bhargava**				
	At the beginning of the year	2,950	0.00	2,950	0.00
	Sale of shares on 12.10.2018	710	0.00	2,240	0.00
	Sale of shares on 26.10.2018	1,000	0.00	1,240	0.00
	Sale of shares on 02.11.2018	1,040	0.00	200	0.00
	At the end of the year			200	0.00
11	**K Subharaman**				
	At the beginning of the year	500	0.00	500	0.00
	At the end of the year			500	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	64,323.49	72,500.00	-	1,36,823.49
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	204.63	-	-	204.63
Total (i+ii+iii)		**64,528.12**	**72,500.00**	**-**	**1,37,028.12**
Change in Indebtedness during the financial year					
*	Addition	1,37,919.00	1,93,006.00	-	3,30,925.00
*	Reduction	1,34,727.24	2,65,506.00	-	4,00,233.24
Net Change		3,191.76	-72,500	-	-69,308.24
Indebtedness at the end of the financial year					
i)	Principal Amount	67,400.53	-	-	67,400.53
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	319.35	-	-	319.35
Total (i+ii+iii)		**67,719.88**	**-**	**-**	**67,719.88**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Chairman and Managing Director Shri S C Mehta	Total Amount ₹
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		2,53,73,077
	(b) Value of perquisites under section 17(2) of Income Tax Act, 1961		79,52,953
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission*		
	- as % of profit		
	- others, specify		
5	Others, please specify (PF and Superannuation)		64,80,000
	Total(A)		**3,98,06,030**
	Ceiling as per the Act		**1,24,00,000**

* Commission calculated on profit of Financial Year 2017-18 amounting to ₹ 311.57 lakhs was paid during the Financial Year 2018-19.

Remuneration paid to Managing Director was exceeding the limits prescribed under Section 197 of the Companies Act, 2013 and the Company is seeking Shareholder's approval for waiver of the excess remuneration amounting to ₹ 249.39 lakhs paid to the Managing Director during the Financial Year 2018-19.

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount ₹
1	**Independent Directors**	**Shri Mahesh Chhabria**	**Shri Ashok Kumar Purwaha**	**Shri Berjis Minoo Desai**	**Shri Pranay Vakil**	
	Sitting Fee	7,10,000	3,80,000	4,80,000	9,50,000	25,20,000
	Commission#	7,50,000	7,50,000	5,00,000	10,50,000	30,50,000
	Total (1)	**14,60,000**	**11,30,000**	**9,80,000**	**20,00,000**	**55,70,000**
	Independent Directors	***Shri Anil Singhvi**	**Shri U P Jhaveri^**	**Shri S R Wadhwa^**	**Shri Anil Sachdev^**	
	Sitting Fee	2,60,000	1,50,000	3,80,000	2,10,000	10,00,000
	Commission#	5,00,000	15,00,000	21,50,000	10,00,000	51,50,000
	Total (1)	**7,60,000**	**16,50,000**	**25,30,000**	**12,10,000**	**61,50,000**
2	**Non-Executive Directors**	**Smt. Parul Mehta**	**Shri M P Shinde**	**Shri Partha Bhattacharyya**	**Shri R A Shah~~**	
	Sitting Fee	3,60,000	5,40,000	4,40,000	1,50,000	14,90,000
	Commission#	6,00,000	7,50,000	12,00,000	15,00,000	40,50,000
	Total (2)	**9,60,000**	**12,90,000**	**16,40,000**	**16,50,000**	**55,40,000**
	Total (B)=(1+2)	**31,80,000**	**40,70,000**	**51,50,000**	**48,60,000**	**1,72,60,000**
	$Total Managerial Remuneration (A+B)[1&3]					**5,70,66,030**
	Overall Ceiling as per the Act[2]					**2,57,87,000**

* Shri Anil Singhvi resigned as a Director w.e.f. 19th April, 2019

Commission relates to Financial Year 2017-18 but paid in Financial Year 2018-19

$ Total remuneration to Chairman and Managing Director and other Directors (being the total of A and B)

^ Shri U P Jhaveri, Shri S R Wadhwa and Shri Anil Sachdev: Their second term as an Independent Directors ended on 18th September, 2018

~~ Shri R A Shah, non executive director did not seek re-appointment as per the retirement policy of the Company

1. Total remuneration to Managing Director, whole-time Director and other Directors (being the total of A and B)
2. Ceiling is based on the profit for FY 2018-19
3. Remuneration paid to Managing Director and other Director are within the limits as provided under Section 197 of the Companies Act, 2013

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

Sr. No.	Particulars of Remuneration		Name of Key Managerial Personnel		Total Amount ₹
			Chief Financial Officer	Company Secretary	
			Amitabh Bhargava	K. Subharaman	
1	Gross salary				
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,78,40,539	67,30,258	2,45,70,797
	(b)	Value of perquisites under section 17(2) of Income Tax Act, 1961	1,15,482	45,807	1,61,289
	(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961			-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	-	as % of profit			-
	-	others, specify			-
5	Others, please specify		8,95,680	1,85,251	10,80,931
	Total		**1,88,51,701**	**69,61,316**	**2,58,13,016**

VII. Penalties / Punishment / Compounding of Offences: Nil

ANNEXURE - 6

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

[Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule No. 8 (3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

Above ground fire water piping of around 1.5 KM for methanol and IPA plant completed. This helped to stop water leakages from existing underground fire water line. Actual water savings observed 267 m3/day, power savings 12 KWH and reduction in repair cost. Thus, total savings of 39.73 lakhs/yr. against investment of 300 Lakhs.

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

NIL (Efforts are taken care through subsidiaries)

(iii) The capital investment on energy conservation equipment

NIL (Efforts are taken care through subsidiaries)

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

All the technologies are fully absorbed, and plants are operating well with required maintenance done by company's technical expert only.

- **Research and Development Efforts**

  a. Di iso propyl Ether (DIPE) - Process for purification from Crude DIPE to commercial grade DIPE established at lab scale and bi-product crude acid was converted to Na_2SO_4 (Sodium Sulphate) fertiliser grade. Way forward is to set-up commercial plant of 1200 TPA.

  b. Solar grade Nitric acid – Developed solar grade nitric acid focusing application in solar panel manufacturing industry in the country. Commercial scale 2 MT per day capacity is installed with all state of art analytical instruments for high end quality assurance.

  c. R&D centre renewal application is submitted for DSIR registration (Department of Scientific and Industrial Research, Government of India).

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

NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Details with respect to foreign exchange earnings and outgo are as under:

Earnings in Foreign Currency :

EARNING IN FOREIGN CURRENCY ₹ In Lakhs

	31st March, 2019	31st March, 2018
Export of goods (on FOB basis)	1,416.21	3,830.55
Other Income	-	595.17
TOTAL	**1,416.21**	**4,425.72**

Expenditure in Foreign Currency :

₹ In Lakhs

Particulars	31st March, 2019	31st March, 2018
Interest and repayment of Loans.	136.03	482.59
Technical fees to Foreign Vendors	26.27	11.15
Foreign Travels	25.81	57.02
Others (Net of Reimbursements)	2,741.13	4,128.47
Total	**2,929.24**	**4,679.23**

For and on behalf of the Board of Directors

Pune
Dated: 30th May, 2019

S. C. MEHTA
Chairman & Managing Director

Management Discussion & Analysis

3.6 %

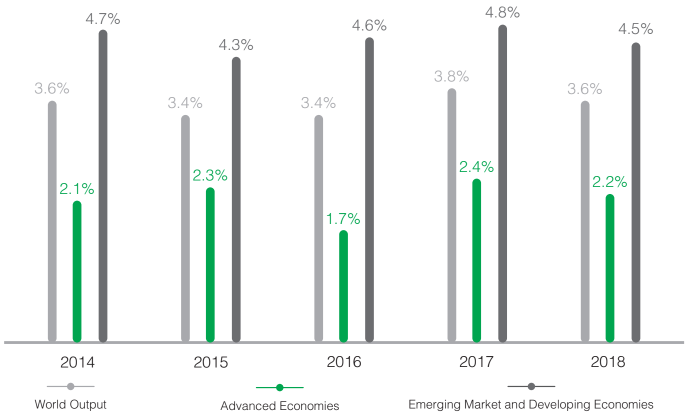
Global growth expected in 2020

GLOBAL ECONOMY

After a robust growth across major economies in 2017, the second half of 2018 experienced a slowdown driven by factors such as China's monetary tightening measures to counter the parallel economy and the escalating trade tensions with the United States. Weak consumer sentiment and unconducive commercial environment in the Europe led by structural changes in automobile industry affecting Germany, widening yield spreads in Italy, tepid demand from emerging Asian economies for European goods and drop in commercial activity in Japan due to natural disasters contributed to the downfall in financial markets. The effects were first visible in emerging markets followed by advanced economies towards the end of 2018. A dovish stance by the Federal Reserve in early 2019 and expectations of a US-China trade deal eased markets across the globe. Global growth is expected to foresee a gradual uptick in the second half of 2019 driven by monetary easing in China, improvement in overall market sentiment led by a recovery in Europe and stabilization of conditions in strained emerging economies such as Argentina and Turkey.

Iso Propyl Alcohol plant, Taloja

Real GDP Growth



Source: World Economies Outlook April 2019; **Note:** Data for calendar year

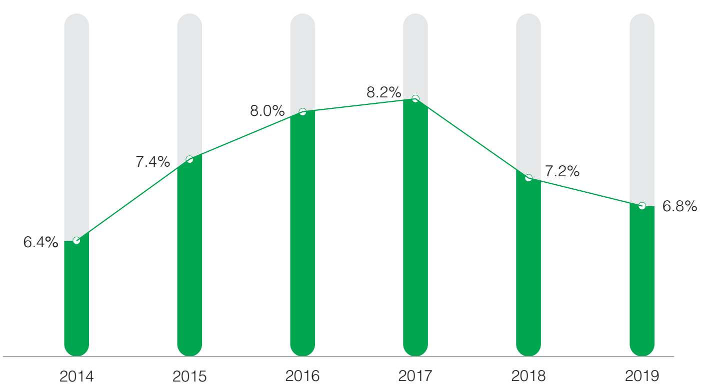
INDIAN ECONOMY

India has been the fastest growing emerging economy in the world from 2014-15 to 2018-19 with GDP growing at an average rate of 7.3%. India's GDP grew at 6.8% in FY2019 as compared to 7.2% in FY2018. The macroeconomic environment has improved significantly led by lower inflation, tightening fiscal deficit and surge in foreign direct investments. The sustained measures undertaken by the Government to bring in structural reforms and optimal budgetary allocations across sections of society have facilitated the holistic growth and development of the nation. IMF has projected that India will continue its momentum and remain the fastest growing economy in 2019 and 2020. According to NITI Aayog, India has the potential to grow at 9-10% per annum to become a US$ 4 trillion economy by 2022-23 from the current US$ 3 trillion.

6.8 %

India's GDP growth in FY2019

India GDP Growth (at Constant Price 2011-12)



Source: MOSPI; **Note:** Data for Financial year

220
million tonnes

FY2019
Iron Ore production
in India

730
million tonnes

FY2019
Coal production
in India

Industry Source: CARE Ratings, NITI Aayog, Ministry of Coal, World Steel Association, Indian Bureau of Mines

BUSINESS OVERVIEW

Technical Ammonium Nitrate (TAN)

Industry Overview

Technical Ammonium Nitrate (TAN) is the key ingredient for mining, explosives and pharmaceuticals industries and is commonly used as a raw material for the manufacture of all types of industrial explosives. The base product of the majority of the industrial explosives is TAN and the properties of the explosives is dependent on the type of TAN being used. India has the fifth largest coal reserves in the world and is the fourth largest coal producer. The country has produced 730 million tonnes of coal in FY2019. Coal India led the growth with a record production of 607 million tonnes during the year. The nation ranks fourth globally in terms of iron ore production and is the third largest in steel production. In FY2019, the production of iron ore reached 220 million tonnes from 201 million tonnes in FY2018 and for the second successive year crossed 200 million tonnes after FY2011. With imports also registering a growth, there is an immense opportunity for the domestic iron ore producers such as NMDC and SAIL to take production to the next level. The production of crude steel also increased by 4.9% YoY to 107 million tonnes in CY2019. However, this represents only 77% of the capacity utilisation and shows possibilities of higher production and expansion within the country. Limestone, which is the basic raw material for cement, also reported a growth of 13% YoY to over 330 million tonnes.

Additionally, with the change of National Mineral Policy, Mines and Minerals Development Act (MMDA) and Coal Policies, there is significant scope for new mining capacities and commercial production in coal, iron ore and bauxite.

The infrastructure sector is a key driver for the Indian economy,

Paving the way for the limestone industry enjoying intense focus from the Government as is evident in successive Union Budgets for initiating policies and ensuring time-bound creation of world-class infrastructure. With the near-term infrastructure demand for high-quality roads and highways to satisfy increasing domestic and foreign trade, the Government is targeting to double the length of the national highways to 2 lakh km by 2022-23 from the existing 1.22 lakh km. The Government has spent more than ₹ 80,000 Crore on building and upgrading rural roads across the country during the last five years under the Pradhan Mantri Gram Sadak Yojana and through Sagarmala and Bharatmala.

TAN demand in India has been growing at a CAGR of 6-7% in the last seven years. Low-density ammonium nitrate (LDAN) has been steadily growing. Over the next five years, TAN demand is slated to grow at a CAGR of 6-7%, primarily driven by demand from the mining industry.

The cost-effective nature of TAN makes it a preferred choice for mines and quarry operators. With the positive outlook for the mining and infrastructure sector coupled with increasing demand of coal and the opening of the coal segment to private operators, the Company is benefiting from the increase in TAN demand and this trend is expected to continue in the near future.

Operational Overview

DFPCL is one of the leading manufacturers of TAN in the world producing high-density ammonium nitrate (HDAN), LDAN and ammonium nitrate melt (AN Melt). The Company is the only producer of explosive grade ammonium nitrate solids in India and also manufactures medical grade ammonium nitrate which is widely used in the production of medical grade nitrous oxide for use as an anaesthetic and analgesic. It enjoys a steady market share in the TAN Solids segment with full capacity utilisation and is expected to gain market share in next five years post capacity expansion in the eastern coast of India. The Company is expected to become the third largest TAN manufacturer in the world in next five years with sustainable profitable growth and leading market share.

The production facilities of the Company are located at Taloja in Maharashtra and Srikakulam in Andhra Pradesh. The Company

Excellence in Technologies

2
Lakh km

Proposed length of national highway by 2022-23

6-7
%

TAN demand growth over the next five years

Our Product Range

Products	Channel to Market	Application	End Use/Industry
HDAN	• Explosives manufacturer	• Manufacturing industrial explosives	• Mining • Infrastructure
	• Manufacturer of Nitrous Oxide (N_2O)	• Manufacturing anaesthesia • Protective Layering	• Pharmaceuticals • Electronic
LDAN	• Direct to customer • Explosives manufacturer • License holders	• Manufacturing ANFO for use in blasting	• Mining • Explosive • Infrastructure
AN Melt	• Explosives manufacturer	• Manufacturing industrial explosives	• Mining • Infrastructure

Breaking new ground in the coal industry

Taking world-class products across the globe

100 %

TAN capacity utilisation

27 %

TAN segment revenue growth in FY2019

offers its products under the brand names of Optiform / Vertex Norma (HDAN), Optimex / Vertex Super (LDAN) and Optispan / Vertex Supreme (Medical Grade AN).

Year in Brief

During the year, TAN business recorded strong year on year revenue growth of 27% driven by increasing demand from the mining and infrastructure industries and higher exports. Both TAN manufacturing plants are operating at full capacity and produced a total of 506 KT. Best in class products and holistic solutions enabled the Company to retain highest market share. HDAN and LDAN sales grew at a higher pace than the last five years, and higher than the overall TAN market growth of 5%. AN Melt grew in line with domestic industry growth. Export sales over the last five years has exceeded a CAGR of 28%. During the year, TAN exports reached its peak. The Company has entered into long-term agreements with key customers which underscores the overall industry recognition, unique value proposition and efficient distribution system.

The Company is equipped with advanced technology to produce both LDAN and HDAN, with a primary focus on the end user industry. With a strategy of operating in international markets closer to India, the Company benefits from higher operating margins with logistical cost advantages. East Africa and Middle East now contribute to about 60% of the export volumes. Within India, the Company has longstanding customer relationships across explosive manufacturers, mining companies and the pharmaceutical sector. In addition to this, the Company can cater not just to large scale customers but also to those at the small and medium scale and off the spectrum.

Furthermore, in order to address the current mismatch between the demand and supply in the domestic market, the Company is in the process of adding a new manufacturing facility of 376 KTPA in the eastern coast of India.

Looking forward, the Company has a three pronged strategy for the TAN business. Firstly, strengthening the core which means maintaining market share, increasing the product range, deepening the customer network and aligning capacity to market requirements. Secondly, forward integration where the Company will increasingly connect with end customers directly and introduce new value-added products. Thirdly, services setup, which includes the recently introduced on-the-ground services for the delivery of explosives at mine sites.

Platinum Blasting Services Pty. Ltd. (PBS), a subsidiary of Smartchem Technologies Limited in Australia, was established in FY2015. During the year, PBS has secured one major and few small blasting service contracts to provide value added services to mining operators in Australia. PBS continues its growth trajectory with revenue from operations growing by 155% YoY to AUD 37 million (₹ 185 Crore). The growth was supported by strong long-term contracts with key customers.

Outlook and Opportunities

The domestic demand for TAN is projected to grow at 5% per annum till 2031. The large number of planned infrastructure projects coupled with the current positive mining industry outlook provides an attractive backdrop for the Company's TAN products.

Industrial Chemicals (IC)

Industry Overview

According to the Federation of Indian Chambers of Commerce and Industry, the Indian chemical industry is the sixth largest market in the world and is expected to grow at 9% per annum to reach US$ 304 billion by FY2025. The chemical industry is the backbone of overall economic progress and is the key catalyst for industrial and agricultural development. With about 7% contribution to Indian GDP, the chemical industry plays a critical role in several downstream industries including pharmaceuticals, textiles, papers, ink, paints, soaps, detergents and defence.

The Government has established four petroleum, chemicals and petrochemicals investment regions (PCPIR) in Andhra Pradesh, Gujarat, Odisha and Tamil Nadu to support and develop downstream industries. PCPIR has attracted investment of ₹ 1.83 lakh crore to date and upon completion it will have an estimated investment of ₹ 8 lakh crore and is expected to generate employment for 4 million people.

Indian pharmaceutical market has grown at a CAGR of 10% during the last three years. It is one of the fastest growing markets globally. Exports were at US$ 17.27 billion, while domestic turnover reached US$ 18.12 billion in 2018. With the Company's strong linkages with the pharmaceutical sector, demand for major industrial chemical products of the Company remains positive.

Operational Overview

DFPCL is the leading manufacturer of industrial chemicals in India. It is one of the major manufacturers of Nitric Acid, Iso Propyl Alcohol (IPA), Food Grade Liquid Carbon Dioxide and Methanol. The manufacturing facilities of the Company are located at Taloja, Maharashtra and Dahej, Gujarat. At present, DFPCL is the only producer of the merchant IPA in India, with about 75% market share. Moreover, the Company is also the largest manufacturer

9 %

Indian chemical sector growth by FY2025

75 %

Only producer of merchant IPA in India with ~ 75% market share

Industry Source: FCCI, CARE Ratings, IBEF, Ministry of Chemicals and Fertilizers

State-of-the-art Nitric Acid plant, Dahej

IPA drumming plant, Taloja

170
KT

Total demand for IPA in India in FY2019

54
%

Nitric Acid market share expected by FY2020

of nitric acid in India with a 45% market share. DFPCL also imports and supplies very few selected solvents to maintain its leadership position domestically. The Company has a strong distribution network of 50 channel partners and direct relationships with 600 industrial customers in India and globally.

Iso Propyl Alcohol (IPA)

IPA demand in India is majorly driven by the pharmaceutical sector. The total demand for IPA in India was around 170 KT in FY2019. Apart from pharmaceuticals, which accounts for 80% of total IPA demand, it also finds applications in inks and coatings, speciality chemicals and IPA derivatives. The Company is a preferred IPA supplier in the country and is associated with the leading pharmaceutical companies in India.

In India, about 58% of IPA requirement is being met through imports primarily to fulfil the high demand from the growing pharmaceuticals sector.

Outlook

IPA demand is expected to grow to 180 KTPA by FY2020. During the year, IPA was available in surplus in the market due to global demand and supply situation which has created undue pressure on IPA pricing. In addition, there has been increasing supply of IPA from Chinese producers into the South East Asian and Indian markets. IPA is expected to continue to face challenges in the near term. The Company is also targeting on IPA drumming for better margins.

Nitric Acid

Nitric Acid finds its applications in nitro aromatics, pharmaceuticals, dyes, steel rolling industry, defence and explosive industries. The Company has three integrated manufacturing plants located at Taloja (Maharashtra), Dahej (Gujarat) and Srikakulam (Andhra Pradesh) with a combined manufacturing capacity of 885 KTPA of diluted nitric acid (DNA) and 231 KTPA of concentrated nitric acid (CNA). Technical ammonium nitrate (TAN) and ammonium nitro phosphate (ANP) consume a significant portion of nitric acid as part of the manufacturing process captively and surplus nitric acid is sold to domestic companies.

Capacity Expansion

DFPCL has successfully commenced the commercial production of nitric acid at Dahej, Gujarat in April 2019. The new facility has a total production capacity of 92 KTPA for CNA and 148 KTPA for DNA. The Company has already entered into agreements for 70% of the capacity and the project is expected to operate at full capacity in the near term. With these capacities, the Company's market share is expected to increase to 54% during FY2020.

Outlook

The demand for CNA in the medium to long term is expected to increase significantly supported by the expanded capacities of major manufacturers in the aromatics segment in the Gujarat region. DFPCL would be able to provide improved service levels and deliveries in the region with increased proximity to major end-use industries with newly added capacities. Towards its commitment to provide unique and value-added offerings, the Company is also developing new grades of nitric acid, i.e. electronic grade and steel grade.

Liquid Carbon Dioxide (CO_2)

DFPCL is one of the leading suppliers of Liquid Carbon Dioxide (LCO_2) with an installed capacity of 66 KTPA. The Company manufactures food grade CO_2 which is used as a key ingredient for dry ice and beverages. In addition, it is also used in engineering industries as a shield gas for welding.

Outlook

The outlook of LCO_2 continues to be positive on account of increasing demand in the end-market industries.

Methanol

Methanol is primarily used to produce formaldehyde, tert-amyl methyl ether (TAME) and methyl derivatives. It is also used as a solvent in the pharmaceutical and paint industries. DFPCL is one of the largest producers of methanol in India with an installed capacity of 100 KTPA at Taloja, Maharashtra. During the year, opportunistic production of methanol is undertaken as per availability of gas and pricing outlook in the market.

Outlook

Going forward, methanol market in India is projected to grow at a CAGR of 7% upto 2025. The Company will continue to strategically produce methanol in line with the market demand.

Trading Business

The Company commenced its trading business in 2012 by importing various solvents. However, with a strategic focus on the core business, DFPCL has significantly reduced its trading portfolio in the second half of the year. Recent decline in prices of pharma solvents, primarily arising out of USA's policies on Iran, has also led to downward valuation of trading inventory. In order to maintain its market share and fulfil demand supply gaps, the Company is currently trading in selected products such as IPA and ammonia. Going forward, the Company has plans to trade only in solvents and commodities which DFPCL manufactures.

Year in Brief

The Industrial Chemicals division revenue during the year declined by 4.3% to ₹ 2,975 Crore. IPA sales volume during the year declined by 17.3% year on year to 61 KT. Nitric Acid sales volume declined by 8.7% to 199 KT. During the year, the Company has opted for Advanced Economic Operation (AEO) license.

92 KTPA

Dahej plant CNA capacity

148 KTPA

Dahej plant DNA capacity

Nitric Acid plant, Dahej

55
million tonnes

India consumes fertilisers annually

Industry Source: Ind-Ra ratings, FCCI, Fertiliser Association of India

Crop Nutrition Business (CNB)

Industry Review

The agriculture sector is one of the most critical sectors of the Indian economy with more than 50% of the country's workforce dependent on it. India is the world's largest producer of spices and pulses and the second largest producer of rice, wheat, vegetables and fruits. Agriculture sector has over 20% contribution to India's GDP and with increasing food demand, there is a pressing need to boost crop productivity per unit to address the demand-supply gap. Crop nutrition solutions play a vital role in enhancing crop productivity through maintaining soil fertility, improving crop yields and quality of crop output. India is the second largest consumer of fertilisers in the world after China. Bulk fertilisers are commonly used in India in forms including Urea, Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), Single Super Phosphate (SSP) and NPK complexes (Nitrogen, Phosphorous and Potash) in various proportions.

According to Ind-Ra ratings agency, India consumes 55 million tonnes of fertilisers annually, of which 72% is domestically produced while the rest is imported. Urea, DAP and MOP are major import fertilisers.

Majority of Indian farmland is experiencing stagnating or declining crop yields as a result of constant deterioration in soil quality, inadequate and imbalanced nutrients. To improve farm productivity, the fertiliser industry needs to focus more on value-added fertilisers with an aim of being more competitive, profitable and sustainably support the agriculture sector.

The Indian water-soluble fertilisers (WSF) market is developing with increasing adoption of drip irrigation and increasing horticulture crop production in India. This is

NPK bagging plant, Taloja

increasing the demand of WSF and micronutrients in horticulture crops. WSF is better suited for modern irrigation, which is focused on controlled amounts of water to plants at required intervals, hence enabling targeted application of nutrient and enhancing nutrient use efficiency. Adoption of WSF and micronutrient is enhancing yield and quality of the produce thereby resulting in higher profitability of the farmers. The monetary advantage is particularly high in export oriented farming.

Policy Update

The Government's major initiative, Direct Benefit Transfer (DBT) has been in a stabilisation phase. This is helpful in curbing the non-agriculture use of subsidised fertilisers.

During last year, rising raw material prices have adversely impacted the fertilisers industry leading to higher working capital requirements and increasing pressure on product margins. The industry is also facing issues such as high GST on inputs and low GST on finished products resulting in the accumulation of input tax credit and lower capacity utilisation levels. The Government's intent on developing agriculture and passing the subsidy through DBT route along with lowering of GST rates may help industry in reducing working capital requirement as well as benefiting the farming community.

Moreover, the Government is also focusing on balanced fertilisers output through the issuance of Soil Health Cards under the National Mission on Sustainable Agriculture scheme, which is aimed at ensuring the efficient use of fertilisers to save input farming cost.

Operational Overview

DFPCL is one of the leading manufacturers of NP/NPK and specialty fertilisers in India. The Company has 900 KTPA of NP/NPK and 25 KTPA of Bentonite Sulphur (Bensulf) production capacity at its Taloja, Maharashtra plant. In addition, the Company also has another Bensulf plant at Panipat, Haryana with a capacity of 32 KTPA. The Company offers a basket of 48 products including bulk fertilisers, specialty fertilisers, WSF, micronutrients and secondary nutrients.

In line with the strategy to move from commodity to speciality, value-added and innovative products, the Company has also introduced differentiated NPK fertilisers under the brand 'Smartek'. It is a unique product established by proprietary manufacturing process of the

900
KTPA

NP/NPK Production capacity

57
KTPA

Bentonite Sulphur production capacity

Demo site farmer meeting

Truck loading fertiliser bags

Strong presence in Maharashtra, Karnataka and Gujarat regions

Company. It enhances nutrient bio availability, enhances nutrient efficiency and crop performance through profuse root growth, increases plant height, number of branches, number of fruits and yield. This results in 10-15% increase in yield and thus more income to the farmer.

The Company is promoting sulphur, an essential nutrient for crop productivity, through Bensulf, which is comprised of 90% sulphur. It has one of the largest manufacturing capacities of Bensulf in India and is a market leader in this product. The Company has recently introduced in-house developed differentiated Bensulf product called 'Bensulf Fast'.

Under the brand name 'Mahadhan', the Company has a strong presence in Maharashtra, Karnataka and Gujarat regions which collectively are known as the horticultural belt of India. DFPCL has also expanded its geographical reach to south and north states of India (Andhra Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Telangana and Uttar Pradesh). It is a market leader in NP and NPK market in Maharashtra with a market share of about 18%. The Company is also a market leader in the speciality fertiliser segment. It has a strong marketing, sales and distribution network spread across 12 states with 190 sales & marketing personnel, 3,800 dealers and 24,500 retailers.

As a trusted and well recognised name in the Indian fertilisers industry, DFPCL has recorded strong demand for its products. The Company has recorded highest ever sales of Bensulf with 15.1% year on year growth. In the first year of launch, the Company has sold 123 KT of Smartek NPK.

Despite several headwinds during the year such as higher inventory, raw material shortage and corresponding price increases and lower demand for products due to drought, the Company has continued its journey as a leading fertilisers company. As a part of the Company's strategic initiative to run business operations efficiently and mitigate raw material supply risk, it has entered into understanding with multiple suppliers of phosphoric acid. Moreover, with an objective of backword integration and procurement of raw materials, the Company is also investing in ammonia manufacturing plant via a step-down subsidiary. The proposed 500 KTPA ammonia plant would add to the security of raw material as well as provide cost an effective solution.

The Company's one-of-its-kind fully automated bagging facility located at Taloja, Maharashtra is operating as per the expectations and its performance has significantly improved during the year. With additional bagging machines, the facility is equipped for handling additional fertilisers volume.

With a vision to offer holistic solutions to consumers, the Company has also introduced crop specific and stage specific WSF grades. It has also made significant progress in the development and registration of the crop nutrient solution grade NPK fertiliser with micronutrient which is expected to be launched soon.

During the year, the Company conducted around 12,000 demos for its differentiated products on the fields to show case specific benefits to the farmers. The Company has also developed a network of 23,350 Saarathi farmers and

5,000 focused retailers. These Saarathi farmers work as brand ambassadors for the 'Mahadhan' brand. To enhance sales and marketing efforts, the Company has introduced Salesforce One (sales force automation tool) to help sales and marketing personnel plan, track and review their daily activities.

In order to increase farmer connect, the Company has invested in digital media campaigns on Facebook, WhatsApp and YouTube. For increasing farmer outreach and providing unique services, the Company has also revamped its android based smart phone application 'Mahadhan'. The app focuses on modern agriculture and has a user-friendly interface. It provides information and guidance on crop calendar, soil testing and nutrient deficiency. The application also has a knowledge centre for educating farmers.

As a recognition to the continuous innovation and R&D in Indian farming, Smartchem Technologies Limited (a wholly owned subsidiary of DFPCL) has received the prestigious Golden Peacock Award for innovation in Indian farming. 'Smartek Technology', a new revolutionary fertiliser technology helps in improving crop growth and productivity. Golden Peacock Awards, established for over 25 years, recognises Corporate Leadership and Institutional Excellence, and, over the time, has become a hallmark of excellence, both locally and globally.

Trading Business

DFPCL is also engaged in importing and trading in bulk and speciality fertiliser. Trading in bulk fertiliser is opportunistic, subject to market condition and commercial viability. The Company commenced its NPK fertiliser trading for seeding market prior to its NPK plant commissioning. It has trading arrangement with local supplier for product like SSP, Potassium Derived from Molasses (PDM) etc. During the last year, 1.12 lakh MT sales of NPK and DAP fertiliser were traded. Trading in speciality fertiliser is strategic with focus on introducing quality new products to the Indian market. Speciality fertilisers can be categorised into WSF products, micronutrient and nutrient blends.

Outlook

With a vision to shift from commodity to speciality products, the Company has shifted about 90% of its sales plan to unique and differentiated products including NP 24.24.00, Smartek and Bentonite Sulphur Fast. The Company is transforming its approach to market for creating crop-based demand for its differentiated product portfolio. With an aim to further enhancing sales and marketing efforts, the Company is increasing farmer connect through marketing activities and digital interventions coupled with adding stronger commercial and loyalty focus on retailer for differentiated products. Strong focus, increasing demand for value added products and recent launches are expected to drive the CNB business vertical growth going forward.

23,350

Saarathi farmer network

5,000

Focused retailers

Demo site farmer meeting

Nitric Acid plant, Taloja

Raw Material

The major raw materials for the Company's manufacturing units are natural gas, ammonia, propylene, phosphoric acid, MOP, sulphur and sulphuric acid.

Natural Gas

The Company is presently sourcing RLNG to run its operations as restoration of domestic gas is pending.

Ammonia

As compared to the previous year, global ammonia prices were higher during the year. The Company has purchased a significant volume of ammonia from the international market. To strategically support the downstream sectors in operations, a world class ammonia facility of 1,500 tonnes per day is being planned as a backward integration at Taloja, Maharashtra.

Phosphoric acid

Phosphoric acid is a key raw material for manufacturing fertilisers. The prices of the phosphoric acid have increased in the current financial year and the major contributing factors for this include supply side pressure due to curtailed production from a key supplier. As a part of the Company's strategic initiatives, it has entered into understanding with multiple suppliers of phosphoric acid and conducted trials with acids from few such suppliers (including trial with bended MAP). The new NPK plant at Taloja, Maharashtra is designed to use multiple grades of phosphoric acid which has reduced the Company's dependency on a single source and grades of raw materials and finished goods.

Propylene

During the year, propylene prices have remained volatile. The Company has long-term tie-up with a local refinery and had procured it from other sources also.

Muriate of Potash (MOP)

Amidst lower domestic supply and increasing demand, prices of MOP increased substantially during the year. However, to mitigate risk, the Company had stocked up the raw material at lower rates anticipating price increase. During the year, the Company procured MOP for its NPK plant through multiple suppliers and entered into an agreement with multiple vendors to secure supplies of MOP for the near term.

Value Added Real Estate (VARE)

Operational Overview

The Value Added Real Estate (VARE) business of the Company primarily comprises of its lifestyle retail centre, Creaticity (formerly Ishanya) in Pune. During the year, DFPCL continued its journey of revamping its VARE business with dedicated and targeted focus on three sensory and experience-led categories, namely, Home & Interior (H&I), Food & Beverages (F&B) and Entertainment. These include differentiated and value-added offerings in all the three categories through specific initiatives.

The campus, unlike a conventional mall, lays emphasis on creative expression. This is exhibited through thoughtfully curated mix of retail outlets of national and international brands in H&I, several casual dining and fine dining F&B outlets and specific entertainment spaces for all age groups. In addition, the campus also offers interactive curated trails for customers, knowledge workshops, events and expos. Creaticity is comprised of sub-cities aptly classified around the core categories such as Homecity, Foodcity and Playcity. In addition, the campus also has Educity and Eventcity, which are aimed at building strong communities of like-minded people and inspire the joy of creation in every single customer who is served.

Year in brief

Creaticity continues to add range and depth to H&I category. Under this category, several new retailers and brands have been added during the year including Studio Pepperfry, Stories and Mint Homez which increased the range of offerings to customers. Other established brands at the campus includes Ashley Furniture, homestore, Natuzzi Editions, @home, Tangent Furniture, Royal Oak and Rawat Furniture. More signups are on the anvil to further bring depth to the category.

Creaticity, Pune

The Foyer, Creaticity, Pune

Ashley at Creaticity, Pune

45
%

Increase in footfall

80
%

Overall carpet area occupancy

The campus continues to develop its F&B offerings and now has nearly a dozen restaurants and outlets with various cuisines and experiences. Last year, the campus has experienced the opening of some differentiated concepts such as Nine Square Veg Bistro and Skybeam, a terrace restaurant. This category brings in the energetic buzz and excitement which compares highly to some of the most happening destinations in the city and beyond. While the F&B category contributes to increased visibility and visit frequency, the play zones support and strengthen these objectives. Creaticity opened its doors to arguably Pune's largest indoor trampoline park, Skyjumper spread over 14,000 sq ft and launched SLATE, a small yet caring children's enrichment centre. Moreover, the campus also provides physical group gaming options at Tigerplay. With an aim of improving customer experience, the Playcity is growing steadily and introducing new gaming options for all age groups.

As part of space occupancy strategy, higher level floors were opened to new categories such as co-working companies. During the year, the campus embraced 91springboard with a capacity of 1,100 seats and spread over nearly 50,000 sq ft.

With the aim of providing holistic solutions to customers and improving the overall customer experience, Creaticity has undertaken several IT initiatives. It has introduced a unique mobile application, interactive touchscreen kiosks and mobile based engagement during the year. Customer-centric objectives of smart and informed decision making, better navigability, superior comfort and convenience, leading to an enhanced customer experience have been at the core of the various engagement initiatives, both digital and physical.

DFPCL firmly believes that the sustainable growth for the VARE business can be achieved through diligent combination of four pillars:

1. Range and depth across the categories
2. End to end shopability ranging from product to services, comfort and convenience
3. Knowledge sharing and collaboration through workshops, events and expos
4. Personalised customer engagement through various measures

During the year, Creaticity campus has experienced significant increase in footfalls, which was up by 45%, occupancy levels rose by over 40% and overall carpet area occupancy increased to 80%. The core categories occupy around 75% of the spaces and adjacencies and workspaces cover the rest. Occupancy revenues rose by about 30% year on year. With steady progress and consistent movement in occupancy yields, the division is on the verge of attaining operational breakeven during the coming year.

Outlook

There is an increased buoyancy anticipated in the coming year, especially for home buyers. This is likely to enhance home making and interior solutions from the campus. Also, Pune has been witnessing a progressive increase in dining out for various occasions. With an active catchment available for F&B and entertainment, this category is poised to contribute in creating buzz and energy for the brand. Overall, Creaticity is on the path to increase total occupancy, generating more customer visits resulting in improved business performance.

FINANCIAL OVERVIEW (CONSOLIDATED)

Despite several headwinds in the operations, DFPCL has continued its transformative journey from commodity to brands, and products to solutions during the year. Total Income from Operations of the Company stood at ₹ 6,742 crore, as compared to ₹ 6,062 crore in FY2018, representing a growth of 11.2%.

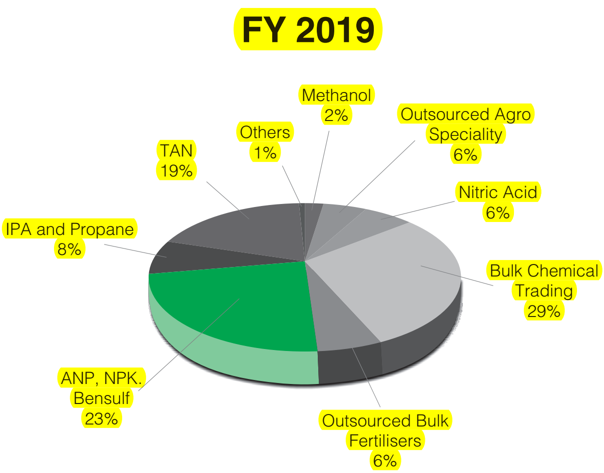
Chemical business (including Industrial Chemicals and TAN) delivered Total Income of ₹ 4,440 crore, up 4.9% from ₹ 4,230 crore in FY2018. This business reported an improved performance driven by TAN segment. Under the Industrial Chemicals, DFPCL had consciously reduced the trading sales. The Industrial Chemicals trading revenue declined by 6.8% to ₹ 1,886 crore in FY2019. Total Income from Crop Nutrition business increased by 25.8% to ₹ 2,273 crore in FY2019 from ₹ 1,807 crore in FY2018. The Company has maintained leadership market share position with 18% in the core market of Maharashtra for NP/NPKs.

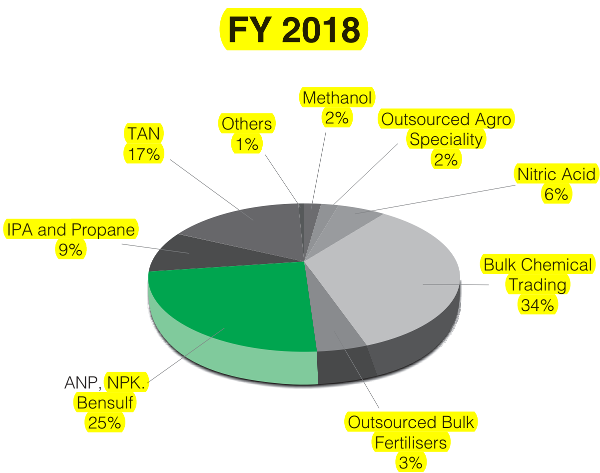
Total operating EBIDTA for the year was ₹ 459 crore compared with ₹ 545 crore last year. Net Profit after Tax during the year stood at ₹ 73 crore as compared to ₹ 164 crore in FY2018. Earnings per Share was ₹ 8.01 per share in FY2019, as compared with ₹ 18.44 per share in FY2018. Total Shareholders' Fund increased to ₹ 2,142 crore, as on March 31, 2019, compared with ₹ 2,087 crore as on March 31, 2018.

11.2 %

FY2019 Growth in Total Income from Operations

Revenue mix for key products





Production & Sales (MT)

Products	Production		Sales	
	FY2019	FY2018	FY2019	FY2018
Ammonia	63,683	1,12,027	-	-
Methanol	51,531	44,418	52,215	46,652
Liquid Carbon Dioxide	28,392	53,708	28,144	53,756
Iso Propyl Alcohol	62,793	72,331	61,274	74,100
Propane	9,997	11,729	10,083	11,670
Dilute Nitric Acid	6,90,505	6,40,494	52,114	64,848
Concentrated Nitric Acid	1,34,019	1,35,043	1,23,555	1,21,947
Special Nitric Acid (SNA)	23,598	31,086	23,532	31,325
Technical Ammonium Nitrate	5,05,947	4,10,355	5,06,190	4,20,721
Bulk Fertilizers Traded	-	-	2,35,700	1,21,909
Nitro Phosphate Fertiliser	1,98,684	1,98,006	1,98,145	1,95,153
NPK Fertiliser	3,04,909	3,66,797	2,85,725	3,45,817
Bentonite Sulphur	26,910	24,678	23,898	20,762
Bulk Fertilizers Traded	-	-	2,35,700	1,21,909
Water Soluble Fertiliser (Mfg)	3,512	1,195	847	422
Water Soluble Fertiliser (traded)	-	-	22,075	20,060
Wind Power ('000 KWH)	16,092	15,959	15,880	14,205

Note: Captive consumption for Ammonia (100%) and DNA (~90%)

Consolidated Key Financial Ratios

	FY 2018-19	FY 2017-18
Debtors Turnover (x)	4.01	3.70
Inventory Turnover (x)	8.45	9.52
Interest Coverage Ratio (x)	2.24	3.29
Current Ratio (x)	0.95	0.85
Total Debt Equity Ratio (x)	1.45	1.73
Operating Margin (%)	4.27	6.30
Net Margin (%)	1.09	2.71
Return on Net Worth (%)	3.55	8.08

- Interest Coverage ratio is lower by 32% due to decrease in profit before interest, depreciation and tax by ₹ 56 crore and increase in finance costs by ₹ 56 crore
- Operating profit margin is lower by 32% due to decrease in operating profit by ₹ 94 crore and increase in operating revenue by ₹ 681 crore
- Net profit margin is lower by 60% due to decrease in net profit by ₹ 91 crore and increase in operating revenue by ₹ 681 crore
- Return on net worth is lower by 56% due to decrease in net profit by ₹ 91 crore and increase in average net worth by ₹ 41 crore

STRENGTHS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Strengths

- Strong knowledge base and extensive experience of more than 40 years in manufacturing and financial prudence
- Strong brand image and trust among its end users in all business segments
- Very strong dealer network and loyal customer base across all its market segments
- Economic resilience through multi product portfolio servicing consumers across diversified sectors
- Assimilated best technologies with economies of scale and invested in best in class system and processes
- Locational advantage of proximity to customers
- Only manufacturer of IPA and TAN Solids in India and the second largest Nitric Acid producer in South East Asia
- Well established sourcing channels, port and gas pipeline infrastructure for importing raw materials
- Strong management team with in-depth experience

Opportunities

- Growth in the Indian economy presents significant opportunity to DFPCL given it caters to the critical sectors of the economy
- Transition from commodity to value added and differentiated products and services
- Government's focus on improving agricultural productivity through multiple initiatives including removal of soil nutrient imbalance and encouraging NPK sector
- Scaling up exports in TAN
- Strengthening of market position through announced capex plan
- Backward integration to produce Ammonia in-house
- Tapping digital revolution to connect with end consumers through social media and mobile applications
- Growing area under micro irrigation and demand for nutrient based fertilisers

Threats

- Regulatory oversight in fertilisers and TAN business
- Volatility of Ammonia, Natural Gas and USD/INR exchange rate impacting raw material pricing
- Potential threat of new entrants which could adversely impact leading market position in several products
- Getting timely environmental clearance for new capex plan for achieving commercialisation schedules

Risks and Concerns

- Dependence on imported raw materials like Ammonia, Phosphoric Acid and Natural Gas
- Working capital intensive business with dependence on government subsidy
- Concentrated manufacturing facilities at Taloja
- Lag effect of passing the increase in raw material price to end customers

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the Annual Accounts for the year ended March 31, 2019, the Company has followed the applicable accounting standards without any alternative treatment.

HUMAN RESOURCES

During the last year, DFPCL has seen an ever-increasing focus on customer centricity and agility. To this end, the Company has put in place several interventions to ensure enhanced ownership, focus on execution and innovation among its employees in its efforts towards building a future ready organisation.

Human Resources (HR) function of the Company is guided by its strategic plan aligned with the business needs while creating a culture where employees can thrive and are enabled to deliver sustainable business performance. The Company also maintains harmonious relationships with unions through a proactive industrial relations approach.

The four key strategic priorities that drive the HR function in the Company are:

1) Enhance core HR processes and systems to attract, engage and retain talent
2) Strengthen employee engagement and culture building
3) Develop capabilities of leaders and managers to drive business performance
4) Align HR initiatives to business needs

Major initiatives undertaken during the year were:

1) Conducted Employee Engagement Survey where results demonstrated higher levels of employee engagement. Several interventions were identified and rolled out across the organisation to further strengthen it
2) As part of building a TPM culture, the Company has also introduced Kaizen

and related initiatives at operations level to encourage continuous improvement and operational excellence

3) Several key HR processes were automated to bring in higher process efficiency
4) Continued focus on developing the capabilities for ensuring business continuity and sustaining the growth of the organisation
5) Based on diagnostic studies, the Company has identified ways of working – Collaboration, End Results Orientation, Accountability and Creative Problem Solving – that it strives to live by on a day-to-day basis. This year, the Company extensively worked on generating awareness and communicating these expectations from employees. Steps were taken to integrate these ways of working in key HR processes
6) Key HR policies and practices were revisited with an objective to meet the changing needs of the Company and the employees. There were efforts to align people practices and policies to industry best practices
7) Introduced a variable pay plan - linked to the individual as well the Company's financial performance – in order to align the entire organisation towards delivering end results

As a testimony to the Company's continuous efforts towards adopting best in class HR practices, it has won two prestigious awards during the year – 'The National Best Employer Brand Award' in the manufacturing category, and also 'The Pune Best Employer Brand' award by the World HRD Congress.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The scope of internal controls and audit checks is well defined within the organisation and there is an emphasis to ensure the key management personnel adhere to the best practices. DFPCL has elaborate internal control systems in place that are adequate and in line with the nature of the business, size and scale of the operations and the industry in which it functions. The internal audit department evaluates the compliance of internal controls with the operating systems, accounting procedures and policies across the Company on an ongoing basis. Corrective measures are implemented in respective business functions as per the report generated post the audit to strengthen the overall framework. The objective of the internal control framework is to align the strategic goals with operations.

The Internal Audit department has on boarded a global big four firm to carry out the internal audit across business verticals, production units and projects. The internal audit department performs its duties as per the plan outlined by the audit committee. There is a regular review of identified risks to ensure that the internal control processes are robust and new risks are identified early and appropriate counter actions are taken. The Company has implemented SAP ERP system to improve operational efficiencies and business decision making capabilities across financial reporting, organisational structure and various business processes which are reviewed and validated by external experts.

The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) of the Companies Act, 2013 to authenticate implementation of company policies across businesses, protect intellectual property, prevent and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Audit Committee has concluded that, as of March 31, 2019, DFPCL's internal financial controls were adequate and operating effectively.

CAUTIONARY STATEMENT

The document contains statements about expected future events, financial and operating results of Deepak Fertilisers And Petrochemicals Corporation Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Deepak Fertilisers And Petrochemicals Corporation Limited's Annual Report, FY2019.

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.

Kotak Committee on Corporate Governance

The SEBI Committee on Corporate Governance was formed on 2nd June, 2017 under the Chairmanship of Mr. Uday Kotak with the aim of improving standard of corporate governance of listed entities in India. Based on the report of Kotak Committee on Corporate Governance, SEBI on 9th May, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, some of which were applicable from 1st October, 2018 and many from 1st April, 2019. Your Company is in compliance with the amended applicable provisions.

■ BOARD OF DIRECTORS

Composition and Category of Directors as on 31st March, 2019

Sr. No.	Category	Name of Director	
1	Promoter and Executive Director	Shri S. C. Mehta, Chairman & Managing Director	
2	Promoter and Non- Executive Director	Smt. Parul S. Mehta	
3	Non-Executive & Non Independent Director	Shri M. P. Shinde	
4	Independent Directors	Shri Berjis Desai Shri Anil Singhvi[4] Shri Pranay Vakil Shri Ashok Purwaha	Shri Mahesh Chhabria Shri Partha Bhattacharyya[1] Shri Alok Perti[2] Dr. Amit Biswas[3]

1. The Board at its meeting held on 14th February, 2019 appointed Shri Partha Bhattacharyya, who was non-executive director as Independent Director w.e.f. 1st April, 2019.

2&3. The Board at its meeting held on 22nd April, 2019 appointed Shri Alok Perti and Dr. Amit Biswas as Independent Directors w.e.f. 22nd April, 2019.

4. Shri Anil Singhvi resigned as a Director of the Company w.e.f. 19th April, 2019.

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2018-19 and the Annual General Meeting (AGM) held on 18th September, 2018 are as follows:

Seven Board Meetings were held during the Financial Year 2018-19. These meetings were held on 30th May, 2018, 9th August, 2018, 18th September, 2018, 13th November, 2018, 13th December, 2018, 14th February, 2019 and 28th March, 2019. The gap between any two meetings has been less than one hundred and twenty days.

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

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships in listed companies including this Company	No. of Directorships of other companies including Private Companies $	No. of Membership of other Board Committees#	No. of Chairmanship of other Board Committees#
1.	Shri S. C. Mehta	7	Yes	1	10	1	-
2.	Shri Partha Bhattacharyya	7	Yes	4	5	1	1
3.	Shri U. P. Jhaveri*	3	Yes	1	4	1	-
4.	Shri S. R. Wadhwa*	3	Yes	1	3	2	2
5.	Smt. Parul S. Mehta	6	Yes	1	7	1	-
6.	Shri Anil Sachdev*	3	Yes	1	1	1	1
7.	Shri Pranay Vakil	7	Yes	3	1	2	1
8.	Shri R. A. Shah**	3	Yes	7	3	8	4
9.	Shri M. P. Shinde	7	Yes	1	1	-	-
10.	Shri Ashok Purwaha	7	Yes	1	1	-	-
11.	Shri Mahesh Chhabria	6	Yes	5	4	2	-
12.	Shri Berjis Desai	6	Yes	6	8	8	4
13.	Shri Anil Singhvi	4	No	3	4	4	2

$ Excludes directorships of foreign companies and dormant companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

* Term of office of Shri U. P. Jhaveri, Shri S. R. Wadhwa and Shri Anil Sachdev, expired on 18th September, 2018 the date of the 38th Annual General Meeting.

** Shri R. A. Shah did not seek re-appointment at the 38th Annual General Meeting held on 18th September, 2018.

Notes:

As per declarations received, none of the directors serves as an independent director in more than seven listed entities. Further, the Managing Director of the Company does not serve as an independent director in any other entity.

As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the directors were a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director.

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31st March, 2019 are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1.	Shri S. C. Mehta	Deepak Fertilisers And Petrochemicals Corporation Ltd.	Chairman & Managing Director
2.	Smt. Parul S. Mehta	Deepak Fertilisers And Petrochemicals Corporation Ltd.	Non Executive Non Independent Director
3.	Shri Berjis Desai	Praj Industries Ltd.	Independent Director
		The Great Eastern Shipping Company Ltd.	Independent Director
		Man Infraconstruction Ltd.	Chairman & Independent Director
		Jubiliant Foodworks Ltd.	Independent Director
		Edelweiss Financial Services Ltd.	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Ltd.	Independent Director

Sr. No.	Name of the director	Name of listed entities	Category
4.	Shri Partha Bhattacharyya	Usha Martin Ltd. Tide Water Oil Co. India Ltd. Ramkrishna Forgings Ltd. Deepak Fertilisers And Petrochemicals Corporation Ltd.	Independent Director Independent Director Independent Director Independent Director
5.	Shri Pranay Vakil	Godrej Properties Ltd. Onward Technologies Ltd. Deepak Fertilisers And Petrochemicals Corporation Ltd.	Independent Director Independent Director Independent Director
6.	Shri Mahesh Chhabria	Kirloskar Industries Ltd. Kirloskar Oil Engines Ltd. Kirloskar Ferrous Industries Ltd. Tube Investments of India Ltd. Deepak Fertilisers And Petrochemicals Corporation Ltd.	Managing Director Non Executive Non Independent Director Non Executive Non Independent Director Independent Director Independent Director
7.	Shri Anil Singhvi *	Hindustan Construction Company Ltd. Subex Ltd. Deepak Fertilisers And Petrochemicals Corporation Ltd.	Independent Director Chairman & Independent Director Independent Director
8.	Shri Ashok Purwaha	Deepak Fertilisers And Petrochemicals Corporation Ltd.	Independent Director
9.	Shri M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Ltd.	Non Executive Non Independent Director

* Shri Anil Singhvi resigned as a Director w.e.f. 19th April, 2019.

Core Skill / Expertise / Competencies of the Board of Directors

As required by Schedule V of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is the list of core skills / expertise / competencies identified by the Board of Directors in the context of the Company's business and the said skills are available with the Board of Directors:

1. Audit & Risk Management
2. Corporate Governance
3. CSR & NGO matters
4. Finance & Taxation
5. Global Business Leadership
6. Human Resources
7. Law
8. Management & Strategy
9. Operations & Engineering
10. Regulatory & Government matters
11. Research & Development
12. Sales, International Business and Business Management

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

Brief description of terms of reference:

The terms of reference of Audit Committee is in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 and 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 related party transactions and internal control systems.

During the year under review, in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference of the Committee were revised by the Board at its meeting held on 28th March, 2019.The revised terms of reference are in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Constitution	:	Constituted by the Board of Directors of the Company at its meeting held on 24th January, 2000.
Composition, Names of Members and Record of attendance during the year	:	Comprises of Independent Directors and details as provided under:

During the year under review, Eight Committee Meetings were held on 12th April, 2018, 30th May, 2018, 8th August, 2018, 18th September, 2018, 13th November, 2018, 13th December, 2018, 14th February, 2019 and 28th March, 2019. The attendance of the Members was as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Mahesh Chhabria, Chairman #	8	7
Shri S. R. Wadhwa ##	4	4
Shri Pranay Vakil	8	8
Shri M. P. Shinde$	4	4
Shri Partha Bhattacharyya*	Nil	Nil

\# Shri Mahesh Chhabria has been appointed as the Chairman of the Committee w.e.f. 18th September, 2018

\## Shri S.R.Wadhwa ceased to be the Chairman as well as member of the Committee w.e.f. 18th September, 2018.

$ Shri M. P. Shinde has been appointed as the member of the Committee w.e.f. 18th September, 2018.

* Shri Partha Bhattacharyya has been appointed as the member of the Committee w.e.f. 1st April, 2019.

Besides the above, Chairman and Managing Director and CFO are permanent invitees to Audit Committee Meetings. The representatives of Statutory Auditor, Internal Auditor and Cost Auditor attend such meeting of the Audit Committee where matters concerning them are discussed at length.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 18th September, 2018.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Brief description of terms of reference:

Pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement) the Committee was constituted 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 and to improve the efficiency in service to shareholders.

During the year under review, in compliance with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference of the Committee were revised by the Board at its meeting held on 14th February, 2019.

The revised terms of reference of Stakeholders Relationship Committee, inter alia, includes the following:

1. Resolving the grievances of the security holders, Review of measures taken for effective exercise of voting rights by shareholders;
2. To review measures taken for effective exercise of voting rights by shareholders; and
3. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Constitution	:	Constituted by the Board of Directors of the Company at its meeting held on 22nd January, 2001.
Composition, Names of Members and record of attendance during the year	:	Comprises of Directors and details as provided under:

During the year under review, one Committee Meeting was held on 13th November, 2018. The attendance of the Members was as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Pranay Vakil, Chairman#	1	1
Shri Partha Bhattacharyya*	Nil	Nil
Shri Berjis Desai	1	1
Shri K. Subharaman@	1	1

\# Shri Pranay Vakil has been appointed as the Chairman of the Committee w.e.f. 18th September, 2018.

* Shri Partha Bhattacharyya ceased to be the member w.e.f. 18th September, 2018 and was reappointed as a committee member w.e.f. 14th February, 2019.

@ During the year under review, Shri K. Subharaman was appointed as a member of the Committee w.e.f. 18th September, 2018. Further, in order to comply with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Stakeholders Relationship Committee, Shri K. Subharaman resigned as the member of the committee w.e.f. 14th February, 2019.

Shri R. A. Shah ceased to be the Chairman as well as member of the Committee w.e.f. 18th September, 2018. Shri U. P. Jhaveri ceased to be the Committee member w.e.f. 18th September, 2018.

Details of complaints received during the financial year 2018-19 are as follows:

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders	No. of pending complaints
Transfer of shares	9	Nil	Nil
Non-receipt of annual report	4	Nil	Nil
Non-receipt of dividend warrants	3	Nil	Nil
Issue of duplicate share certificate	8	Nil	Nil
Others (relates to non-receipt of shares, demat, change of address, Bank details, signature, correction of name etc)	17	Nil	Nil

NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference:

The terms of reference of Nomination and Remuneration Committee is in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 / removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

Constitution	:	Constituted by the Board of Directors of the Company at its meeting held on 31st July, 2014.
Composition, Names of Members and record of attendance during the year	:	Comprises of Independent Directors and details as provided under :

During the year under review, Four Committee Meetings were held on 29th May, 2018, 9th August, 2018, 14th February, 2019 and 28th March, 2019:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Berjis Desai, Chairman	4	4
Shri Pranay Vakil	4	4
Shri Anil Sachdev*	2	2
Shri Mahesh Chhabria**	2	2

*Shri Anil Sachdev ceased to be the member w.e.f. 18th September, 2018.

** Shri Mahesh Chhabria has been appointed as the member of the Committee w.e.f. 18th September, 2018.

Nomination and Remuneration Policy is available on the website of the Company www.dfpcl.com.

PROJECT & FUNDING COMMITTEE

Brief description of terms of reference:

The terms of reference of Project & Funding Committee, inter alia, includes, to evaluate periodically projects proposed to be taken up by the Company, to review ongoing projects, consider proposals for funding of the 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 15th July, 2003.
Composition, Names of Members and record of attendance during the year	:	Comprises of Directors and details as provided under:

During the year, two Committee Meetings were held on 30th May, 2018 and 9th August, 2018. The attendance of the Members was as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Partha Bhattacharyya, Chairman	2	2
Shri Ashok Purwaha	2	1
Shri Anil Singhvi*	2	2
Shri Alok Perti#	Nil	Nil

* Shri Anil Singhvi resigned as a director w.e.f. 19th April, 2019 and hence ceased to be the member from that date.

\# Shri Alok Perti has been appointed as the member of the Committee w.e.f. 30th May, 2019.

MANUFACTURING OPERATIONS REVIEW COMMITTEE

Brief description of terms of reference:

The terms of reference of Manufacturing Operations Review Committee, inter alia, includes, to periodically review factory operations, safety, hazard and pollution / emissions, 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 10th April, 2009.
Composition, Names of Members and record of attendance during the year	:	Comprises of Directors and details as provided under:

During the year under review, no meeting of the Committee was held. Composition of the Committee is as given below:

Name of Director	Designation
Shri Partha Bhattacharyya	Chairman
Shri U. P. Jhaveri*	Member
Shri M. P. Shinde	Member
Shri Ashok Kumar Purwaha**	Member

*Shri U. P. Jhaveri ceased to be the member w.e.f. 18th September, 2018.

** Shri Ashok Kumar Purwaha has been appointed as the member w.e.f. 18th September, 2018.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Brief description of terms of reference:

The terms of reference of Corporate Social Responsibility Committee (CSR), inter alia, includes, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred 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 21st March, 2014.
Composition, Names of Members and record of attendance during the year	:	Comprises of Directors and details as provided under:

During the year under review, two Committee Meetings were held on 18th September, 2018 and 27th March, 2019. The attendance of the Members was as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Pranay Vakil, Chairman	2	2
Smt. Parul Mehta	2	2
Shri Partha Bhattacharyya*	2	1
Shri S. R. Wadhwa$	1	1

* Shri Partha Bhattacharyya has been appointed as the member w.e.f. 18th September, 2018.

$ Shri S.R.Wadhwa ceased to be the member w.e.f. 18th September, 2018.

CSR Policy is available on the website of the Company www.dfpcl.com.

RISK MANAGEMENT COMMITTEE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

During the year under review, in compliance with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference of the Committee were revised by the Board at its meeting held on 14th February, 2019.

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 minimise risks assessed in the operations of business units, to specifically monitor and review cyber security, 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.

The Company has also framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries / associates.

Constitution	:	Constituted by the Board of Directors of the Company at its meeting held on 4th November, 2014.
Composition, Names of Members and record of attendance during the year	:	Comprises of Directors and details as provided under:

During the year under review, one Committee Meeting was held on 13th February, 2019:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri M. P. Shinde, Chairman	1	1
Shri Anil Singhvi*	1	0
Shri Amitabh Bhargava**	1	1
Dr. Amit Biswas	Nil	Nil

* Shri Anil Singhvi was appointed as the member and also as the Chairman of the Committee w.e.f. 18th September, 2019. He resigned as a Director of the Company w.e.f. 19th April, 2019 and hence ceased to be the Chairman & member of the Committee from that date.

** Shri Amitabh Bhargava, President - Finance & CFO has been appointed as the member of the Committee w.e.f. 18th September, 2018.

Shri Mahesh Chhabria, ceased to be the Chairman and member and Shri U.P. Jhaveri ceased to be the Committee member w.e.f. 18th September, 2018.

Shri M. P. Shinde has been designated as the Chairman of the Committee w.e.f. 30th May, 2019 and Dr. Amit Biswas has been inducted as the member of the Committee w.e.f. 30th May, 2019.

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

SECURITIES ISSUE COMMITTEE

The Securities Issue Committee was constituted by the Board at its meeting held on 9th August, 2018 to specifically look into various matters relating to the capital raising, ensuring implementation of capital raising, to decide the form / mode of capital raising and to approve the preliminary placement document, to approve, finalise and issue allotment of letters and to make application or seek exemption to / from any regulator or statutory authorities etc., and other allied matters.

During the year under review, one committee meeting was held on 16th October, 2018. The attendance of the Members was as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Berjis Desai, Chairman	1	1
Shri Pranay Vakil	1	1
Shri M. P. Shinde*	Nil	Nil
Shri S. C. Mehta*	Nil	Nil
Shri Amitabh Bhargava*	Nil	Nil

* The Board at its meeting held on 22nd April, 2019 appointed Shri S. C. Mehta, Shri M. P. Shinde and Shri Amitabh Bhargava as members of the Committee.

SHARE AND DEBENTURE TRANSFER COMMITTEE

The share and debenture transfer committee has been constituted for considering the proposals of transfers, transmissions, transposition of names, issue of split, consolidated share certificates, rematerialisation of shares etc.

The composition of the Share and Debenture Transfer Committee is: a) Shri S.C. Mehta b) Smt. Parul S. Mehta c) Shri Amitabh Bhargava*; d) Shri K. Subharaman* and e) *Shri Pranav Thakkar. During the year under review, 35 meetings of Share and Debenture Transfer Committee were held.

Shri Pranav Thakkar ceased to be the member w.e.f. 12th April, 2019 and *Shri Deepak Balwani has been appointed as the member of the Committee w.e.f. 30th May, 2019.

*Shri Amitabh Bhargava and Shri K. Subharaman are not directors of the Company but are members of the Committee. Shri Pranav Thakkar was not Director of the Company but was a member of the Committee. Shri Deepak Balwani is not Director of the Company but is a member of the Committee.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2018-19. The Board at its Meeting held on 30th May, 2019 reviewed the reports on performance assessment of the Board, its Committees and individual directors.

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

i. Directors bring an independent judgment on the Board's discussions utilizing their 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.

Performance evaluation criteria for independent directors: Performance evaluation of independent directors in addition to the above evaluation, also considers attendance in Board and Committee meetings, time devoted for the Company, contribution in the Board processes and discussions and such other criteria as may be considered by the Nomination and Remuneration Committee from time to time.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 28th March, 2019 inter alia, to discuss and review:

1. The performance of Non-Independent Directors and the Board of Directors as a whole.
2. The performance of Chairman of the Company, taking into account the views of non-executive directors.
3. The quality, quantity and timeliness of flow of information between the Management of the Company 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 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 is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting, where all Directors and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

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

The familiarisation programme for directors is available on the website of the Company at the link- https://www.dfpcl.com/wp-content/uploads/2017/04/FamiliarisationProgram.pdf.

INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of ongoing projects which warrant attention of the Directors. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization. The Board Members are provided with the information on the risks faced by the Company and majors adopted by the Company to mitigate the same through agenda items of the Board. Risk Management Committee also informs the Board about the risks faced by the Company and majors adopted to mitigate the risks.

With a view to leveraging technology and moving towards paperless system for preservation of environment, the Company has adopted a web-based application for transmitting Board / Committee agenda. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board / Committee agenda in electronic form.

BOARD DIVERSITY

The Board of Directors ensure 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.

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

DIVIDEND DISTRIBUTION POLICY

The Board at its meeting held on 30th June, 2017 adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website www.dfpcl.com.

A physical copy of the Policy will be made available to any shareholder on request.

CODE OF CONDUCT

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2018-19. A declaration to this effect signed by Chairman and Managing Director is given in this Annual Report.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

Confirmation by the Board on fulfillment of Independence of Independent Directors

In the opinion of the Board, the existing Independent Directors and those who are proposed to be appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Resignation of Independent Director

The shareholders of the Company at the Annual General Meeting held on 21st September, 2017 appointed Shri Anil Singhvi as an Independent Director for first term of 5 consecutive years w.e.f. 7th July, 2017.

Shri Singhvi due to his active involvement with NGOs and other personal engagements tendered his resignation as a Director of the Company with effect from 19th April, 2019.

Shri Singhvi has also given confirmation to the Company that other than the reasons mentioned above, there are no other material reasons for his resignation as an Independent Director of the Company.

The Company has informed the same to the Stock Exchanges.

Details of remuneration paid to Executive Director for Financial Year 2018-19:

Name of Director	Designation	Salary and Allowances	Perks	Commission*	Others (PF and Super Annuation)	Total
Shri S. C. Mehta	Chairman & Managing Director	253.73	79.52	*	64.80	398.05

* Commission calculated on profit of Financial Year 2017-18 amounting to ₹ 311.57 lakhs was paid during the Financial Year 2018-19.

Managerial Remuneration paid / accrued by the Company for the financial year ended 31st March, 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249.39 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. In view of the same the Company is seeking approval of the shareholders in the ensuing Annual General Meeting for the waiver of excess remuneration paid to the Managing Director.

Details of Sitting Fees paid during the Financial Year 2018-19 and Commission* paid for Financial Year 2017-18 to Non-Executive Directors:

Sitting Fees: The Company pays sitting fees to Non-Executive Directors @ ₹ 50,000/- for attending per Board Meeting, ₹ 40,000/- for attending per Audit Committee Meeting and ₹ 30,000/- for attending per Meeting of other Committees constituted by the Board.

Commission: Payments to non-executive directors are based on attendance in the Board and Committee meeting, time devoted for the Company and contribution made in the board processes and discussions.

Sr. No.	Name of the Director	Commission (in ₹ Lakhs)
1	Shri U. P. Jhaveri	15.00
2	Shri S. R. Wadhwa	21.50
3	Smt. Parul S. Mehta	6.00
4	Shri Anil Sachdev	10.00
5	Shri Pranay Vakil	10.50
6	Shri R. A. Shah	15.00
7	Shri Partha Bhattacharyya	12.00
8	Shri M. P. Shinde	7.50
9	Shri Anil Singhvi	5.00
10	Shri Ashok Purwaha	7.50
11	Shri Berjis Desai	5.00
12	Shri Mahesh Chhabria	7.50
	Total	**122.50**

* Commission amounting to ₹ 122.50 Lakhs which was pertaining to Financial Year 2017-18 was paid during the Financial Year 2018-19.

In the Financial Year ended 31st March, 2019, the Company had inadequate of profits. Hence, the Company decided not to pay commission to Non-Executive Directors of the Company for the Financial Year 2018-19.

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. Company has not issued any stock options to any directors.

Shares held by non-executive Directors as on 31st March, 2019:

Sr. No.	Non-Executive Director	Holding
1	Shri Anil Singhvi*	85,000 Equity shares
2	Smt. Parul S. Mehta	1,226 Equity Shares
3	Shri Pranay Vakil	4,475 Equity Shares
4	Shri M.P.Shinde	1,000 Equity Shares
5	Shri Partha Bhattacharyya	Nil
6	Shri Berjis Desai	Nil
7	Shri Mahesh Chhabria	Nil
8	Shri Ashok Kumar Purwaha	Nil

* Shri Anil Singhvi resigned as the Director of the Company w.e.f. 19th April, 2019.

ANNUAL GENERAL MEETING

Details of special resolutions passed in the last three Annual General Meetings held are provided below:

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Day	Friday	Thursday	Tuesday
Date	12th August, 2016	21st September, 2017	18th September, 2018
Time	11:30 a.m.	12:00 Noon	11:30 a.m.
Venue	MDC Auditorium, Yashwantrao Chavan Academy of Development Admistration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007	Opus Banquets, 6, Ishanya Mall, Off. Airport Road, Shastrinagar, Yerawada, Pune - 411 006	Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Airport Road, Yerawada, Pune - 411 006
Whether any special resolutions passed	Yes • Consent to borrow moneys upto ₹ 2,000 Crore over and above the aggregate of the paid-up capital and free reserves • Consent to mortgage / charge / hypothecate / encumber any Company's movable and / or immovable properties wherever situated, both present and future or to lease or otherwise dispose of the whole or substantially the whole of the Undertaking(s) of the Company	Yes • Consent to alter the existing Articles of Association • Consent for appointment of • Shri U.P. Jhaveri • Shri S.R. Wadhwa • Shri Anil Sachdev • Shri Pranay Vakil As independent Directors of the Company	Yes • Reclassification of the Authorised Share Capital of the Company • Raising of Funds aggregating to ₹ 600 Crore through various options like issue of equity shares / ADRs / GDRs / FCCBs etc. • Consider & approve issue of convertible equity warrants on preferential basis to promoters not exceeding ₹ 200 Crore • Consider & approve increase of limits to provide loans / guarantees / investments beyond the threshold provided under Section 186 of the Companies Act, 2013. • Consider & approval of shareholders pursuant to Section 62 (3) of the Companies Act, 2013 enabling Board for conversion of financial assistance extended / to be extended by the banks / financial institutions / any other lender into equity shares in case of default.

DISCLOSURES:

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

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

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Thirty-Ninth Annual General Meeting, forming part of this Annual Report.

iii. **Disclosures on material 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 2018-19, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further same were specifically reviewed by an independent Chartered Accountant firm. There were no material related party transactions in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under review that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors at its meeting held on 30th May, 2019, has approved a revised 'Policy on Related Party Transactions' stipulating the threshold limits and also on dealings with the RPTs pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been uploaded on https://www.dfpcl.com/wp-content/uploads/2017/04/Policy-for-Related-Party- Transactions.pdf.

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 had undergone re-structuring exercise wherein the TAN and Fertiliser undertakings were transferred to its wholly owned subsidiary, Smartchem Technologies Limited and the Order from NCLT was received in April, 2017 and filed with ROC on 2nd May, 2017. Therefore, the Audit of Accounts consequent to the demerger as aforesaid got delayed.

The Company had sought necessary permissions from the stock exchanges to this effect and the Accounts were approved only on 30th June, 2017 by the Board.

The stock exchanges, without taking cognizance of the unavoidable circumstances faced by the Company, levied fine of ₹ 22,60,768 which was duly paid under protest. The Company represented the matter before SEBI. SEBI vide its order dated 1st August, 2018 had rejected the Company's application to waive the fine imposed by the stock exchanges. Company has preferred an appeal with Securities Appellate Tribunal against the aforesaid SEBI's order rejecting the Company's application and at present the matter is pending with Securities Appellate Tribunal.

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

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non mandatory requirements of the Corporate Governance:

i. The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2019; and

ii. The Internal Auditor directly reports to the Audit Committee.

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. No person has been denied access to the Audit Committee to report violation of the applicable laws, regulations and code of conduct. The Audit Committee and Board of Directors review periodically the complaints received by the competent authority under the Policy. The Vigil Mechanism / Whistle Blower Policy has been posted on the website of the Company www.dfpcl.com.

viii. Regulations for prevention of Insider trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Insider for its Directors, Officers and Specified Employees.

During the year under review, SEBI vide its notification dated 31st December, 2018, has amended SEBI (Prohibition of Insider Trading) Regulations, 2015. In view of the amendment to the said Regulations, the Board of Directors, at its meeting held on 14th February, 2019, approved and adopted the revised Codes and Policies as required by the SEBI (Prohibition of Insider Trading), Regulations, 2015, with effect from 1st April, 2019.

Shri K. Subharaman, Executive Vice President (Legal) & Company Secretary is the Compliance Officer under the said Policy.

ix. Material Subsidiaries

The Company has Smartchem Technologies Limited as the material subsidiary as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated the Material Subsidiary Policy and the same has been posted on https://www.dfpcl.com/wp-content/uploads/2017/04/Policy-on-determining-material-subsidiarys.pdf.

During the year under review, in compliance with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on determining material subsidiary was revised by the Board at its meeting held on 30th May, 2019.

x. Confirmation by the Board of Directors acceptance of recommendation of mandatory committees

The Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

xi. Annual Secretarial Compliance Report

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from M/s. SVD & Associates, Company Secretaries in practice for the Financial Year 2018-19.

A copy of the Annual Secretarial Compliance Report is enclosed in this Annual Report (Refer Annexure-7).

The report is unqualified.

The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

xii. Certificate from Practising Company Secretary under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has received a certificate from M/s. SVD & Associates, Company Secretaries in practice confirming that none of the board of directors of the Company are debarred or disqualified from being appointed or continuing as director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

A copy of the aforesaid certificate is enclosed in this Annual Report (Refer Annexure-8).

The report is unqualified.

The observations in the aforesaid report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

xiii. Disclosure of total fees paid to the Statutory Auditors

During the year under review, total of ₹ 56.89 Lakhs was paid by the Company and the subsidiary companies to the Statutory Auditor and to all the entities in the network firm, which the statutory auditor is a part.

xiv. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The necessary disclosure on the subject have been already made in the Board's Report.

MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as Maharashtra Times or Loksatta and Times of India or Financial Express. The results are also displayed on the Company's website www.dfpcl.com.

ANNEXURE - 7

SECRETARIAL COMPLIANCE REPORT OF DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

To,
Deepak Fertilisers And Petrochemicals Corporation Limited
Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036

We, **SVD & Associates,** have examined:

a) all the documents and records made available to us and explanation provided by **Deepak Fertilisers And Petrochemicals Corporation Limited** ("the listed entity"),

b) the filings / submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document / filing, as may be relevant, which has been relied upon to make this certification.

For the year ended **31st March, 2019** ("Review Period") in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR)");

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (as applicable till 8th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 09th November, 2018 **(not applicable to the Company during the Review Period);**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 (as applicable till 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11th September, 2018 **(not applicable to the Company during the Review Period)**;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Review Period);**

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Review Period)**;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(not applicable to the Company during the Review Period)**;

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:-

Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practising Company Secretary
NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder:

Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations / remarks of the Practising Company Secretary, if any
NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable.

Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
NA	NA	NA	NA

For **SVD & ASSOCIATES**
Company Secretaries

SRIDHAR MUDALIAR
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: 28th May, 2019

ANNEXURE - 8

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Deepak Fertilisers And Petrochemicals Corporation Limited
Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036

We have examined the relevant registers, records, forms, returns and disclosures for the financial year 2018-19 received from the Directors of Deepak Fertilisers And Petrochemicals Corporation Limited having CIN-L24121MH1979PLC021360 and having Registered Office at Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sailesh Chimanlal Mehta	00128204	01.08.2008
2	Parul Sailesh Mehta	00196410	20.10.2005
3	Pranay Dhansukhlal Vakil	00433379	25.05.2010
4	Partha Sarathi Bhattacharyya	00329479	31.10.2012
5	Madhumilan Parshuram Shinde	06533004	10.02.2017
6	Berjis Minoo Desai	00153675	07.07.2017
7	Ashok Kumar Purwaha	00165092	07.07.2017
8	Mahesh Ramchand Chhabria	00166049	07.07.2017
9	Anil Chandanmal Singhvi	00239589	07.07.2017

Note: Mr. Anil Chandanmal Singhvi (DIN: 00239589) was a director of the Company on 31st March, 2019. However, he ceased to be a Director with effect from 19th April, 2019.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For **SVD & ASSOCIATES**
Company Secretaries

SRIDHAR MUDALIAR
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: 30th May, 2019

General Shareholder Information

1.	**Annual General Meeting Day, Date, Time and Venue**	:	Wednesday, 14th August, 2019 at 11.30 a.m. Opus1, The Cove, Level 1, Creaticity, Opp. Golf Course, Off Airport Road, Yerawada, Pune - 411 006
2.	**Financial year / Calendar**		
	-Results for first quarter ending June 30, 2019	:	Within 45 days from the end of the quarter
	-Results for second quarter ending September 30, 2019	:	Within 45 days from the end of the quarter
	-Results for third quarter ending December 31, 2019	:	Within 45 days from the end of the quarter
	-Results for financial year ending March 31, 2020	:	Within 60 days from the end of the financial year
3.	**Date of Book Closure**	:	Wednesday, 7th August, 2019 to Wednesday, 14th August, 2019 (both days inclusive)
4.	**Dividend Payment Date**	:	Friday, 16th August, 2019
5.	**Registered Office and CIN**	:	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036 CIN : L24121MH1979PLC021360
6.	**Phone, Fax, E-mail**	:	Phone : (020) 6645 8000 Email : investorgrievance@dfpcl.com Website : www.dfpcl.com
7.	**Plant Location**	:	MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra Dahej, Taluka: Vagra, State: Gujarat Plants of Subsidiary: MIDC Industrial Area, Taloja, Dist: Raigad, Maharashtra Village : Ponnada, Etchelra Mandalam, Srikakulam, Andhra Pradesh, - 532 408 Plot No. 47, HSIIDC, Industrial Estate, Refinery Road, Panipat, Haryana- 500 002
8.	**Registrar & Share Transfer Agent (RTA) and Address for investors' Correspondence**	:	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9.	**Phone, Fax, E-mail of RTA**	:	Phone : (040) 6716 2222 Email : einward.ris@karvy.com
10.	**Listing on Stock Exchanges**	:	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) Annual Listing fee for financial year 2018-19 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

11. Market Price Data for 2018-19:

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2018	396.95	288.35	35,213.30	32,972.56
May, 2018	367.00	306.25	35,993.53	34,302.89
June, 2018	338.50	251.60	35,877.41	34,784.68
July, 2018	287.00	240.00	37,644.59	35,106.57
August, 2018	290.05	247.50	38,989.65	37,128.99
September, 2018	257.75	191.00	38,934.35	35,985.63
October, 2018	247.05	181.95	36,616.64	33,291.58
November, 2018	221.90	159.00	36,389.22	34,303.38
December, 2018	164.90	134.55	36,554.99	34,426.29
January, 2019	152.00	104.80	36,701.03	35,375.51
February, 2019	135.50	109.80	37,172.18	35,287.16
March, 2019	145.80	126.65	38,748.54	35,926.94

12. Distribution of shareholding as on 31st March, 2019 : 1,02,664 shareholders held 8,82,04,943 equity shares of ₹ 10/- each.

Distribution of Shareholding as on 30/03/2019 (TOTAL)					
Sl. No.	Category (Shares)	No.of Holders	% To Holders	No.of Shares	% To Equity
1	1 - 5000	1,01,946	99.30	1,95,99,960	22.22
2	5001 - 10000	355	0.35	26,22,064	2.97
3	10001 - 20000	191	0.19	28,05,703	3.18
4	20001 - 30000	43	0.04	10,46,650	1.19
5	30001 - 40000	29	0.03	10,11,654	1.15
6	40001 - 50000	22	0.02	9,95,644	1.13
7	50001 - 100000	43	0.04	31,26,057	3.54
8	100001 and above	35	0.03	5,69,97,211	64.62
	TOTAL:	**1,02,664**	**100.00**	**8,82,04,943**	**100.00**

13. Share Transfer System:

As the members are aware, the Company has appointed Karvy Fintech Private Limited., 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.

SEBI vide its notifications has mandated that transfer of securities would be carried out in dematerialized form only with effect from 1st April, 2019. According to the aforesaid notification, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository. Therefore Registrars and Transfer Agent and Company will not accept any request for transfer of shares in physical form with effect 1st April, 2019. This restriction is not applicable to the request received for transmission or transposition of physical shares.

The members are advised to correspond with the RTA viz. Karvy Fintech Pvt. Ltd., at its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.

14. Dematerialisation of Shares:

The shares of the Company are traded in dematerialised form. 8,32,34,370 Equity Shares (94.36% of paid-up capital) held by shareholders (67,286 of total number of shareholders) have been dematerialised as on 31st March, 2019.

15. Outstanding GDRs, ADRs, Warrants or any Convertible Instruments etc.: During the year under review, the Company has issued 64,76,893 convertible warrants to its one of the promoters i.e., Robust Marketing Services Pvt. Ltd. on 16th October, 2018 and the same are outstanding as on 31st March, 2019.

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

The Company through its various communications in the past, had requested its members to furnish ECS / NECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS / NECS to those who had registered ECS / NECS mandate with the Company. However, in certain cases, although the members had furnished the ECS / NECS mandate, the remittance of dividend could not be effected through ECS / NECS at certain centers since adequate facility for crediting the amount was not available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS / NECS whenever facilities are made available at those centers.

RBI vide its Circular dated 25th 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.

Further, large number of Annual Reports are returned by postal authorities as their addresses are incorrect or have left that place. Members desirous of getting Annual Reports are requested to update their address by writing to the RTA at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

17. Unclaimed / Outstanding dividend on equity shares:

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

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 (IEPF) as per the provisions of the Companies Act, 2013.

Further Section 124(6) requires that all shares in respect of which dividend has remained unpaid or unclaimed for seven years has to be transferred to IEPF.

As per MCA Circular dated 16th October, 2017 Companies are required to transfer the shares to IEPF on which dividend has been remained unpaid / unclaimed for a continuous period of seven years. Accordingly, given below is the statement of shareholders whose dividend and equity shares have been transferred to IEPF during the Financial Year 2018-19.

The bifurcation of the shares transferred to IEPF during Financial Year 2018-19 is as given below:

Category	Number of holders	No. of shares
Physical	2,942	3,53,700
NSDL	43	6,679
CDSL	17	616
Total	3,002	3,60,995

The dividend and shares which have been transferred to IEPF can be claimed by the shareholders. The IEPF Rules and the application (Form IEPF-5) as prescribed by the Ministry of Corporate Affairs is available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

18. Updation of PAN and Bank Details:

Shareholders who have not updated their PAN and Bank Details with the Company are requested to update the same. Company has been sending communications to respective shareholders to update their PAN and Bank details.

19. Credit Rating

The Company has not accepted any fixed deposits during the Financial Year ended 31st March, 2019.

During the year under review, ICRA Limited has revised the rating of the Company from AA (Negative) to A+ (Stable) for Long Term rating and from AI+ to AI for Short Term rating.

20. Change in the name of RTA

During the year under review, the name of RTA has been changed from Karvy Computershare Private Limited to Karvy Fintech Private Limited w.e.f. 17th November, 2018.

DECLARATION

As per Regulation 26 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2018-19.

Pune
Dated : 30th May, 2019

S. C. MEHTA
Chairman & Managing Director

CERTIFICATE

To the Members of
Deepak Fertilisers And Petrochemicals Corporation Limited

Independent Auditors' Certificate on Corporate Governance

This certificate is issued in accordance with the terms of our engagement letter dated 8th April, 2019.

We have examined the compliance of conditions of Corporate Governance by Deepak Fertilisers And Petrochemicals Corporation Limited ('the Company'), for the year ended 31st March, 2019, as stipulated in Regulations 17, 18, 19, 20, 22, 23, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's responsibility

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

Auditors' responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2019.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

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

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

Emphasis of matter

We draw attention to note 47 to the standalone financial statements, relating to managerial remuneration paid / accrued by the Company for the financial year ended 31st March, 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249.39 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. Our opinion is not modified in respect of this matter.

Restrictions on Use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

RAAJNISH DESAI
Partner
Membership number: 101190
UDIN: 19101190AAAAB3715

Place: Pune
Date: 30th May, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Deepak Fertilisers And Petrochemicals Corporation Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 Companies Act, 2013 ("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 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 47 to the standalone financial statements, relating to managerial remuneration paid/ accrued by the Company for the financial year ended 31 March 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent liabilities and provisions (refer note 42 and 48 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
The Company operates in various states within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. In this complex regulatory environment, there is a risk of litigations and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. At 31 March 2019, the Company's contingent liabilities are disclosed in note 42 and note 48 to the standalone financial statements. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. Management recognises a provision when it has a present obligation as a result of part events and it is probable that an outflow of resources embodying economic benefits will be required to settle obligation. A contingent liability is recognised if there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These estimates could change substantially over time as new facts emerge and as each legal case progresses. Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	Our audit procedures on contingent liabilities and provisions included the following: • Obtained the outstanding litigations list as compared to the previous year. Enquired and obtained explanations for movement in litigations during the year. • Inquired with management regarding the status of significant litigations and claims including obtaining legal teams views on the likely outcome of each litigation and claim and the magnitude of potential exposure. • Examined the Company's legal expenses and read the minutes of Board meetings, to evaluate the completeness of list of the open litigations. • Read the latest correspondences between the Company and tax/ legal authorities and reviewed legal opinions obtained by management, where applicable, for significant matters and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters. • With respect to tax matters, we involved tax specialists to evaluate the significant cases and the technical grounds for Management's conclusions on provisions or disclosure of contingent liabilities. • For non-tax matters, we evaluated Management's decisions and rationale for provisions established or disclosures made for contingent liabilities.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 1 April 2019 except for one director whose written representation has been received on 1 April 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer note 42 and note 48 to the standalone financial statements;

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

iii. Following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Year	Type of dividend	Dividend unpaid (INR in Lacs)	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards ownership of shares which remains unresolved

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

i. We draw attention to note 47 to the standalone financial statements, relating to Managerial Remuneration paid/ accrued by the Company for the financial year ended 31 March 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. Our opinion is not modified in respect of this matter; and

ii. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership number: 101190

Place: Pune
Date: 30th May, 2019

Annexure A to the Independent Auditors' Report on the standalone financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited – 31 March 2019

With reference to Annexure A referred to in paragraph 1 in "Report on Other Legal and Regulatory Requirements" of the Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

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

(b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the Company except for those immovable properties held in the name of Yerrowda Investments Limited, which is a jointly controlled operation, having net book value amounting to INR 16,598 Lacs.

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noted were not material and have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed 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.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and Services Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for one instance of delay in payment of Income Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Duty of customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Sales tax, Value Added Tax, Duty of customs, Duty of excise and Goods and Service Tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Amount paid under protest (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax demands	27	27	Assessment Year 2003-2004	Bombay High Court
The Income Tax Act, 1961	Income tax demands	0.9	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax demands	7,466	1,901	Assessment Year 1997-1998, Assessment Years 2012-2013 to 2014-2015	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax demands	12	-	Assessment Year 1993-1994 and 2003-2004	Assessing Officer
The Central Excise Act, 1944	Excise duty demands	802	-	Financial Years 2008-2009 to 2009-2010	Supreme Court
	Excise duty demands	562	-	Financial Years 2002-2003 to 2006-2007	Bombay High Court
The Central Excise Act, 1944	Excise duty demands	1,197	16	Financial Years 2007-2008 Financial year 2010-11, Financial year 2014-2015	Central Excise and Service Tax Appellate Tribunal
	Excise duty demands	197	6	Financial Year 2015-2016	Commissioner of Central Excise (Appeals)
Finance Act, 1994 (Service Tax)	Service tax Demands	2,257	52	Financial Years 2006-07 to 2011-16	Central Excise and Service Tax Appellate Tribunal
	Service tax Demands	84	-	Financial Years 1999-00 Financial year 2002-03	Deputy Commissioner of service tax
	Service tax Demands	72	-	Financial Years 2004-2005 and 2005-2006	Joint Commissioner (Service Tax)
	Service tax Demands	11	-	Financial year 2015-16 to 2016-17	Superintendent of central excise
	Service tax Demands	27	-	Financial year 2016-17	Assistant commissioner of central excise
The Bombay Sales Tax Act, 1959	Sales tax demands	72	-	Financial Year 2004-2005	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	1,739	151	Financial Years 2004-05 to 2006-2007	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	775	78	Financial year 2005-06 to 2009-10	Karnataka High Court
	Sales tax demands	266	26	Financial Years 2012-13 and 2013-14	Commissioner of Sales Tax (Appeals), Pune
	Sales tax demands	912	-	Financial year 2014-15	Dy. Commissioner of Sales Tax, Pune
	Sales tax demands	9	1		Dy. Commissioner of Sales Tax, Madhya Pradesh

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Amount paid under protest (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
The Madhya Pradesh Entry Tax Act	Entry Tax	18	5	Financial year 2015-2016	Dy. Commissioner of Sales Tax, Madhya Pradesh
The Madhya Pradesh Sales Tax Act	Sales tax demands	78	14	Financial year 2015-2016	Dy. Commissioner of Sales Tax, Madhya Pradesh
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	226	9	Financial year 2005-06, Financial year 2011-12	Maharashtra Sales Tax Tribunal, Mumbai
	Sales tax demands	661	398	Financial year 2012-2013	Joint Commissioner of Sales Tax (Appeals)
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose.	Lease tax on crane hire charges	0.2	-	Financial Year 1989-1990	Dy. Commissioner of Sales Tax, Pune
The Maharashtra Tax on the Entry of Goods in Local Areas of Act,2002	Entry tax on natural gas procured from outside Maharashtra	4,404	1,544	Financial Years 2012-2013 to 2016-2017	Bombay High Court
The Punjab VAT Act, 2005	VAT demands	2	-	Financial Year 2008-2009	Punjab Value Added Tax Tribunal
Custom Tariff Act , 1975	Tariff heading classification	68	62	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibag Division, Marine & Preventive Wing Mumbai
	Custom Valuation rules	418	49		DRI Kolkata

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any loans or borrowings from government, debenture holders or financial institutions during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The money raised by way of term loans have been applied for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, Managerial Remuneration paid/accrued to the Chairman and Managing Director of the Company is in excess of the limits specified under Section 197 of the Act read with Schedule V to the Act by ₹ 249 Lacs. The Company is in the process of obtaining approval from shareholders at the forthcoming annual general meeting for such excess remuneration paid (refer note 47).

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership number: 101190

Place: Pune
Date: 30th May, 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership number: 101190

Place: Pune
Date: 30th May, 2019

Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	69,741	71,653
Capital work-in-progress	4	50,610	19,391
Investment property	5	51	51
Intangible assets	6	222	165
Investment in subsidiaries and associates	7	80,759	83,115
Financial assets			
i. Investments	8	69	69
ii. Loans	12	45	-
iii. Other financial assets	15	2,634	1,351
Income tax assets (net)		7,883	6,835
Other non - current assets	16	10,019	9,624
Total non-current assets		**2,22,033**	**1,92,254**
Current assets			
Inventories	17	13,160	22,722
Investments in associate (held-for-sale)	9	2,356	-
Financial assets			
i. Investments	10	291	28,437
ii. Trade receivables	11	43,734	1,03,630
iii. Cash and cash equivalents	13	4,044	7,119
iv. Other bank balances	14	2,352	761
v. Loans	12	6,075	249
vi. Other financial assets	15	1,458	690
Other current assets	18	6,161	7,884
Total current assets		**79,631**	**1,71,492**
Total assets		**3,01,664**	**3,63,746**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,820	8,820
Other equity	20	1,51,766	1,52,761
Total equity		**1,60,586**	**1,61,581**

Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	40,113	19,400
Provisions	24	1,628	1,587
Deferred tax liabilities (net)	26	418	629
Total non-current liabilities		**42,159**	**21,616**
Current liabilities			
Financial liabilities			
i. Borrowings	22	27,288	1,17,424
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	132	28
(b) total outstanding dues of creditors other than micro and small enterprises	25	52,804	49,319
iii. Other financial liabilities	23	8,356	3,276
Other current liabilities	27	9,109	9,710
Provisions	24	750	312
Current tax liabilities (net)		480	480
Total current liabilities		**98,919**	**1,80,549**
Total liabilities		**1,41,078**	**2,02,165**
Total equity and liabilities		**3,01,664**	**3,63,746**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 50		

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Revenue from operations	28	3,14,888	3,21,421
Other income	29	2,359	6,642
Total income		**3,17,247**	**3,28,063**
Expenses			
Cost of materials consumed	30	88,019	80,430
Purchases of stock-in- trade	31	1,85,392	2,03,547
Changes in inventories of finished goods & stock-in-trade	32	8,207	(7,366)
Excise duty		-	2,694
Employee benefits expense	33	6,042	6,442
Finance costs	34	8,018	7,068
Depreciation and amortisation expense	35	4,804	5,050
Other expenses (net)	36	15,651	17,105
Total expenses		**3,16,133**	**3,14,970**
Profit before tax		**1,114**	**13,093**
Tax expense			
Current tax		314	2,221
Deferred tax (credit)/charge		8	(417)
Total tax expense		**322**	**1,804**
Profit for the year		**792**	**11,289**
Other comprehensive income (OCI)			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(575)	175
Income tax relating to this item		201	(61)
Total (A)		**(374)**	**114**

Statement of Profit and Loss

for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
(B) Items that will be reclassified subsequently to profit or loss			
Changes in fair value of investments other than equity shares carried at fair value through OCI		(51)	(63)
Income tax relating to this item		18	22
Total (B)		**(33)**	**(41)**
Other comprehensive income for the year (A+B), net of tax		**(407)**	**73**
Total comprehensive income for the year		**385**	**11,362**
Earnings per equity share of ₹ 10 each			
i) Basic (in ₹)		0.90	12.80
ii) Diluted (in ₹)		0.90	12.80
Weighted average number of equity shares of ₹ 10 each		8,82,04,943	8,82,04,943
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 50		

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
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Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Statement of Changes in Equity

for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2019	31 March 2018
Balance at the beginning and at the end of the year	8,820	8,820

B. Other Equity

	Share warrants, Reserves and surplus						Items of Other Comprehensive Income (OCI)		Total
	Securities premium	Capital redemption reserve	Share Warrants	Debenture redemption reserve	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	
Balance as at 1 April 2017	**10,799**	**150**	**-**	**6,250**	**17,710**	**1,13,051**	**29**	**(244)**	**1,47,745**
Profit for the year	-	-	-	-	-	11,289	-	-	11,289
Other comprehensive income	-	-	-	-	-	-	(41)	114	73
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**11,289**	**(41)**	**114**	**11,362**
Dividend	-	-	-	-	-	(5,292)	-	-	(5,292)
Tax on dividend	-	-	-	-	-	(1,054)	-	-	(1,054)
Utilization of debenture redemption reserve	-	-	-	(6,250)	-	6,250	-	-	-
Balance as at 1 April 2018	**10,799**	**150**	**-**	**-**	**17,710**	**1,24,244**	**(12)**	**(130)**	**1,52,761**
Profit for the year	-	-		-	-	792	-	-	792
Other comprehensive income	-	-		-	-	-	(33)	(374)	(407)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**792**	**(33)**	**(374)**	**385**
Issue of Share warrants	-	-	5,000	-	-	-	-	-	5,000
Dividend	-	-	-	-	-	(5,292)	-	-	(5,292)
Tax on dividend	-	-	-	-	-	(1,088)	-	-	(1,088)
Balance as at 31 March 2019	**10,799**	**150**	**5,000**	**-**	**17,710**	**1,18,656**	**(45)**	**(504)**	**1,51,766**

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
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President & CFO

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Statement of Cash Flows

for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,114	13,093
Adjustments for		
Depreciation and amortisation expense	4,804	5,050
Loss on disposal of property, plant and equipment	29	112
Gain on sale of investments (net)	(590)	(158)
Changes in fair value of financial assets at fair value through profit or loss	-	(33)
Dividend income	-	(4,518)
Interest income	(1,282)	(1,398)
Finance costs	8,018	7,068
Foreign exchange fluctuations loss (net)	968	713
Cash generated from operations before working capital changes		
Decrease / (increase) in trade receivables	59,875	(53,245)
Decrease / (increase) in inventories	9,562	(7,925)
Increase in trade payables	2,621	26,795
(Decrease) in other financial liabilities	(228)	(356)
(Increase)/decrease in other financial assets	(1,225)	1,624
Decrease / (increase) in other non-current assets	(974)	(2,347)
(Increase)/decrease in other current assets	1,723	(97)
Increase in provisions	81	45
Increase in employee benefit obligations	24	65
Increase/(decrease) in derivatives	657	(713)
(Decrease) in other current liabilities	(601)	(1,947)
Cash generated from operating activities	**84,576**	**(18,172)**
Income taxes paid (net)	(1,581)	(4,184)
Net cash from / (used in) operating activities (A)	**82,995**	**(22,356)**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(26,553)	(14,212)
Purchase of investments	(2,73,325)	(91,798)
Loans to subsidiaries	(25,000)	(52)
Proceeds from sale of investments	3,02,027	76,245
Proceeds from sale of property, plant and equipment	69	1,159
Repayment of loans by Subsidiaries	19,000	54,928
Repayment of loans by others	150	-
Changes in other bank balances	(1,591)	(238)
Dividends received from a subsidiary	-	4,518
Interest received	456	1,398
Net cash (used in) / from investing activities (B)	**(4,767)**	**31,948**

Statement of Cash Flows
for the year ended 31 Mar 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Proceeds from borrowings - current	15,789	23,333
Proceeds from borrowings - non current	20,713	19,400
Repayment of borrowings - current	(1,05,925)	(38,796)
Share warrants issued	5,000	-
Interest paid	(10,500)	(8,026)
Dividends paid (including dividend distribution tax)	(6,380)	(6,346)
Net cash (used in) financing activities (C)	**(81,303)**	**(10,435)**
Net (decrease) in cash and cash equivalents (A+B+C)	(3,075)	(843)
Cash and cash equivalents at the beginning of the year (refer note 13)	7,119	7,962
Cash and cash equivalents at end of the year (refer note 13)	**4,044**	**7,119**

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

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, ''Statement of Cash Flows''

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
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President & CFO

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Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Notes

To the standalone financial statements for the year ended 31 March 2019

1. CORPORATE INFORMATION

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Company") is a company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 30, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

The standalone financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than ₹ 50,000.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabiltiies within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Litigations

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Company assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.3 Summary of significant accounting policies

(a) Current verus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue recognition

Sale of Goods :

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative information in the statement of profit and loss is not restated. The impact of the adoption of the standard on the financial statements of the Company is given in note 28.

Sale of Services :

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

Items of property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bring the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized in the statement of profit or loss, as incurred. In respect of additions to/ deletions from fixed assets, depreciation is provided on a pro-rata basis with reference to the month of addition/ deletion of the assets. Freehold land is carried at historical cost.

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. As per requirements of the Companies Act, 2013 the Company has also identified significant components of assets and their useful life and depreciation charge is based on an internal 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. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Plant and equipment	Various estimated lives upto 25. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

Capitalised machinery spares are depreciated over the remaining useful life of the related machinery/ equipment. Leasehold Land is amortised over the lease period. Bearer plants are depreciated over their estimated useful life of 5 years.

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

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 4
Licence/ franchise fees	3 to 4

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) Foreign currency transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing rates prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items, at rates different from those at which they were initially recorded, during the year or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/ loss and fair value gain/ loss on derivative contract relating to borrowings are accounted and dislosed under finance cost. Such exchange difference do not include foreign exchange difference regarded as an adjustment to the borrowing cost and capitalized with cost of fixed assets.

(g) Financial instruments

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

Financial assets: Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

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

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the Company's general policy on borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) Inventories

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- Finished goods and by-products including those held for captive consumption are valued at the lower of cost or net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjused to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased.

If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(l) Employee benefits

Defined contribution scheme

Provident Fund and superannuation are a defined contribution schemes. The contributions to these schemes are charged to the statement of profit and loss in the year in which the employee renders the related services.

Defined benefit schemes

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation based on the projected unit credit method made at the end of the financial year by an independent actuary. The scheme is funded with an Insurance company in the form of qualifying insurance policy.

The defined benefit obligation for post employment pension and medical benefits is also calculated at the end of the financial year by an independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

The Company has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year. Actuarial gains and losses are recognized in the profit and loss account.

(m) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the hedged item affects the profit or loss (for example, when the interest expenditure is recorded).

Derivatives that are not designated as hedges: The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the statement of profit and loss.

(n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(o) Cash dividend

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

(p) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the forseeble future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Investment property

Property that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(s) Segment reporting

Based on the “Management approach” as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as “unallocated revenues/expenses/ assets/ liabilities”, as the case may be.

(t) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively;

- Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of a bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(u) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose 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 a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contigent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(v) Recent key accounting pronouncements which are not yet effective

Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Company is in the process of evaluating the impact of this amendment on the standalone financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installations	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Gross carrying amount											
As at 1 April 2017	14,053	13,660	22,167	29,800	-	1,866	843	1,223	261	1,293	85,166
Additions	-	-	399	1,471	-	34	15	238	-	356	2,513
Disposals	-	-	(16)	(1,744)	-	-	(12)	(11)	(5)	(220)	(2,008)
Adjustment (refer footnote 1 below)	652	-	(938)	-		-	-	-	-	-	(286)
Gross carrying amount as at 31 March 2018	**14,705**	**13,660**	**21,612**	**29,527**	**-**	**1,900**	**846**	**1,450**	**256**	**1,429**	**85,385**
Accumulated depreciation											
Balance as at 1 April 2017	-	(127)	(783)	(6,268)	-	(666)	(221)	(379)	(137)	(528)	(9,109)
Depreciation charge for the year (refer footnote 2 below)	-	(152)	(782)	(3,595)	-	(317)	(113)	(314)	(25)	(341)	(5,639)
On disposals	-	-	-	551	-	-	9	10	4	162	736
Adjustment	-	-	286	(6)	-	-	-	-	-	-	280
Accumulated depreciation as at 31 March 2018	**-**	**(279)**	**(1,279)**	**(9,318)**	**-**	**(983)**	**(325)**	**(683)**	**(158)**	**(707)**	**(13,732)**
Net carrying amount as at 31 March 2018	**14,705**	**13,381**	**20,333**	**20,209**	**-**	**917**	**521**	**767**	**98**	**722**	**71,653**
Gross carrying amount											
As at 1 April 2018	14,705	13,660	21,612	29,527	-	1,900	846	1,450	256	1,429	85,385
Additions	-	132	1,099	1,123	258	106	48	326	19	791	3,902
Disposals	-	-	(14)	(96)	-	-	(3)	(44)	-	(353)	(510)
Gross carrying amount as at 31 March 2019	**14,705**	**13,792**	**22,697**	**30,554**	**258**	**2,006**	**891**	**1,732**	**275**	**1,867**	**88,777**

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installations	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Accumulated depreciation											
Balance as at 1 April 2018	-	(279)	(1,279)	(9,318)	-	(983)	(325)	(683)	(158)	(707)	(13,732)
Depreciation charge for the year (refer footnote 2 below)	-	(171)	(912)	(3,574)	(24)	(149)	(108)	(350)	(21)	(405)	(5,714)
On disposals	-	-	14	87	-	-	3	43	-	263	410
Accumulated depreciation as at 31 March 2019	-	(450)	(2,177)	(12,805)	(24)	(1,132)	(430)	(990)	(179)	(849)	(19,036)
Net carrying amount as at 31 March 2019	**14,705**	**13,342**	**20,520**	**17,749**	**234**	**874**	**461**	**742**	**96**	**1,018**	**69,741**

1 Buildings gross value of which was ₹ 938 Lakhs has been demolished in 2017-18 and net value representing the value of the land has been transferred to freehold land.

2 Depreciation amounting to ₹ 1,014 Lakhs (31 March 2018 : ₹ 665 Lakhs) has been recharged to 100% subsidiary Smartchem Technologies Limited for sharing of common facilities.

Refer Note 21 foot note for information on Property, plant and equipment provided as security by the Company.

Refer Note 34 for finance cost capitalized.

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2019	31 March 2018
Projects (Mainly comprising of building and plant & machinery) #	48,274	18,751
Others	2,336	640
Total	**50,610**	**19,391**

Includes borrowing cost of ₹ 4,858 Lakhs (31 March 2018 ₹ 2,372 Lakhs)

Note 5: INVESTMENT PROPERTIES

	31 March 2019	31 March 2018
Gross carrying amount		
Opening gross carrying amount	51	51
Closing gross carrying amount	**51**	**51**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount	**51**	**51**

(i) Fair value

	31 March 2019	31 March 2018
Investment properties	564	513

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2019 is ₹ 564 lakhs based on external valuation.

Fair Value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of land parcels at Panchagini, Khamgaon and Solapur.

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Description of valuation technique used

The Company obtains independent valuations of its investment property after every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Company has not earned any rental income on the above properties.

Note 6: INTANGIBLE ASSETS

	Computer Software	License/ Franchise Fees	Total
Gross carrying amount as on 1 April 2017	**78**	**200**	**278**
Additions during the year	20	129	149
Gross carrying amount as on 1 April 2018	98	329	427
Additions during the year	152	9	161
Gross carrying amount as on 31 March 2019	**250**	**338**	**588**
Accumulated Amortisation			
Accumulated amortisation as at 1 April 2017	**39**	**147**	**186**
Amortisation charge for the year	25	51	76
Accumulated amortisation as at 1 April 2018	**64**	**198**	**262**
Amortisation charge for the year	52	52	104
Closing accumulated amortisation as at 31 March 2019	**116**	**250**	**366**
Net Block as at 31 March 2018	**34**	**131**	**165**
Net Block as at 31 March 2019	**134**	**88**	**222**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 7: INVESTMENT IN SUBSIDIARIES & ASSOCIATES - NON - CURRENT

	31 March 2019	31 March 2018
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,50,000 (31 March 2018: 1,70,50,000) equity shares of Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 each	80,724	80,724
1,60,000 (31 March 2018: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	20	20
9,998 (31 March 2018: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1
43,350 (31 March 2018: 43,350) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
Investments in equity shares (unquoted) of Associates (fully paid up)		
50,81,363 (31 March 2018: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each (refer note 9 : March 2019 reclassified to held for sale)	-	2,356
49,994 (31 March 2018: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
49,994 (31 March 2018: 49,994) equity shares of Ishanya Brand Services Limited of ₹ 10 each	5	5
4,000 (31 March 2018: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of ₹ 10 each #	0	0
Total (equity instruments)	**80,759**	**83,115**
Aggregate amount of unquoted investments	80,759	83,115

less than ₹ 100,000/-

Note 8 : INVESTMENTS

	31 March 2019	31 March 2018
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
88,448 (31 March 2018: 88,448) equity shares of Deepak International Limited of $1 each	69	69
Total	**69**	**69**

Note 9 : Investments in associate (held-for-sale)

	31 March 2019	31 March 2018
Investments in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
50,81,363 (31 March 2018: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	2,356	-
Total	**2,356**	**-**

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

On 28 March 2019, consent of the Board of Directors was obtained for disinvestment from Desai Fruits and Vegetables Pvt Ltd (DFVPL) by selling equity shares of DFVPL. The carrying value of the investment has been presented as held for sale in current assets.

Share purchase agreement was signed with CFI on 6 April 2019 to sell shares at ₹ 74 per share for a total consideration of ₹ 3,760 Lakhs.

Note 10: CURRENT INVESTMENTS

	31 March 2019	31 March 2018
Quoted		
Investment in Debt Securities (carried at fair value through OCI)	-	1,636
Investment in Government Securities (carried at fair value through OCI)	291	1,026
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	-	25,775
Total	**291**	**28,437**

Note 11: TRADE RECEIVABLES

	31 March 2019	31 March 2018
Trade Receivables		
Unsecured, considered good	43,734	1,03,630
Unsecured, credit Impaired	314	229
Less: Impairment loss allowance	(314)	(229)
Total	**43,734**	**1,03,630**

Movement in allowance for expected credit loss:

	31 March 2019	31 March 2018
Balance at beginning of the year	229	113
Add: Allowance for expected credit loss	85	116
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	**314**	**229**

Trade receivables have been offered as security against the working capital facilities provided by the banks.

Note 12: LOANS

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Loans to subsidiaries (Refer Note 44)	6,021	-	-	-
Loans to employees	4	-	90	-
Other loans	50	45	159	-
Unsecured, considered doubtful				
Other loans	60	-	-	-
Less: Provision for doubtful loans	(60)	-	-	-
Total	**6,075**	**45**	**249**	**-**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 13: CASH & CASH EQUIVALENTS

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	2,617	2,222
- in EEFC accounts	49	9
Deposits with original maturity upto three months	22	3,021
Cash on hand	6	5
Cheques in hand	1,350	1,862
Total	**4,044**	**7,119**

Note 14: OTHER BANK BALANCES

	31 March 2019	31 March 2018
Earmarked balances with banks		
Unclaimed dividend	800	561
Deposits with maturity upto 12 months from the reporting date	1,552	200
Total	**2,352**	**761**

Note 15: OTHER FINANCIAL ASSETS

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
Interest receivable	1,345	-	519	-
Security deposits	-	2,579	-	1,040
Others	113	55	171	311
Total	**1,458**	**2,634**	**690**	**1,351**

Note 16: OTHER NON-CURRENT ASSETS

	31 March 2019	31 March 2018
Capital advances	1,895	2,474
Balance with government authorities	8,084	7,123
Prepaid expenses	40	27
Total	**10,019**	**9,624**

Note 17: INVENTORIES

	31 March 2019	31 March 2018
Raw materials Includes ₹ 3 Lakhs (31 March 2018 ₹ 161 Lakhs) in transit	2,128	1,277
Finished goods	1,560	641
Stock-in-trade Includes ₹ 1,741 Lakhs (31 March 2018 ₹ 212 Lakhs) in transit	5,867	14,993
Stores and spares Includes Nil (31 March 2018 ₹ 101 Lakhs) in transit	3,347	5,541
Packing material	258	270
Total	**13,160**	**22,722**

Inventories have been offered as security against the working capital facilities provided by the banks.

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 18: OTHER CURRENT ASSETS

	31 March 2019	31 March 2018
Advances for supply of goods and services	527	4,640
Balances with government authorities	3,907	1,407
Prepaid expenses	1,687	1,775
Other receivables	40	62
Total	**6,161**	**7,884**

Note 19: SHARE CAPITAL

	31 March 2019	31 March 2018
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	12,505
(31 March 2018: 12,50,50,000 equity shares of ₹ 10/- each)		
Nil Cumulative redeemable preference shares of ₹ 100/- each.	-	1,000
(31 March 2018: 10,00,000 Cumulative redeemable preference shares of ₹ 100/- each.)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
8,82,04,943 equity shares of ₹ 10/- each.	8,820	8,820
(31 March 2018: 8,82,04,943 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**8,820**	**8,820**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

	31 March 2019		31 March 2018	
Equity Shares	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning and at the end of the year	8,82,04,943	8,820	8,82,04,943	8,820
Add: Issued during the year	-	-	-	-
	8,82,04,943	**8,820**	**8,82,04,943**	**8,820**

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees 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 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. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

(All amounts in ₹ Lakhs unless otherwise stated)

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

	31 March 2019		31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,27,06,848	48.42%	4,25,94,071	48.29%

Note 20: OTHER EQUITY

Nature and purpose of other equity

(a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

(b) **Capital redemption reserve:** The Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) **Share Warrants:** During the year, the Company has issued 64,76,893 convertible warrants at a issue price of ₹ 308 per warrant to a promoter group company. These warrants are convertible into equal number of fully paid equity shares of ₹ 10 each upon exercise of the option of conversion of warrants held by the holders within a period of 18 months from the date of allotment of warrants.

(d) **General reserve:** This represents appropriation of profits by the Company to general reserve and is available for distribution of dividend.

(e) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

After the reporting date, the following dividend (excluding dividend distribution tax) was proposed by the Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as a liability. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2019	31 March 2018
₹ 3 per equity share (31 March 2018 : ₹ 6 per equity share)	2,646	5,292

(f) **Other comprehensive income :** This represents equity instruments carried at fair value through OCI and remeasuremet of employee benefits (gratuty and post retirement benefits).

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2019	31 March 2018
Secured - at amortised cost				
Term loans				
Bank of Baroda	Redeemable in quarterly installments starting from June 2021 and end date of 31 Dec 2027	9.05% per annum	18,122	9,000
Export Import Bank Of India	Redeemable in quarterly installments starting from June 2021 and end date of 31 Dec 2027	9.05% to 9.60% per annum	21,991	10,400
Total			**40,113**	**19,400**

The term loans have been availed for financing of Nitric Acid project at Dahej. The term loans are secured by pari passu charge on the land & building and hypothecation of all the present & future movable, immovable and intangible assets pertaining to Nitric Acid project at Dahej.

Note 22: CURRENT BORROWINGS

	31 March 2019	31 March 2018
Loans repayable on demand		
From banks		
Secured		
- Buyer's credit	1,126	32,437
- Short term loan	23,348	10,000
- Cash credit facilities	2,441	-
Bills Discounting	373	2,487
Unsecured		
Commercial paper	-	72,500
Total	**27,288**	**1,17,424**

RECONCILIATION OF BORROWINGS

	31 March 2019	31 March 2018
Non-current borrowings	40,113	19,400
Current borrowings	27,288	1,17,424
	67,401	**1,36,824**
Proceeds from borrowings	36,502	42,733
Repayment of borrowings	(1,05,925)	(38,796)
Movement of borrowings (net)	**(69,423)**	**3,937**

(All amounts in ₹ Lakhs unless otherwise stated)

Short term loan from bank is repayable on demand, carries average interest rate of 8.57% (31 March 2018 - 7.90%) and is secured by a first pari-passu charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year 2.41 % (31 March 2018 - 1.73 %) and are secured by a first pari-passu charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Cash credit is repayable on demand and carries variable rate of interests. Average interest rate for the year is 8.21% (31 March 2018 - 8.39%). Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first pari-passu charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Debtors bill discounting is availed at interest rates ranging between 8.50% to 14.00% (31 March 2018 - 8.50%) and is secured by hypothecation of debtors and stocks.

Note 23: OTHER FINANCIAL LIABILITIES

	31 March 2019	31 March 2018
Current		
Interest accrued	337	221
Security deposits	577	377
Capital creditors	5,425	774
Due to related parties	-	462
Foreign-exchange forward contracts payables (net)	682	25
Others	1,335	1,417
Total	**8,356**	**3,276**

Note 24: PROVISIONS

	31 March 2019		31 March 2018	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	300	105	-	-
Compensated absences	384	1,009	244	1,128
Defined pension benefits	66	60	68	86
Total (A)	**750**	**1,174**	**312**	**1,214**
Other Provisions				
Provision for site restoration	-	454	-	373
Total (B)	**-**	**454**	**-**	**373**
Total (A+B)	**750**	**1,628**	**312**	**1,587**

Movement in provision for site restoration	
As at 1 April 2017	**328**
Additional provisions recognised	45
As at 1 April 2018	**373**
Additional provisions recognised	81
As at 31 March 2019	**454**

The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

(A) Defined Contribution Plans

The Company has certain defined contribution plans such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	31 March 2019	31 March 2018
Employer's contribution to provident fund	196	188
Employer's contribution to employee's pension scheme	55	53
Employer's contribution to superannuation fund	160	191
Employer's contribution to employee state insurance	1	1

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2018: 5% p.a.), taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Company. The expected rate of return on plan assets is 7.50% p.a. (31 March 2018: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	3,650	3,565
Current service cost	294	285
Interest cost	258	256
Actuarial loss / (gain)	574	(145)
Benefits paid	(432)	(311)
Present value of obligation at the end of the year	4,344	3,650

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the end of the year	4,344	3,650
Fair value of plan assets at the end of the year	3,939	3,820
Net (assets)/ liabilities recognised in the Balance Sheet	405	(170)

(All amounts in ₹ Lakhs unless otherwise stated)

Fair value of plan assets:

Particulars	31 March 2019	31 March 2018
Plan assets at the beginning of the year	3,820	3,296
Expected return on plan assets	280	257
Contribution by employer	408	569
Actual benefit paid	(500)	(311)
Actuarial gain/(loss)	(69)	9
Plan assets at the end of the year	3,939	3,820

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	294	285
Interest cost	258	256
Expense recognised in the Statement of Profit and Loss	552	541

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements cost / (credit)	574	(145)
Actuarial (gain)/loss on plan assets	69	(9)
Amount recognised in the Other Comprehensive Income	643	(154)

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2019	31 March 2018
Experience (Gain) / Loss on plan liabilities	339	(145)
Demographic (Gain) / Loss on plan liabilities	100	-
Financial (Gain) / Loss on plan liabilities	136	-
Experience (Gain) / Loss on plan assets	69	(20)
Financial (Gain) / Loss on plan assets	-	10

Categories of the fair value of total plan assets:

Particulars	31 March 2019	31 March 2018
Funds managed by insurer	3,939	3,820

Sensitivity analysis :

Particulars	31 March 2019		31 March 2019	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(169)	183	144	(136)

Particulars	31 March 2018		31 March 2018	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(179)	197	165	(153)

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	31 March 2019	31 March 2018
Within the next 12 months (next annual reporting period)	901	528
Later than 1 year and not later than 5 years	3,068	2,340
Later than 5 year and not later than 9 years	2,655	2,551
Total expected payments	**6,624**	**5,419**

ii. Defined pension benefits :

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from 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.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	154	136
Current service cost	42	44
Interest cost	11	10
Actuarial loss	(68)	(21)
Benefits paid	(13)	(15)
Present value of obligation at the end of the year	126	154

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	42	44
Interest cost	11	10
Expense recognised in the Statement of Profit and Loss	53	54

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements Cost / (Credit)	(68)	(21)
Amount recognised in the Other Comprehensive Income	(68)	(21)

(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis :

Particulars	31 March 2019		31 March 2018	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(26)	35	(33)	44

Note 25: TRADE PAYABLES

	31 March 2019	31 March 2018
Trade payables		
(a) total outstanding dues of micro and small enterprises	132	28
(b) total outstanding dues of creditors other than micro and small enterprises	52,804	49,319
Total	**52,936**	**49,347**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount outstanding (whether due or not) to micro and small enterprises	132	28
- Interest due thereon	1	-
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	677	26
Amount of interest due and payable on delayed payments	12	-
Amount of interest accrued and remaining unpaid as at year end	12	-
The amount of further interest remaining due and payable even in the succeeding year	-	-

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 ('MSMED Act'), the Company requested its suppliers to confirm whether they are Micro, Small or Medium enterprise as defined in the said MSMED 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 MSMED Act, from the date of receipt of such confirmations.

Note 26: DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

	31 March 2019	31 March 2018
(a) Deferred tax assets	(3,358)	(3,605)
(b) Deferred tax liabilities	3,776	4,234
Net deferred tax liabilities	**418**	**629**

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Movements during the year ended 31 March 2019:

	1 April 2018	**Credit/ (charge) in the statement of Profit and Loss**	**Credit/(charge) in the Other Comprehensive Income**	**31 March 2019**
Property, plant and equipment, investment property and intangibles assets	4,234	(458)	-	3,776
Financial assets at fair value through profit or loss	62	-	(219)	(157)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,818)	596	-	(1,222)
MAT credit	(1,587)	(131)	-	(1,718)
Others	(262)	1	-	(261)
Net deferred tax liabilities	**629**	**8**	**(219)**	**418**

Movements during the year ended 31 March 2018:

	1 April 2017	Credit/ (charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2018
Property, plant and equipment and investment property	4,894	(660)	-	4,234
Financial assets at fair value through profit or loss	23	-	39	62
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,045)	227	-	(1,818)
MAT credit	-	(1,587)	-	(1,587)
Others	(279)	17	-	(262)
Net deferred tax liabilities	**2,593**	**(2,003)**	**39**	**629**

Note 27: OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018
Advances from customers	612	2,497
Unclaimed dividend (#)	800	561
Statutory dues payable	7,475	6,441
Other payables	222	211
Total	**9,109**	**9,710**

(#) ₹ 71 Lakhs (31 March 2018 ₹ 67 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2018 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 28: REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
Sale of products		
Finished goods	1,13,746	1,16,581
Traded goods	1,98,934	2,02,686
Power generated from windmills	818	711
Revenue from realty business	971	675
Other operating revenues	419	768
Total	**3,14,888**	**3,21,421**

Sales for the year ended 31 March 2018 include excise duty upto 30 June 2017 and hence figures are not comparable.

Contracts with customer

Particulars	31 March 2019
Revenue recognised from contracts with customers	3,14,888
Disaggregation of revenue	
Based on type of goods	
- Sale of industrial chemicals	3,11,496
- Sale of traded products - House Life	1,184
- Revenue from power generated from windmills	818
- Income from Realty Business	971
- Other operating revenues	419
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers as at 31 March 2019	314

Details of contact balances:

Particulars	Year ended 31 March 2019
Opening balance of receivables	1,03,630
Closing balance of receivables	43,734
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,497
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

and do not contain any financing component. The payment is generally due within 30-90 days. The Company is obliged to give refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	31 March 2019
Contract price	3,22,594
Less:	
Amount recognised as Discounts / shortages	7,706
Revenue recognised in the statement of profit and loss	**3,14,888**

Cost to obtain a contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 29: OTHER INCOME

	31 March 2019	31 March 2018
Dividend income from subsidiary	-	4,518
Interest income	1,282	1,398
Fair value gain on financial assets measured at fair value through profit or loss	-	33
Net gain on sale of investments	590	158
Other non-operating income	487	535
Total	**2,359**	**6,642**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 30: COST OF MATERIALS CONSUMED

	31 March 2019	31 March 2018
Raw materials as at the beginning of the year	1,277	683
Add: Purchases during the year	88,870	81,024
Less: Raw material as at the end of the year	2,128	1,277
Total	**88,019**	**80,430**

Note 31: PURCHASE OF STOCK-IN-TRADE

	31 March 2019	31 March 2018
Purchases of stock-in- trade	1,85,392	2,03,547
Total	**1,85,392**	**2,03,547**

Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2019	31 March 2018
Opening balance		
Finished goods	641	2,639
Stock-in-trade	14,993	5,796
Total opening balance	**15,634**	**8,435**
Closing balance		
Finished goods	1,560	641
Stock-in-trade	5,867	14,993
Total closing balance	**7,427**	**15,634**
(Increase)/ decrease in excise duty on stock of finished goods	-	(167)
Total	**8,207**	**(7,366)**

Note 33: EMPLOYEE BENEFIT EXPENSES

	31 March 2019	31 March 2018
Salaries, wages and bonus *	4,992	5,381
Contribution to provident fund & other funds	787	783
Staff welfare expenses	263	278
Total	**6,042**	**6,442**

(*) Net of recharges of ₹ 5,701 lakhs (31 March 2018 : ₹ 4,826 Lakhs) to subsidiaries

Note 34: FINANCE COSTS

	31 March 2019	31 March 2018
Interest and finance charges #	10,500	8,026
Less: Interest capitalised	(2,482)	(958)
Total	**8,018**	**7,068**

Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ 212 Lakhs (₹ 621 Lakhs).

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
Depreciation on property, plant and equipment *	4,700	4,974
Amortisation of other intangible assets	104	76
Total	**4,804**	**5,050**

(*) Net of recharges of ₹ 1,014 lakhs (31 March 2019 : ₹ 665 Lakhs) to a subsidiary.

Note 36: OTHER EXPENSES (NET)

	31 March 2019	31 March 2018
Consumption of stores and spares	1,176	793
Power, fuel and water*	579	1,925
Repairs to :		
- Building	182	161
- Plant and machinery	1,462	1,164
- Others	539	617
Rent	260	274
Insurance	423	472
Rates, taxes and duties #	372	519
Travelling and conveyance	192	250
Legal and professional fees	1,582	1,158
Payments to auditors (note 37(a) below)	43	38
Directors' fees	50	58
Carriage outward (net)	4,401	5,341
Loss on disposal of property, plant and equipment	29	112
Commission on sales	43	29
Sales promotion expenses	391	239
Utility services	306	311
Communication expenses	57	77
Corporate social responsibility expenditure (note 37(b) below)	58	177
Foreign exchange fluctuations loss (net)	1,636	2,349
Miscellaneous expenses	1,870	1,041
Total	**15,651**	**17,105**

Other expenses are net of recharges of ₹ 4,037 Lakhs (31 March 2018 : ₹ 4,543 Lakhs) to subsidiaries.
* net of reversal of MSEB electricity duty provision of ₹ 1,642 Lakhs (31 March 2018 : Nil)
# net of reversal of provision for penalty on entry tax ₹ 1,063 Lakhs (31 March 2018 : Nil)

Note 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2019	31 March 2018
Payment to auditors		
As auditor:		
Audit fee	30	25
Tax audit fee	-	3
Certification fees in the capacity of statutory auditors	8	3
In other capacities		
Taxation matters	-	5
Re-imbursement of expenses	5	2
Total	**43**	**38**

* includes ₹ Nil (31 March 2018 : ₹ 10 Lakhs) payable/paid to erstwhile auditors and taxation matters fees paid to erstwhile auditors.

Note 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2019	31 March 2018
Contributions to Ishanya Foundation	41	153
Others	17	24
Total	**58**	**177**
Amount required to be spent as per Section 135 of the Act	332	345
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	58	177

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2019			31 March 2018		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in subsidiaries, associates and joint ventures	-	69	-	-	69	-
- Mutual funds	-	-	-	25,775	-	-
- Debt & Government securities	-	291	-	-	2,662	-
Trade receivables	-	-	43,734	-	-	1,03,630
Cash and cash equivalents	-	-	4,044	-	-	7,119
Other bank balances	-	-	2,352	-	-	761
Loans	-	-	6,120	-	-	249
Other financial assets						
- Security deposits	-	-	2,579	-	-	1,040
- Interest receivable	-	-	1,345	-	-	519
- Others	-	-	168	-	-	482
Total financial assets	**-**	**360**	**60,342**	**25,775**	**2,731**	**1,13,800**
Financial liabilities						
Borrowings	-	-	67,401	-	-	1,36,824
Trade payables	-	-	52,936	-	-	49,347
Other financial liabilities						
- Derivative financial liabilities, not designated as hedges	682	-	-	25	-	-
- Capital creditors	-	-	5,425	-	-	774
- Security deposits	-	-	577	-	-	377
- Interest accrued	-	-	337	-	-	221
- Others	-	-	1,335	-	-	1,879
Total financial liabilities	**682**	**-**	**1,28,011**	**25**	**-**	**1,89,422**

(All amounts in ₹ Lakhs unless otherwise stated)

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2019				31 March 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Equity instruments	-	-	69	69	-	-	69	69
Mutual funds	-	-	-	-	25,775	-	-	25,775
Financial Investments at FVOCI								
Debts & Government Securities	291	-	-	291	2,662	-	-	2,662
Total financial assets	**291**	**-**	**69**	**360**	**28,437**	**-**	**69**	**28,506**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	682	-	682	-	25	-	25
Total financial liabilities	**-**	**682**	**-**	**682**	**-**	**25**	**-**	**25**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that range.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investors.

d) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans, investments and balances with banks.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Company revenue.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, considers credit risk for trade receivables to be low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivables from group companies is ₹ 1,346 Lakhs (31 March 2018: ₹ 1,254 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March, 2019 or 31 March, 2018.

Movement in the expected credit loss allowance of trade receivables is as follows:

	31 March 2019	31 March 2018
Balance at the beginning of the year	229	113
Add: Provided during the year (net of reversal)	85	116
Less: Amount written off	-	-
Balance at the end of the year	314	229

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly there are no significant provisions for expected credit loss on these balance financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury risk management policy includes an appropriate risk management framework for management of short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2019	Carrying Amount	Due in 1 year	Due between 1 to 5 years	Due after 5 years	Total
Non-derivatives financial liabilities					
Borrowings	66,275	26,162	18,468	21,645	66,275
Trade payables	33,253	33,253	-	-	33,253
Other financial liabilities	7,674	7,674	-	-	7,674
Total non-derivative liabilities	**1,07,202**	**67,089**	**18,468**	**21,645**	**1,07,202**
Derivatives financial liabilities					
Foreign exchange forward contracts	682	682	-	-	682
Borrowings	1,126	1,126	-	-	1,126
Trade payables	19,683	19,683	-	-	19,683
Total derivative liabilities	**21,491**	**21,491**	**-**	**-**	**21,491**

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2018	Carrying Amount	Due in 1 year	Due between 1 to 5 years	Due after 5 years	Total
Non-derivatives financial liabilities					
Borrowings	1,04,975	85,575	5,543	13,857	1,04,975
Trade payables	21,182	21,182	-	-	21,182
Other financial liabilities	3,251	3,251	-	-	3,251
Total non-derivative liabilities	**1,29,408**	**1,10,008**	**5,543**	**13,857**	**1,29,408**
Derivatives financial liabilities					
Foreign exchange contract used for hedging					
- Borrowings	31,849	31,849	-	-	31,849
- Trade payables	28,165	28,165	-	-	28,165
Total derivative liabilities	**60,014**	**60,014**	**-**	**-**	**60,014**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is significantly exposed to risk are USD and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 45.

FOREIGN CURRENCY BALANCES OUTSTANDING

	AED in Lakhs	USD in Lakhs	EURO in Lakhs
Assets			
Exports Receivables			
31 March 2019	-	3	-
31 March 2018	-	10	-
Liabilities			
Trade Payables			
31 March 2019	44	368	6
31 March 2018	13	994	-
Net (payable)/receivable in FC Lakhs			
31 March 2019	(44)	(365)	(6)
31 March 2018	(13)	(984)	-

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts is as follows :

	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2018-1%)	252	647
₹/USD -depreciated by 1% (31 March 2018-1%)	(252)	(647)
EUR sensitivity		
₹/EUR-appreciated by 1% (31 March 2018-1%)	5	NIL
₹/EUR-depreciated by 1% (31 March 2018-1%)	(5)	NIL

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31 March 2019	31 March 2018
Variable rate borrowings	42,555	19,400
Fixed rate borrowings	24,846	1,17,424
Total borrowings	67,401	1,36,824

Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2019 would decrease / increase by ₹ 213 Lakhs (for the year ended 31 March 2018: decrease / increase by ₹ 97 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 40. CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

(All amounts in ₹ Lakhs unless otherwise stated)

The gearing ratios were as follows:

	31 March 2019	31 March 2018
Net debt	61,005	1,28,944
Total equity	1,60,586	1,61,581
Net debt to equity ratio	0.38	0.80

(b) Dividends

Particulars		31 March 2019	31 March 2018
(i)	Equity shares		
	Final dividend for the year ended 31 March 2018 of ₹ 6 per fully paid equity share (31 March 2017 of ₹ 6 per fully paid equity share)	5,292	5,292
(ii)	Dividend not recognised at the end of the reporting period		
	The directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (31 March 2018 : ₹ 6 per equity share). The proposed dividend is subject to the approval of shareholders in the annual general meeting.	2,646	5,292

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 41 (a) : Names Of The Related Parties And Relationships

A Associates

1 Ishanya Brand Services Limited
2 Ishanya Realty Corporation Limited
3 Mumbai Modern Terminal Market Complex Private Limited
4 Desai Fruits and Vegetables Private Limited

B Subsidiaries

1 Smartchem Technologies Limited (STL)
2 Platinum Blasting Services Pty Limited [PBS] (Subsidiary of STL)
3 Australian Mining Explosives Pty Ltd (Subsidiary of PBS)
4 RungePincockMinarco India Private Limited
5 Deepak Mining Services Private Limited
6 Deepak Nitrochem Pty Limited
7 SCM Fertichem Limited
8 Performance Chemiserve Private Limited

C Jointly Controlled Entity

1 Yerrowda Investments Limited

D Key management personnel

(a) Executive directors

Mr Sailesh Chimanlal Mehta

(b) Non-executive directors

Mrs Parul Sailesh Mehta
Mr Partha Sarathi Bhattacharyya
Mr Rajendra Ambalal Shah
Mr Madhumilan Parshuram Shinde

Non-executive Independent directors

Mr Berjis Minoo Desai
Mr Ashok Kumar Purwaha
Mr Mahesh Ramchand Chhabria
Mr Sewak Ram Wadhwa
Mr Anil Sachdev
Mr Pranay Dhansukhlal Vakil
Mr Urmilkumar Purushottamdas Jhaveri
Mr Anil Chandanmal Singhvi

(c) Company Secretary

Mr K Subharaman

(d) Chief Finance Officer

Mr Amitabh Bhargava

E Entities over which key managerial personnel are able to exercise significant influence:

1 Blue Shell Investments Private Limited
2 Nova Synthetic Limited
3 The Lakaki Works Private Limited
4 Superpose Credits And Capital Private Limited
5 Storewell Credits And Capital Private Limited
6 High Tide Investments Private Limited
7 Deepak Asset Reconstruction Private Limited
8 Mahadhan Investment and Finance Private Limited
9 Ishanya Foundation
10 Deepak Foundation
11 Mahadhan Farm Technologies Private Limited
12 Robust Marketing Services Private Limited
13 Crawford Bailey & Co.

F Relatives of key management personnel

1 Mr Chimanlal Mehta
2 Ms Rajvee Mehta

G Entities over which relatives of key managerial personnel are able to exercise significant influence:

1 Deepak Nitrite Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 41 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019 Subsidiaries	31 March 2019 Associates	31 March 2019 Jointly Controlled Entities	31 March 2019 Key Management Personnel	31 March 2019 Relative of Key Management Personnel	31 March 2019 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2019 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2019 Total	31 March 2018 Subsidiaries	31 March 2018 Associates	31 March 2018 Jointly Controlled Entities	31 March 2018 Key Management Personnel	31 March 2018 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2018 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2018 Total
1	**Sale of goods/ recharges for natural gas**															
	Smartchem Technologies Limited	43,388	-	-	-	-	-	-	43,388	39,734	-	-	-	-	-	39,734
	Deepak Nitrite Limited	-	-	-	-	-	-	8,901	8,901	-	-	-	-	-	7,290	7,290
2	**Rendering of services/ reimbursement of expenses / recharges for use of common facilities**															
	Smartchem Technologies Limited	12,889	-	-	-	-	-	-	12,889	9,083	-	-	-	-	-	9,083
	Ishanya Foundation	-	-	-	-	-	4	-	4	-	-	-	-	4	-	4
	Performance Chemiserve Private Limited	244	-	-	-	-	-	-	244	130	-	-	-	-	-	130
	RungPincock Minarco India Private Limited	-	-	-	-	-	-	-	-	4	-	-	-	-	-	4
	SCM Fertichem Limited	4	-	-	-	-	-	-	4	-	-	-	-	-	-	-
3	**Interest on loan given**															
	Smartchem Technologies Limited	1,013	-	-	-	-	-	-	1,013	4,028	-		-	-	-	4,028
	Deepak Mining Services	1	-	-	-	-	-	-	1	2	-		-	-	-	2
4	**Dividend income**															
	Smartchem Technologies Limited	-	-		-	-	-	-	-	4,518	-		-	-	-	4,518
5	**Purchase of goods and services**															
	Smartchem Technologies Limited	(20,803)	-	-	-		-	-	(20,803)	(17,879)	-		-	-	-	(17,879)

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 41 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019								31 March 2018						
		Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
6	**Receiving of services/ reimbursement of expenses**															
	Yerrowda Investments Limited	-	-	(31)	-	-	-	-	(31)			(86)	-	-	-	(86)
	Ishanya Foundation	-	-	-	-	-	(1)	-	(1)							
	Performance Chemiserve Private Limited	(244)	-	-	-	-	-	-	(244)	(285)	-		-	-	-	(285)
	Crawford Bailey & Co.	-	-	-	-	-	(9)	-	(9)							
	M P Shinde	-	-	-	(15)	-	-	-	(15)							
7	**CSR Contribution**															
	Ishanya Foundation	-	-	-	-	-	(41)	-	(41)	-	-		-	(153)	-	(153)
8	**Remuneration (including perquisites)**															
	Mr Sailesh Chimanlal Mehta	-	-	-	(398)	-	-	-	(398)	-	-		(656)	-	-	(656)
	Mr Vipin Agarwal	-	-	-	-	-	-	-	-	-	-		(97)	-	-	(97)
	Mr Amitabh Bhargava	-	-	-	(189)	-	-	-	(189)	-	-		(76)	-	-	(76)
	Mr K Subharaman	-	-	-	(70)	-	-	-	(70)	-	-		(68)	-	-	(68)
	Ms. Rajvee Sailesh Mehta	-	-	-	-	(14)	-	-	(14)	-	-		-	-	-	-
9	**Sitting Fees paid to Non -Executive Directors**	-	-	-	(50)	-	-	-	(50)	-	-		(58)	-	-	(58)
10	**Lease rental expenses**															
	Deepak Nitrite Ltd.	-	-	-	-	-	-	-	-	-	-		-		8	8
	Robust Marketing Services Private Limited	-	-	-	-	-	(66)	-	(66)	-	-		-	(66)	-	(66)
	Mr Sailesh Chimanlal Mehta	-	-	-	-	-	-	-	-	-	-		(16)	-	-	(16)
11	**Deposits for Renting of Premises**															

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 41 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019 Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	31 March 2018 Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	Mr. Sailesh Chimanlal Mehta	-	-	-	(1,300)	-	-	-	(1,300)	-	-	-	-	-	-	-
12	**Subscription to Share Warrants**															
	Robust Marketing Services Private Limited	-	-	-	-	-	5,000	-	5,000	-	-	-	-	-	-	-
13	**Loans given**															
	Smartchem Technologies Limited	(25,000)	-	-	-	-	-	-	(25,000)	(52)	-	-	-	-	-	(52)
14	**Loans received back**															
	Smartchem Technologies Limited	19,000	-	-	-	-	-	-	19,000	54,928	-	-	-	-	-	54,928
15	**Amount outstanding**															
	Trade payables															
	Smartchem Technologies Limited	-	-	-	-	-	-	-	-	(1,165)	-	-	-	-	-	(1,165)
	Yerrowda Investments Limited	-	-	(21)	-	-	-	-	(21)	-	-	(54)	-	-	-	(54)
	M P Shinde	-	-	-	(1)	-	-	-	(1)	-	-	-	-	-	-	-
	Performance Chemiserve Private Limited	(96)	-	-	-	-	-	-	(96)	133	-	-	-	-	-	133
	Commission payable															
	Mr. Sailesh Chimanlal Mehta	-	-	-	-	-	-	-	-	-	-	-	(312)	-	-	(312)
	Trade receivables															
	Smartchem Technologies Limited	19,045	-	-	-	-	-	-	19,045	-	-	-	-	-	-	-
	Deepak Nitrite Ltd.	-	-	-	-	-	-	1,391	1,391	-	-	-	-	-	2,373	2,373
	Ishanya Foundation	-	-	-	-	-	-	-	-	-	-	-	-	1		1
	Platinum Blasting Services Pty Limited	10	-	-	-	-	-	-	10	-	-	-	-	-	-	-
	SCM Fertichem	20	-	-	-	-	-	-	20	-	-	-	-	-	-	-

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 41 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019 Subsidiaries	31 March 2019 Associates	31 March 2019 Jointly Controlled Entities	31 March 2019 Key Management Personnel	31 March 2019 Relative of Key Management Personnel	31 March 2019 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2019 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2019 Total	31 March 2018 Subsidiaries	31 March 2018 Associates	31 March 2018 Jointly Controlled Entities	31 March 2018 Key Management Personnel	31 March 2018 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2018 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2018 Total
	Deepak Mining Services	20	-	-	-	-	-	-	20	-	-	-	-	-	-	-
	Interest Receivable															
	Smartchem Technologies Limited	912	-	-	-	-	-	-	912	-	-	-	-	-	-	-
	Deposits for renting of premises															
	Mr. Sailesh Chimanlal Mehta	-	-	-	1,500	-	-	-	1,500	-	-	-	200	-	-	200
	Robust Marketing Services Private Limited	-	-	-	-	-	650	-	650	-	-		-	653	-	653
	Loans outstanding															
	Smartchem Technologies Limited	6,000	-	-	-	-	-	-	6,000	-	-	-	-	-	-	-
	Deepak Mining Services	21	-		-		-	-	21	-	-		-	-	-	-
	Money received against Share Warrants	-	-	-	-	-	(5,000)		(5,000)	-	-	-	-	-	-	-

Note : Figures in bracket are outflows.
The above figures do not include provision for compensated absences and contribution to gratuity fund, as separate figures are not available for the Managing Director.
All Transactions are in ordinary course and on an arm's length basis

Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2019	31 March 2018
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	13,126	37,447
Income Tax Demands	7,493	7,866
Excise/Service Tax/Custom Demands * #	5,694	13,914
Sales Tax/ VAT Demands	4,758	4,857
Local Body Tax	595	-
Penalty on Entry Tax	1,551	-
Penalty Levied by Competition Commission of India and contested by the Company	-	200
Total	**33,217**	**64,284**
B. Capital Commitments		
Related to Projects	14,495	27,697
Related to Realty	439	403
Total	**14,934**	**28,100**

*Includes customs duty demands amounting to ₹ Nil (31 March 2018 : ₹ 9,347 Lakhs) on duty free import of fertiliser during the period 2005-06 to 2009-10. Under the applicable policy of Government on subsidy, any customs duty was to be reimbursed by the Government.

includes ₹ 1,881 Lakhs (31 March 2018 : ₹ 1,881 Lakhs) which pertains to service tax laibilities. Subsequent to the year end Company has received a favourable order from CESTAT against which the department has not gone into appeal.

Note 43: LEASES

The Company has taken premises on operating lease for a period of one to five years. The future lease payments of such operating lease is as follows:

Particulars	31 March 2019	31 March 2018
Minimum lease rental payable		
Not later than 1 year	509	476
Later than 1 year but not later than 5 years	2,283	70
Later than 5 years	-	-
Total	**2,792**	**546**

Note 44: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013

Loans and advances to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required.

Name of the party	Rate of interest	Purpose and due date	31 March 2019	31 March 2018
SmartChem Technologies Limited	7.35%	The loan has been granted to the subsidiary for working capital requirements. The loan is repayable on demand.	6,000	-
Deepak Mining Services Limited	6.73%		21	-

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

The Company has issued corporate guarantees on behalf of subsidiaries / associates to banks. Details are as below :

Name of the party	31 March 2019		31 March 2018	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Platinum Blasting Services Pty. Ltd (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	AUD 9.35	4,585	AUD 10.60	5,305
Smartchem Technologies Limited (wholly owned subsidiary)	-	76,052	-	31,052

Note 45: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2019		31 March 2018	
	Amount in FC Lakhs	Equivalent Amount in INR Lakhs	Amount in FC Lakhs	Equivalent Amount in INR Lakhs
Hedged Position*				
Creditors (in USD)	285	19,683	404	26,349
Creditors (in AED)	-	-	102	1,816
Buyers Credit (in USD)	16	1,126	489	31,849
Total	**301**	**20,809**	**995**	**60,014**
Un-hedged Position				
Creditors (in USD)	67	4,612	101	6,610
Creditors (in EURO)	6	464	-	-
Creditors (in AED)	44	825	13	229
Buyers Credit (in USD)	-	-	11	713
Exports receivable (in USD)	3	205	10	637
Bank Balance (in USD)	-	-	0	9
Total	**120**	**6,106**	**135**	**8,198**

*The above transactions are hedged by the following derivative contracts:

Particulars	31 March 2019		31 March 2018	
	Amount in FC Lakhs	Equivalent Amount in INR Lakhs	Amount in FC Lakhs	Equivalent Amount in INR Lakhs
Forward Contracts -USD	115	7,934	609	39,697
Forward Contracts -AED	-	-	102	1,816
Options Contracts - USD	186	12,875	284	18,501
Total	**301**	**20,809**	**995**	**60,014**

The Company has chosen not to designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109.

Unhedged Foreign Currency exposure is as under

Particulars	31 March 2019	31 March 2018
Payables	5,901	7,552
Receivables	205	637

Note 46: Income Taxes

A. Components of Income Tax Expenses	31 March 2019	31 March 2018
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	314	3,021
Adjustments/(credits) related to previous year - (net)	-	(800)
Total (A)	**314**	**2,221**
Deferred tax charge/(credit)	8	(417)
Total (B)	**8**	**(417)**
Total (A+B)	**322**	**1,804**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	(201)	(61)
(Gain)/Loss on debt instruments through other comprehensive income	(18)	22
Total	(219)	(39)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

Particulars	31 March 2019	31 March 2018
Accounting profit before tax	1,114	13,093
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%) (A)	**389**	**4,531**
Effects of income not subject to tax		
- Power Generation	(182)	(182)
- Dividend income	-	(1,563)
Effects of non-deductible business expenses	239	58
Income tax at higher/lower rates	34	
Reversal of earlier year tax provision	-	(800)
Others	(158)	(240)
Total (B)	**(67)**	**(2,727)**
Income Tax expense reported in the statement of profit or loss (A+B)	**322**	**1,804**

Note 47

During the current year, the managerial remuneration (based only on fixed component of salary) paid by the Company to its Chairman & Managing Director is in excess of the limits laid down under section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 249 Lakhs. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 48

The Income Tax Department carried out a Search and Seizure operation in the Company's Office premises and plants during the period from 15 November 2018 to 21 November 2018 under section 132 and section 133A of the Income Tax Act, 1961.

The Management has provided the requisite information to the income tax authorities and responded to questions that were posed during and after the search period. No demand notices have been issued to the Company as of 30 May 2019.

Management is of the view that the search and seizure will not have any significant impact on the Company's financial position and results as at and for the year ended 31 March 2019 and hence no provision has been established in the financial statements.

Note 49

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Note 50

i) MAT credit entitlement is regrouped with deferred tax liabilities (net) in the balance sheet (refer Note 26). Consequently, previous year comparative amounts of MAT credit entitlement of ₹ 1,587 Lakhs which were classified under Income tax assets have been regrouped under deferred tax liabilities (net). The correction resulted in decrease in income tax assets and deferred tax liabilities by ₹ 1,587 Lakhs as at 31 March 2018.

ii) Employee liabilities and capital creditors have been classified as other financial liabilities (refer Note 23). Consequently, previous year comparative amounts of employee liabilities of ₹ 1,417 Lakhs and capital creditors of ₹ 439 Lakhs which were classified under other current liabilities have been regrouped under other financial liabilities.

Notes 3 to 50 form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Deepak Fertilisers And Petrochemicals Corporation Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint operations, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint operations as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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, its associates and joint operations as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw attention to Note 47 to the consolidated financial statements, relating to managerial remuneration paid/ accrued by the Holding Company for the financial year ended 31 March 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. Our opinion is not modified in respect of this matter.

2. We draw attention to Note 46 to the consolidated financial statements which more fully explains that the Department of Fertilisers has released the fertiliser subsidy of ₹ 31,052 Lakhs based on issue of bank guarantee of an equivalent amount.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent liabilities and provisions (refer Note 42 and Note 48 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
The Group operates in various states within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. In this complex regulatory environment, there is a risk of litigations and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. At 31 March 2019, the Group's contingent liabilities are disclosed in note 42 and note 48 to the consolidated financial statements. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. Management recognises a provision when it has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle obligation. A contingent liability is recognised if there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity These estimates could change substantially over time as new facts emerge and as each legal case progresses. Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	Our audit procedures on contingent liabilities and provisions included the following: • Obtained the outstanding litigations list as compared to the previous year. Enquired and obtained explanations for movement in litigations during the year. • Inquired with management regarding the status of significant litigations and claims including obtaining legal teams views on the likely outcome of each litigation and claim and the magnitude of potential exposure. • Examined the Group's legal expenses and read the minutes of Board meetings, to evaluate the completeness of list of the open litigations. • Read the latest correspondences between the Company and tax/ legal authorities and reviewed legal opinions obtained by management, where applicable, for significant matters and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters. • With respect to tax matters, we involved tax specialists to evaluate the significant cases and the technical grounds for Management's conclusions on provisions or disclosure of contingent liabilities. • For non-tax matters, we evaluated Management's decisions and rationale for provisions established or disclosures made for contingent liabilities.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint operations is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint operations to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of eight subsidiaries (including step-down subsidiaries), whose financial statements reflect total assets of ₹ 706,790 Lakhs as at 31 March 2019, total revenues of ₹ 395,292 Lakhs and net cash inflows amounting to ₹ 280 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 305 Lakhs for the year ended 31 March 2019, in respect of one associate, whose financial statements have not been audited by us. 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 an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and an associate is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Group's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint operations as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2019 except for one director whose written representation has been received on 1 April 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint operations incorporated in India, none of the directors of the Group companies, its associate companies, and joint operations incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint operations, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and joint operations. Refer Note 42 to the consolidated financial statements.

ii. The Group, its associates and joint operations did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. The following is the instance of delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company:

Year	Type of dividend	Dividend unpaid (INR in Lacs)	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards ownership of shares which remains unresolved

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

i. We draw attention to note 47 to the consolidated financial statements, relating to Managerial Remuneration paid/ accrued by the Holding Company for the financial year ended 31 March 2019 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 249 Lakhs, and hence, is subject to the approval of the shareholders in the General Meeting. Our opinion is not modified in respect of this matter; and

ii. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership number: 101190

Place: Pune
Date: 30th May, 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, associate companies and joint operations as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, associate companies and joint operations have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint operations in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 5 subsidiary companies, 4 associate companies and 1 joint operations which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership number: 101190

Place: Pune
Date: 30th May, 2019

Consolidated Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,16,883	2,14,383
Capital work-in-progress	4	1,37,022	65,384
Investment property	5	511	511
Goodwill on consolidation		2,632	2,666
Other intangible assets	6	864	1,322
Investment in equity accounted investees	7	10	929
Financial assets			
i. Investments	8	72	72
ii. Loans	12	45	7
ii. Other financial assets	15	3,103	1,682
Deferred tax assets (net)	26	7,353	9,434
Income tax assets (net)		9,090	7,245
Other non - current assets	16	40,680	42,755
Total non-current assets		**4,18,265**	**3,46,390**
Current assets			
Inventories	17	82,790	76,849
Investments in associates (held-for-sale)	9	614	-
Financial assets			
i. Investments	10	24,544	37,773
ii. Trade receivables	11	1,39,626	1,96,537
iii. Cash and cash equivalents	13	8,874	9,184
iv. Other bank balances	14	2,749	847
v. Loans	12	129	446
vi. Other financial assets	15	984	1,855
Other current assets	18	33,186	29,265
Total current assets		**2,93,496**	**3,52,756**
Total assets		**7,11,761**	**6,99,146**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,820	8,820
Other equity	20	2,00,965	1,95,797
Equity attributable to owners of the Company		2,09,785	2,04,617
Non controlling interest		4,377	4,033
Total equity		**2,14,162**	**2,08,650**

Consolidated Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	1,77,092	62,552
Provisions	24	4,631	4,839
Total non-current liabilities		**1,81,723**	**67,391**
Current liabilities			
Financial liabilities			
i. Borrowings	22	1,17,591	2,83,922
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	307	55
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,48,092	90,843
iii. Other financial liabilities	23	35,986	35,708
Other current liabilities	27	11,472	11,043
Provisions	24	1,756	956
Current tax liabilities (net)		672	578
Total current liabilities		**3,15,876**	**4,23,105**
Total liabilities		**4,97,599**	**4,90,496**
Total equity and liabilities		**7,11,761**	**6,99,146**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 50		

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Mahesh R Chhabria
Director
DIN : 00166049

Place: Pune
Date: 30 May 2019

Amitabh Bhargava
President & CFO

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Consolidated Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Income			
Revenue from operations	28	6,74,206	6,06,154
Other income	29	5,430	2,409
Total income		**6,79,636**	**6,08,563**
Expenses			
Cost of materials consumed	30	2,83,536	2,37,317
Purchases of stock-in- trade	31	2,51,930	2,27,716
Changes in inventories of finished goods and stock-in-trade	32	(6,403)	(9,539)
Excise duty		-	6,668
Employee benefits expense	33	27,766	24,580
Finance costs	34	22,933	17,316
Depreciation and amortisation expense	35	17,146	16,323
Other expenses (net)	36	71,444	64,894
Total expenses		**6,68,352**	**5,85,275**
Profit before share of (loss) of equity accounted investees and income tax		**11,284**	**23,288**
Share of (loss) of equity accounted investees		(305)	(239)
Profit before tax		**10,979**	**23,049**
Tax expense			
Current tax		1,351	2,349
Deferred tax (credit)/charge		2,281	4,290
Total tax expense		**3,632**	**6,639**
Profit for the year		**7,347**	**16,410**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(520)	(139)
Income tax relating to this items		182	48
Total (A)		**(338)**	**(91)**
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(190)	(31)
Changes in fair value of investment through OCI		(51)	(63)
Income tax relating to this items		18	33
Total (B)		**(223)**	**(61)**

Consolidated Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Other comprehensive income for the year (A+B), net of tax liability		**(561)**	**(152)**
Total comprehensive income for the year		**6,786**	**16,258**
Profit attributable to:			
-Owners of the Company		7,067	16,267
-Non controlling interests		280	143
Other comprehensive income:			
-Owners of the Company		(519)	(148)
-Non controlling interests		(42)	(4)
Total comprehensive income attributable to:			
-Owners of the Company		6,548	16,119
-Non controlling interests		238	139
Earnings per equity share of ₹ 10 each			
i) Basic (in ₹)		8.01	18.44
ii) Diluted (in ₹)		8.01	18.44
Weighted average number of equity shares of ₹ 10 each		8,82,04,943	8,82,04,943
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 50		

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2019	31 March 2018
Balance at the beginning and at the end of the year	8,820	8,820

B. Other Equity

	Reserves and surplus					Items of Other Comprehensive Income					Total
	Securities premium	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	Share Warrants	Total attributable to Owners of the Company	Non Controlling Interest	
Balance as at 1 April 2017	**10,799**	**1,950**	**6,250**	**17,867**	**1,56,254**	**18**	**(341)**	**-**	**1,92,797**	**790**	**1,93,587**
Profit for the year	-	-	-	-	16,267	-	-	-	16,267	143	16,410
Other comprehensive income	-	-	-	-	-	(30)	(122)	-	(152)	-	(152)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**16,267**	**(30)**	**(122)**	**-**	**16,115**	**143**	**16,258**
Issue of share during the year	(263)	-	-	-		-	-	-	(263)	3,100	2,837
Dividend paid	-	-	-	-	(7,292)	-	-	-	(7,292)	-	(7,292)
Transfer from debenture redemption reserve	-	-	(6,250)	-	6,250	-	-	-	-	-	-
Transfer to general reserve	-	-	-	55	(55)	-	-	-	-	-	-
Deferred Tax on demerger	-	-	-	-	(5,560)	-	-	-	(5,560)	-	(5,560)
Balance as at 1 April 2018	**10,536**	**1,950**	**-**	**17,922**	**1,65,864**	**(12)**	**(463)**		**1,95,797**	**4,033**	**1,99,830**
Profit for the year	-	-	-	-	7,067	-	-		7,067	280	7,347
Other comprehensive income	-	-	-	-	-	(33)	(528)		(561)	(42)	(603)
Exchange difference on account of issue of shares	-	-	-	-	-		-		-	106	106
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**7,067**	**(33)**	**(528)**		**6,506**	**344**	**6,850**
Issue of Share warrants	-	-	-	-	-	-	-	5,000	5,000	-	5,000
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(6,338)	-	-	-	(6,338)	-	(6,338)
Balance as at 31 March 2019	**10,536**	**1,950**	**-**	**17,922**	**1,66,593**	**(45)**	**(991)**	**5,000**	**2,00,965**	**4,377**	**2,05,342**

Movement in Non Controlling Interest

	31 March 2019	31 March 2018
Balance at beginning of the year	4,033	790
Add: profit for the year	238	143
Add: issue of share during the year	-	3,100
Add: exchange difference on account of issue of shares	106	
Balance as at the end of the year	4,377	4,033

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	10,979	23,049
Adjustments for		
Depreciation and amortisation expense	17,146	16,323
Loss on disposal of property, plant and equipment	70	112
Bad debts and advances written off, allowances for doubtful trade receiveable and advances (net)	175	222
Gain on sale of investments	(2,121)	(429)
Changes in fair value of financial assets at fair value through profit or loss	(145)	(40)
Share of loss of equity accounted investees	305	(239)
Dividend income	(122)	(2)
Interest income	(970)	(627)
Finance costs	22,933	17,316
Foreign exchange fluctuations loss (net)	134	1,450
Cash generated from operations before working capital changes		
Decrease / (increase) in trade receivables	56,736	(65,626)
(Increase) in inventories	(5,941)	(26,396)
Increase in trade payables	57,501	47,037
(Decrease)/increase in other financial liabilities	(18,056)	4,377
(Increase)/decrease in other financial assets	(1033)	604
(Increase) in other non-current assets	(1,653)	(2,313)
(Increase) in other current assets	(3,921)	(17,715)
Increase in provisions	592	917
(Decrease) in employee benefit obligations	(520)	(130)
Increase/(decrease) in derivatives not designated as hedges	1824	(3,168)
Increase/(decrease) in other current liabilities	190	(1,467)
Cash generated from/(used in) operations	**1,34,103**	**(6,267)**
Income taxes paid (net)	(3,102)	(6,884)
Net cash generated from/(used in) operating activities	**1,31,001**	**(13,151)**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(72,284)	(94,121)
Purchase of investments	(5,84,367)	(23,671)
Loans	279	101
Proceeds from sale of investments	5,99,533	429
Proceeds from sale of property, plant and equipment	74	-
Minority Interest	64	3,085
Changes in other bank balances	(1,902)	(324)
Dividends received from Mutual Fund	122	-
Interest received	894	635
Net cash (used in) from investing activities	**(57,567)**	**(1,13,866)**

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Proceeds from borrowings	32,455	1,78,674
Repayment of borrowings	(82,453)	(26,935)
Share issue costs	-	(248)
Share Warrants Issued	5,000	-
Interest paid	(22,647)	(17,317)
Dividends paid (including dividend distribution tax)	(6,099)	(7,253)
Net cash (used in)/ generated from financing activities	**(73,744)**	**1,26,921**
Net (decrease) in cash and cash equivalents	(310)	(96)
Cash and cash equivalents at the beginning of the year (refer note 13)	9,184	9,280
Cash and cash equivalents at end of the year (refer note 13)	**8,874**	**9,184**

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

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, ''Statement of Cash Flows''

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Pune
Date: 30 May 2019

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Mahesh R Chhabria
Director
DIN : 00166049

Place: Pune
Date: 30 May 2019

Amitabh Bhargava
President & CFO

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Notes

To the consolidated financials statements for the year ended 31 March 2019

1. Corporate Information

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Group is engaged in the business of fertlisers, agri services, bulk chemicals, mining chemical and value added real estate.

The consolidated financial statements of the Company as at and for the year ended on 31 March 2019 comprise the Company and its subsidiaries (together referred to as "the Group").

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the Group functional currency and all values are rounded off to the nearest lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construe value less than ₹ 50,000.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Group financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabiltiies within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests:

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

Name of the Companies		Country of incorporation	Percentage of ownership interest
1	Smartchem Techologies Limtied (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%

Name of the Companies		Country of incorporation	Percentage of ownership interest
5	Desai fruits and vegetables Pvt. Ltd.	India	28.67%
6	SCM Fertichem Limited	India	99.99%
7	Platinum Blasting Servies Pty Limited (PBS) [Subsidiary of STL]	Australia	65.00%
8	Australian Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Litigations

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Group assesses impairment based on the expected credit loss (“ECL”) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates that the assets’ recoverable amount. An assets’ recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.3 Summary of significant accounting policies

(a) Current verus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

(b) Revenue recognition

Effective 01 April 2018, Ind AS 115 -'Revenue from contracts with customers' has replaced Ind AS 18 - 'Revenue' and Ind AS 11 - 'Construction contracts'. The Group has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Group.

Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers. Amounts disclosed as revenue are inclusive of excise duty, in respect of revenue up to 30 June 2017, and net of customer returns, trade allowance, rebates, value added and other indirect taxes and amount collected on behalf of third parties.

Sale of Goods :

The Group recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services :

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

Items of property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bring the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized in the statement of profit or loss, as incurred. In respect of additions to/ deletions from fixed assets, depreciation is provided on a pro-rata basis with reference to the month of addition/ deletion of the assets. Freehold land is carried at historical cost.

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. As per requirements of the Companies Act, 2013 the Group has also identified significant components of assets and their useful life and depreciation charge is based on an internal 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. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 for employee vehicles and 6 – 7 for others
Buildings (other than factory buildings) with RCC frame structure	61
Plant and machinery	Various estimated lives upto 25. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

Capitalised machinery spares are depreciated over the remaining useful life of the related machinery/ equipment. Leasehold Land is amortised over the lease period.

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

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Name of assets	Estimated useful life (in years)
Computer software	3 to 4
Technical knowhow/ engineering fees	3 to 4
Licence/ franchise fees	3 to 4

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) Foreign currency transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing rates prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items, at rates different from those at which they were initially recorded, during the year or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/ loss and fair value gain/ loss on derivative contract relating to borrowings are accounted and dislosed under finance cost. Such exchange difference do not include foreign exchange difference regarded as an adjustment to the borrowing cost and capitalized with cost of fixed assets.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(g) Financial instruments

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

Financial assets: Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

- Debt instruments at fair value through other comprehensive income (FVOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

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

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group balance sheet) when:

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

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the Group general policy on borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) Inventories

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- Finished goods and by-products including those held for captive consumption are valued at the lower of cost or net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjused to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(l) Employee benefits

Defined contribution scheme

Provident Fund and superannuation are a defined contribution schemes. The contributions to these schemes are charged to the statement of profit and loss in the year in which the employee renders the related services.

Defined benefit schemes

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation based on the projected unit credit method made at the end of the financial year by an independent actuary. The scheme is funded with an Insurance company in the form of qualifying insurance policy.

The defined benefit obligation for post employment pension and medical benefits is also calculated at the end of the financial year by an independent actuary using the projected unit credit method.

The Group has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

(m) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the hedged item affects the profit or loss (for example, when the interest expenditure is recorded).

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the statement of profit and loss.

(n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(o) Cash dividend

The Group recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Group.

(p) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the forseeble future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Group will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Investment property

Property that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(s) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(t) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively;

- Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of a bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(u) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contigent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(w) New Standards issued but yet to be adopted

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 01 April 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Group is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Gross carrying amount											
as at 1 April 2017	16,127	13,997	36,887	1,50,290	-	3,306	1,059	1,638	380	1,970	2,25,654
Additions	1,802	2,516	4,095	18,748	-	1,385	51	438	79	466	29,580
Disposals	-	-	(16)	(1,772)	-	-	(12)	(11)	(5)	(247)	(2,063)
Adjustment (refer note 1 below)	652	-	(938)	-		-	-	-	-	-	(286)
Gross carrying amount as at 31 March 2018	**18,581**	**16,513**	**40,028**	**1,67,266**	**-**	**4,691**	**1,098**	**2,065**	**454**	**2,189**	**2,52,885**
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	(144)	(1,762)	(19,141)	-	(972)	(286)	(541)	(168)	(771)	(23,785)
Depreciation charge for the year	-	(186)	(1,422)	(12,477)	-	(543)	(149)	(421)	(44)	(492)	(15,734)
On disposals	-	-	-	552	-	-	9	10	4	162	737
Adjustment (refer note 1 below)	-	-	286	(6)	-	-	-	-	-	-	280
Accumulated depreciation as at 31 March 2018	**-**	**(330)**	**(2,898)**	**(31,072)**	**-**	**(1,515)**	**(426)**	**(952)**	**(208)**	**(1,101)**	**(38,502)**
Net carrying amount as on 31 March 2018	**18,581**	**16,183**	**37,130**	**1,36,194**	**-**	**3,176**	**672**	**1,113**	**246**	**1,088**	**2,14,383**
Gross carrying amount											
As at 1 April 2018	18,581	16,513	40,028	1,67,266	-	4,691	1,098	2,065	454	2,189	2,52,885
Additions	6,061	135	1,664	6,694	258	142	58	771	180	1,212	17,175
Disposals	-	-	(21)	(189)	-	-	(6)	(60)	-	(417)	(693)
Adjustment	-	-	1,072	788	-	-	18	97	-	15	1,990
Gross carrying amount as at 31 March 2019	**24,642**	**16,648**	**42,743**	**1,74,559**	**258**	**4,833**	**1,168**	**2,873**	**634**	**2,999**	**2,71,357**

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	(330)	(2,898)	(31,072)	-	(1,515)	(426)	(952)	(208)	(1,101)	(38,502)
Depreciation charge for the year	-	(224)	(1,711)	(12,631)	(24)	(426)	(146)	(717)	(58)	(586)	(16,523)
On disposals	-	-	20	152	-	-	6	58	-	315	551
Accumulated depreciation as at 31 March 2019	-	(554)	(4,589)	(43,551)	(24)	(1,941)	(566)	(1,611)	(266)	(1,373)	(54,474)
Net carrying amount as on 31 March 2019	**24,642**	**16,094**	**38,154**	**1,31,008**	**234**	**2,892**	**602**	**1,262**	**368**	**1,627**	**2,16,883**

1 Buildings gross value of which was ₹ 938 Lakhs has been demolished in 2017-18 and net value representing the value of the land has been transferred to freehold land.

Refer Note 21 foot note for information on Property, plant and equipment provided as security by the Group.

Refer Note 34 for finance cost capitalized.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2019	31 March 2018
Projects (Mainly comprising of building and plant and machinery)#	1,30,371	62,397
Others	6,651	2,987
Total	**1,37,022**	**65,384**

Includes borrowing cost of ₹ 11,576 Lakhs (31st March 2018 ₹ 7,099 Lakhs)

NOTE 5: INVESTMENT PROPERTIES

	31 March 2019	31 March 2018
Gross carrying amount		
Opening gross carrying amount	511	511
Closing gross carrying amount	**511**	**511**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount	**511**	**511**

(i) Fair value

	31 March 2019	31 March 2018
Investment properties	1,154	1,103

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2019 is ₹ 1,154 lakhs based on external valuation.

Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of land parcels at Panchagini, Khamgaon, Solapur and land at Nashik.

Description of valuation technique used

The Group obtains independent valuations of its investment property after every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Group has not earned any rental income on the above properties.

NOTE 6: INTANGIBLE ASSETS

	Computer Software	Technical Know How/ Engineering fees	License/ Franchise Fees	Total
Cost as on 1 April 2017	**673**	**332**	**1,201**	**2,206**
Additions during the year	54	-	116	170
Gross carrying amount as on 31 March 2018	**727**	**332**	**1,317**	**2,376**
Additions during the year	156	-	9	165
Gross carrying amount as on 31 March 2019	**883**	**332**	**1,326**	**2,541**
Disposals/ Transfers/ Adjustments				-
Accumulated Amortisation				
Opening as on 1 April 2017	**88**	**64**	**312**	**464**
Amortisation charge for the year	86	32	472	590
Disposals				-
Closing accumulated amortisation as at 31 March 2018	**174**	**96**	**784**	**1,054**
Amortisation charge for the year	107	32	484	623
Disposals				-
Closing accumulated amortisation as at 31 March 2019	**281**	**128**	**1,268**	**1,677**
Net Block as at 31 March 2018	**553**	**236**	**533**	**1,322**
Net Block as at 31 March 2019	**602**	**204**	**58**	**864**

Note 7: INVESTMENT IN EQUITY ACCOUNTED INVESTEES

	31 March 2019	31 March 2018
Investments in equity shares (unquoted) of Associates (fully paid up)		
50,81,363 (31 March 2018: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each (refer note 9 : March 2019 reclassified to held for sale)	-	919
49,994 (31 March 2018: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
49,994 (31 March 2018: 49,994) equity shares of Ishanya Brand Services Limited of ₹ 10 each	5	5
4,000 (31 March 2018: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of ₹ 10 each #	0	0
Total (equity instruments)	**10**	**929**

less than ₹ 100,000/-

Note 8 : INVESTMENTS

	31 March 2019	31 March 2018
Investments in equity shares of (unquoted) Others (fully paid up)		
4,715 (31 March 2018: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	3
88,448 (31 March 2018: 88,448) equity shares of Deepak International Limited of AUD 1 each	69	69
Total (equity instruments)	**72**	**72**
Total	**72**	**72**
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	69	69

Note 9 : INVESTMENT IN ASSOCIATE (HELD-FOR-SALE)

	31 March 2019	31 March 2018
Investment in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
50,81,363 (31 March 2018: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	614	-
Total	**614**	**-**

On 28 March 2019, consent of the Board of Directors was obtained for disinvestment from Desai Fruits and Vegetables Pvt Ltd (DFVPL) by selling equity shares of DFVPL. The carrying value of said assets has been presented as held for sale in current assets.

Share purchase agreement was signed with CFI on 6 April 2019 to sell shares at ₹ 74 per share for a total consideration of ₹ 3,760 Lakhs.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Movement in Equity Accounted Investees

	31 March 2019	31 March 2018
Balance at beginning of the year	919	1,158
Add: share of (loss) of equity accounted investees	(305)	(239)
Balance as at the end of the year	614	919

Note 10: CURRENT INVESTMENTS

	31 March 2019	31 March 2018
Quoted		
Investment in Debt Securities (carried at fair value through OCI)	-	1,636
Investment in Government Securities (carried at fair value through OCI)	291	1,026
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	24,253	35,111
Total	**24,544**	**37,773**

Note 11: TRADE RECEIVABLES

	31 March 2019	31 March 2018
Trade Receivables (Unsecured)		
Unsecured, considered good	1,39,626	1,96,537
Unsecured, credit Impaired	1,509	1,334
Less: Impairment loss allowance	(1,509)	(1,334)
Total	**1,39,626**	**1,96,537**

Movement in allowance for expected credit loss:

	31 March 2019	31 March 2018
Balance at beginning of the year	1,334	1,112
Add: Allowance for expected credit loss	175	222
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	**1,509**	**1,334**

Trade receivables have been offered as security against the working capital facilities provided by the banks.

Note 12: LOANS

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Loan to employees	34	-	218	-
Other loans	95	45	228	7
Unsecured and considered doubtful				
Other loans	60	-	-	-
Less: Provision for doubtful loans	(60)	-	-	-
Total	**129**	**45**	**446**	**7**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 13: CASH & CASH EQUIVALENTS

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	6,778	3,840
- in EEFC accounts	49	224
Deposits with original maturity upto three months	552	3,021
Cash on hand	12	10
Cheques in hand	1,483	2,089
Total	**8,874**	**9,184**

Note 14: OTHER BANK BALANCES

	31 March 2019	31 March 2018
Earmarked balances with banks		
Unclaimed dividend	800	647
Deposits with maturity upto 12 months from the reporting date	1,949	200
Total	**2,749**	**847**

Note 15: OTHER FINANCIAL ASSETS

		31 March 2019		31 March 2018	
		Current	Non Current	Current	Non Current
(i)	**Derivatives not designated as hedge**				
	Foreign-exchange forward contracts	-	-	34	-
	Foreign currency options	8	-	601	-
(ii)	**Others**				
	Interest receivable	766	-	690	-
	Deposit with banks with maturity after 12 months from the reporting date	-	76	-	8
	Security deposits	-	2,966	-	1,358
	Others	210	61	530	316
Total		**984**	**3,103**	**1,855**	**1,682**

Note 16: OTHER NON-CURRENT ASSETS

	31 March 2019	31 March 2018
Capital advances	31,876	35,604
Balance with government authorities	8,764	7,123
Prepaid Expenses	40	28
Total	**40,680**	**42,755**

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 17: INVENTORIES

	31 March 2019	31 March 2018
Raw materials Includes ₹ 1,948 Lakhs (31 March 2018 ₹ 2,689 Lakhs) in transit	25,895	22,115
Finished goods	29,842	16,356
Stock-in-trade Includes ₹ 1,741 Lakhs (31 March 2018 ₹ 670 Lakhs) in transit	13,564	20,647
Stores and spares Includes ₹ 178 Lakhs (31 March 2018 ₹ 101 Lakhs) in transit	11,595	15,888
Packing material	1,894	1,843
Total	**82,790**	**76,849**

Inventories have been offered as security against the working capital facilities provided by the banks.

Note 18: OTHER CURRENT ASSETS

	31 March 2019	31 March 2018
Advances for supply of goods and services	4,159	10,863
Balances with government authorities	25,110	13,249
Prepaid expenses	2,041	3,997
Other receivables	1,876	1,156
Total	**33,186**	**29,265**

Note 19: SHARE CAPITAL

	31 March 2019	31 March 2018
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	12,505
(31 March 2018: 12,50,00,000 equity shares of ₹ 10/- each)		
Nil Cumulative redeemable preference shares of ₹ 100/- each.	-	1,000
(31 March 2018: 10,00,000 Cumulative redeemable preference shares of ₹ 100/- each.)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
8,82,04,943 equity shares of ₹ 10/- each.	8,820	8,820
(31 March 2018: 8,82,04,943 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**8,820**	**8,820**

(i) Reconciliation of the number of Equity Shares

	31 March 2019		31 March 2018	
Equity Shares	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning and at the end of the year	8,82,04,943	8,820	8,82,04,943	8,820
Add: Issued during the year	-	-	-	-
	8,82,04,943	**8,820**	**8,82,04,943**	**8,820**

(All amounts in ₹ Lakhs unless otherwise stated)

Terms and rights attached to equity shares

The Company has only one class of equity shares having at par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees 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. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2019		31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,27,06,848	48.42%	4,25,94,071	48.29%

Note 20: OTHER EQUITY

Nature and purpose of other equity

(a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.

(b) **Capital redemption reserve:** The Group had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) **Debenture redemption reserve:** The Group has issued non convertible debentures and as per the provisions of the Act the Group is required to create debenture redemption reserve out of the divisible profits at least equal to 25% of the nominal value of debenture issued. The Debenture redemption reserve is allowed to be released to retained earnings on completion of the redemption of debentures.

(d) **Share Warrants:** During the year, the parent Company has issued 64,76,893 convertible warrants at an issue price of ₹ 308 per warrant each to a promoter group company. These warrants are convertible into equal number of fully paid equity shares of ₹ 10 each upon exercise of the option of conversion of warrants held by the holders within a period of 18 months from the date of allotment of warrants.

(e) **General reserve:** This represents appropriation of profits by the Group to General Reserve and is available for distribution of dividend.

(f) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

After the reporting date, the following dividend (excluding dividend distribution tax) was proposed by the Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as a liability. Dividends would attract dividend distribution tax when declared or paid.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
₹ 3 per equity share (31 March 2018 : ₹ 6 per equity share)	2,646	5,292

(f) Other comprehensive income : This represents equity instruments carried at fair value through OCI and remeasurement of employee benefits (gratuity & post retirement benefit).

FINANCIAL LIABILITIES

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2019	31 March 2018
Secured				
Term loans				
State Bank of India (refer note 1)	Repayable in 28 quarterly instalments starting from Jun 2017 onwards.	At variable average interest rate payable monthly (average for the year: 8.52%)(31 March 2018 : 8.52%)	32,111	38,570
Export Import Bank Of India (Loan 1) (refer note 1)			7,144	8,572
Export Import Bank Of India (Loan 2) (refer note 2)	Repayable in 28 quarterly instalments starting from Jun 2020 onwards.	At variable average interest rate payable monthly (average for the year: 9.55%)(31 March 2018: NIL)	28,767	-
Bank of Baroda (refer note 3)	Redeemable in quarterly instalment starting from March 2023	9.90% per annum, Interest payable monthly(31 March 2018 : NIL)	74,733	-
Bank of Baroda (refer note 4)	Redeemable in quarterly instalments starting from June 2021 and end date of 31 Dec 2027	9.05% per annum payable annually (31 March 2018 : 9.05% per annum)	18,122	9,000
Export Import Bank Of India (refer note 4)	Redeemable in quarterly instalments starting from June 2021 and end date of 31 Dec 2027	9.05% to 9.60% per annum annually (31 March 2018 : 9.25% per annum)	21,991	10,400
Westpac	Repayable in 2 years from Feb 2016	At variable average interest rate payable monthly	-	293

(All amounts in ₹ Lakhs unless otherwise stated)

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2019	31 March 2018
Term Loan - State Bank of India, Sydney (refer note 5)	Repayable from calendar year 2018 to 2022	At variable average interest rate: 4.55% (Previous Year: 4.55%)	2,752	2,452
Total			**1,85,620**	**69,287**
Less: Current maturities of long-term debt (included in note 23)			8,528	6,735
Total			**1,77,092**	**62,552**

1) The term loans from State Bank of India and Export Import Bank of India have been availed for financing NPK project. The term loans are secured by pari passu first charge to be created on the entire fixed assets pertaining to Nitro phosphate plant (NPK project). Being all present and future immovable and movable fixed assets pertaining to NPK project from Plot K1 to Plot K5., MIDC Industrial Area, Taloja, Dist. Raigad.

2) The term loan from Export Import Bank of India is secured by hypothecation of movable fixed assets i.e Plant and machinery located at Plot no 7 Haryana Industrial development corporation Panipat and original title deeds of Panipat land given to Export Import Bank of India. Further term loan is secured by pari passu charge to be created on the fixed assets located at Plot K7, K8 MIDC Taloja.

3) The term loan from Bank of Baroda has been availed for financing of Ammonia Project at Taloja. The term loan is secured by - first charge by way of hypothecation in favour of lenders' of all borrowers movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

4) The term loans from Bank of Baroda (Dahej) and Export Import Bank of India (Dahej) have been availed for financing of Nitric Acid project at Dajej. The term loans are secured by pari pasu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

5) The term loan availed from State Bank of India, Sydney is secured by pari pasu first charge on the movable and immovable fixed assets of the subsidiary, second charge on current assets of subsidiary.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 22: CURRENT BORROWINGS

		31 March 2019	31 March 2018
Loans repayable on demand			
Secured			
-	Buyer's credit	1,609	71,497
-	Short term loan	1,10,816	83,133
-	Cash credit facilities	4,793	21
-	Loan against subsidy	-	4,284
Bill discounting		373	2,487
Unsecured			
-	Commercial paper	-	1,22,500
Total		**1,17,591**	**2,83,922**

RECONCILIATION OF BORROWINGS

	31 March 2019	31 March 2018
Non-current borrowings	1,14,540	15,402
Current borrowings	(1,64,538)	1,36,337
	(49,998)	**1,51,739**
Proceeds from borrowings	1,56,968	1,78,673
Repayment of borrowings	(2,06,966)	(26,934)
Movement of borrowings (net)	**(49,998)**	**1,51,739**

Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year 3.46 % (31 March 2018 - 1.92 %) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Short term loan from bank is repayable on demand, carries average interest rate of 8.93% (31 March 2018 - 9.34%) and is secured by a first charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

Loan against subsidy carries average rate of interest Nil (31 March 2018 - 8.26%) repayable in 60 days or receipt of subsidy whichever is earlier.

Cash credit is repayable on demand and carries variable rate of interests. Average interest rate for the year is 8.89% (31 March 2018 - 8.39%). 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, finished goods, consumable stores and book debts.

Debtors bill discounting is availed at interest rates ranging between 8.50% to 14.00% (31 March 2018 - 8.50%) and is secured by hypothecation of debtors and stocks.

Commercial paper borrowings carries variable interest rate. Average rate for the year is 7.94% (31 March 2018 - 7.04%).

Note 23: OTHER FINANCIAL LIABILITIES

	31 March 2019	31 March 2018
Current		
Current maturities of non-current borrowings	8,528	6,735
Interest accrued	879	593
Security deposits	5,308	4,135
Capital creditors	17,506	2,582
Due to related parties	-	799
Foreign-exchange forward contracts payables(net)	1,356	25
Others (*)	2,409	20,839
Total	**35,986**	**35,708**

(*) Others include due to Bank for structured finance where the Company acts as a pass through agent of ₹ Nil (31 March 2018 - ₹ 18,203 Lakhs)

Note 24: PROVISIONS

	31 March 2019		31 March 2018	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	858	2,219	320	2,259
Compensated absences	760	1,869	515	2,040
Defined pension benefits	138	89	121	167
Total (A)	**1,756**	**4,177**	**956**	**4,466**
Other Provisions				
Provision for site restoration (refer note below)	-	454	-	373
Total (B)		**454**	**-**	**373**
Total (A+B)	**1,756**	**4,631**	**956**	**4,839**

Movement in provision for site restoration	
As at 1 April 2017	**328**
Additional provisions recognised	45
As at 1 April 2018	**373**
Additional provisions recognised	81
As at 31 March 2019	**454**

The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

(A) Defined Contribution Plans

The Group has certain defined contribution plans such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

Particulars	31 March 2019	31 March 2018
Employer's contribution to provident fund	690	615
Employer's contribution to employee's pension scheme	235	221
Employer's contribution to superannuation fund	554	505
Employer's contribution to employee state insurance	13	13

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2018: 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2018: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	6,399	5,536
Current service cost	515	524
Interest cost	449	398
Actuarial loss	612	159
Benefits paid	(666)	(218)
Present value of obligation at the end of the year	7,309	6,399

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the end of the year	7,309	6,399
Fair value of plan assets at the end of the year	4,232	3,820
Net (asset)/liabilities recognised in the Balance Sheet	3,077	2,579

Fair value of Plan assets :

Particulars	31 March 2019	31 March 2018
Plan assets at the beginning of the year	3,820	3,296
Expected return on plan assets	229	266
Contribution by employer	684	569
Actual benfits paid	(501)	(311)
Actuarial gain/(loss)	-	-
Plan assets at the end of the year	4,232	3,820

(All amounts in ₹ Lakhs unless otherwise stated)

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	515	524
Interest cost	449	398
Expense recognised in the Statement of Profit and Loss	964	922

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements Cost / (Credit)	612	157
Actuarial (gain)/loss on plan assets	62	(9)
Amount recognised in the Other Comprehensive Income	674	148

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2019	31 March 2018
Experience (Gain) / Loss on plan liabilities	167	156
Demographic (Gain) / Loss on plan liabilities	195	-
Financial (Gain) / Loss on plan liabilities	252	-
Experience (Gain) / Loss on plan assets	62	(20)
Financial (Gain) / Loss on plan assets	-	10

Categories of the fair value of total plan assets:

Particulars	31 March 2019	31 March 2018
Funds managed by insurer	4,232	3,820

Sensitivity analysis :

Particulars	31 March 2019		31 March 2019	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(308)	334	268	(252)

Particulars	31 March 2018		31 March 2018	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(346)	347	309	285

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	31 March 2019	31 March 2018
Within the next 12 months (next annual reporting period)	1,459	848
Later than 1 year and not later than 5 years	4,943	3,793
Later than 5 year and not later than 9 years	5,047	4,746
Total expected payments	11,449	9,387

ii. Defined pension benefits :

The Group 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 expenses, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent acturial valuation.

In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	288	222
Current service cost	90	81
Interest cost	21	16
Actuarial loss	(154)	(10)
Benefits paid	(17)	(21)
Present value of obligation at the end of the year	228	288

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	90	81
Interest cost	21	16
Expense recognised in the Statement of Profit and Loss	111	97

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements Cost / (Credit)	(154)	(9)
Amount recognised in the Other Comprehensive Income	(154)	(9)

(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis :

Particulars	31 March 2019		31 March 2018	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(48)	65	(64)	87

Note 25: TRADE PAYABLES

		31 March 2019	31 March 2018
Trade payables			
(a)	total outstanding dues of micro and small enterprises	307	55
(b)	total outstanding dues of creditors other than micro and small enterprises	1,48,092	90,843
Total		**1,48,399**	**90,898**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount outstanding (whether due or not) to micro and small enterprises	307	55
- Interest due thereon	4	1
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	1,843	44
Amount of interest due and payable on delayed payments	38	1
Amount of interest accrued and remaining unpaid as at year end	38	1
The amount of further interest remaining due and payable even in the succeeding year	-	-

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 Group 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 Group has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 26: DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:

		31 March 2019	31 March 2018
(a)	Deferred tax assets	(59,103)	(57,151)
(b)	Deferred tax liabilities	51,750	47,717
Net deferred tax assets		**(7,353)**	**(9,434)**

Movements during the year ended 31 March 2019:

	1 April 2018	Credit/ (charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2019
Property, plant and equipment, investment property and intangibles assets	47,717	4,033	-	51,750
Financial assets at fair value through profit or loss	(100)	(8)	(200)	(308)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,711)	490	-	(2,221)
MAT credit	(4,392)	(587)	-	(4,979)
Others	(49,948)	(1,647)	-	(51,595)
Net deferred tax assets	**(9,434)**	**2,281**	**(200)**	**(7,353)**

Movements during the year ended 31 March 2018:

	1 April 2017	Credit/ (charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2018
Property, plant and equipment and investment property	42,091	5,626	-	47,717
Financial assets at fair value through profit or loss	(339)	309	(70)	(100)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,084)	(627)	-	(2,711)
MAT credit	(1,105)	(3,287)	-	(4,392)
Others	(54,410)	4,462	-	(49,948)
Net deferred tax assets	**(15,847)**	**6,483**	**(70)**	**(9,434)**

Note 27: OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018
Advances from customers	821	2,896
Unclaimed dividend (#)	800	561
Statutory dues payable	9,589	7,368
Other payables	262	218
Total	**11,472**	**11,043**

(#) ₹ 71 Lakhs (31 March 2018 ₹ 67 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2018 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 28: REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
Sale of products		
Finished goods	4,07,552	3,69,719
Traded goods	2,64,201	2,34,731
Power generated from windmills	818	711
Revenue from realty business	971	675
Other operating revenues	664	1,029
Total	**6,74,206**	**6,06,154**

Sales for the year ended 31 March 2018 include excise duty upto 30 June 2017 and hence figures are not comparable.

Contracts with customer

Particulars	31 March 2019
Revenue recognised from contracts with customers	6,74,206
Disaggregation of revenue	
Based on type of goods	
- Sale of chemicals	4,43,289
- Sale of fertilisers	2,27,280
- Sale of traded products - House Life	1,184
- Revenue from power generated from windmills	818
- Income from Realty Business	971
- Other operating revenues	664
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers as at 31 March 2019	1,509

Details of contact balances:

Particulars	Year ended 31 March 2019
Opening balance of receivables	1,96,537
Closing balance of receivables	1,39,626
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,896
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

There is no significant change in the contract asset and contract liabilities.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Performance obligations

The Group satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days. The Group is obliged for refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	Amount
Contract price	7,00,259
Less:	
Amount recognised as Discounts / shortages	26,053
Revenue recognised in statement of profit and loss	**6,74,206**

Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 29: OTHER INCOME

	31 March 2019	31 March 2018
Dividend income from Mutual Fund	122	2
Interest income	970	627
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	145	40
Net gain on sale of investments	2,121	429
Other non-operating income	2,072	1,311
Total	**5,430**	**2,409**

Note 30: COST OF MATERIALS CONSUMED

	31 March 2019	31 March 2018
Raw materials as at the beginning of the year	22,115	7,144
Add: Purchases during the year	2,87,316	2,52,288
Less: Raw material as at the end of the year	25,895	22,115
Total	**2,83,536**	**2,37,317**

Note 31: PURCHASE OF STOCK-IN-TRADE

	31 March 2019	31 March 2018
Purchases of stock-in- trade	2,51,930	2,27,716
Total	**2,51,930**	**2,27,716**

Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2019	31 March 2018
Opening balance		
Finished goods	16,356	14,344
Stock-in-trade	20,647	13,258
Total opening balance	**37,003**	**27,602**
Closing balance		
Finished goods	29,842	16,356
Stock-in-trade	13,564	20,647
Total closing balance	**43,406**	**37,003**
(Increase)/ decrease in excise duty on stock of finished goods	(6,403)	(180)
Cost of Trial Run	-	42
Total changes in inventories of stock-in-trade and finished goods	**(6,403)**	**(9,539)**

Note 33: EMPLOYEE BENEFIT EXPENSES

	31 March 2019	31 March 2018
Salaries, wages and bonus	24,151	21,362
Contribution to provident fund & other funds	2,476	2,175
Staff welfare expenses	1,139	1,043
Total	**27,766**	**24,580**

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 34: FINANCE COSTS

	31 March 2019	31 March 2018
Interest and finance charges #	34,509	24,415
Less: Interest capitalised	(11,576)	(7,099)
Total	**22,933**	**17,316**

Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ 792 Lakhs (31 March 2018 ₹ 1,346 Lakhs).

Note 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
Depreciation on property, plant and equipment	16,523	15,733
Amortisation on intangible assets	623	590
Total	**17,146**	**16,323**

Note 36: OTHER EXPENSES

	31 March 2019	31 March 2018
Consumption of stores and spares	6,340	5,362
Power, fuel and water*	5,805	8,315
Repairs to :		
- Building	937	814
- Plant and machinery	6,608	5,130
- Others	1,037	1,134
Rent	2,500	2,123
Insurance	1,097	927
Rates, taxes and duties #	1,139	1,315
Travelling and conveyance	1,194	1,044
Legal and professional fees	6,444	3,172
Payments to auditors (note 37(a) below)	82	89
Directors' sitting fees	87	74
Carriage outward (net)	24,807	23,860
Loss on sales of fixed assets	70	112
Commission on sales	537	711
Sales and promotion expenses	1,656	1,485
Donations	250	-
Utility services	1,076	1,079
Communiation expenses	285	283
Corporate social responsibility expenditure (note 37(b) below)	103	177
Foreign exchange fluctuations loss (net)	2,628	3,315
Miscellaneous expenses	6,762	4,373
Total	**71,444**	**64,894**

* net of reversal of MSEB electricity duty provision on production of ₹ 2,061 Lakhs (31 March 2018 : Nil)
# net of reversal of provision for penalty on entry tax ₹ 1,063 Lakhs (31 March 2018 : Nil)

(All amounts in ₹ Lakhs unless otherwise stated)

Note 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2019	31 March 2018
Payment to auditors		
As auditor:		
Audit fee	61	63
Tax audit fee	3	6
Certification fees in the capacity of statutory auditors	10	9
In other capacities		
Taxation matters	1	7
Re-imbursement of expenses	7	4
Total	**82**	**89**

Note 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2019	31 March 2018
Contributions to Ishanya Foundation	61	153
Others	42	24
Total	**103**	**177**
Amount required to be spent as per Section 135 of the Act	388	345
Amount spent during the year on		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above	103	177

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2019			31 March 2018		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments, investments in subsidiaries other than associates and joint ventures	3	69	-	3	69	-
- Mutual funds	24,253	-	-	35,111	-	-
- Debt and Government securities	-	291	-	-	2,662	-
Trade receivables	-	-	1,39,626	-	-	1,96,537
Cash and cash equivalents	-	-	8,874	-	-	9,184
Other bank balances	-	-	2,749	-	-	847
Loans	-	-	174	-	-	453
- Derivative financial assest, not designated as hedges	8	-	-	635	-	-
- Security deposits	-	-	2,966	-	-	1,358
- Interest receivable	-	-	766	-	-	690
- Others	-	-	347	-	-	854
Total financial assets	**24,264**	**360**	**1,55,502**	**35,749**	**2,731**	**2,09,923**
Financial liabilities						
Borrowings	-	-	3,03,211		-	3,53,209
Trade payables	-	-	1,48,399	-	-	90,898
- Derivative financial liabilities, not designated as hedges	1,356	-	-	25	-	-
- Capital creditors	-	-	17,506	-	-	2,582
- Security deposits	-	-	5,308	-	-	4,135
- Interest accrued	-	-	879	-	-	593
- Others	-	-	2,409	-	-	21,638
Total financial liabilities	**1,356**	**-**	**4,77,712**	**25**	**-**	**4,73,055**

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(All amounts in ₹ Lakhs unless otherwise stated)

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either dorectly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2019				31 March 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Equity instruments, investments in subsidiaries	3	-	69	72	3	-	69	72
Mutual funds - Growth plan	24,253	-	-	24,253	35,111	-	-	35,111
Financial Investments at FVOCI								
Debts & Government Securities	291	-	-	291	2,662	-	-	2,662
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	8	-	8	-	635	-	635
Total financial assets	**24,547**	**8**	**69**	**24,624**	**37,776**	**635**	**69**	**38,480**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	1,356	-	1,356	-	25	-	25
Total financial liabilities	**-**	**1,356**	**-**	**1,356**	**-**	**25**	**-**	**25**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.

(Iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investors.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

d) The Group enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

NOTE 39: FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;

- liquidity risk; and

- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue.

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), ₹ 4,770 Lakhs (31 March 2018: ₹ 4,988 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2019 or 31 March 2018.

(All amounts in ₹ Lakhs unless otherwise stated)

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2019	31 March 2018
Balance at the beginning of the year	1,334	1,112
Add: Provided during the year (net of reversal)	175	222
Less: Amount written off	-	-
Balance at the end of the year	1,509	1,334

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2019	Carrying Amount	Due in 1 Year	Due between 1 to 5 Year	Due after 5 year	Total
Non-derivatives financial liabilities					
Borrowings	3,01,602	1,22,561	58,941	1,20,100	3,01,602
Trade payables	87,633	87,633	-	-	87,633
Other financial liabilities	26,102	26,102	-	-	26,102
Total non-derivative liabilities	**4,15,337**	**2,36,296**	**58,941**	**1,20,100**	**4,15,337**
Derivatives financial liabilities					
Foreign exchange forward contracts	1,356	1,356	-	-	1,356
Borrowings	1,609	1,609	-	-	1,609
Trade payables	60,766	60,766	-	-	60,766
Total derivative liabilities	**62,375**	**62,375**	**-**	**-**	**62,375**

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2018	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	2,82,247	2,57,307	11,083	13,857	2,82,247
Trade payables	57,957	57,957	-	-	57,957
Other financial liabilities	28,948	28,948	-	-	28,948
Total non-derivative liabilities	**3,69,152**	**3,44,212**	**11,083**	**13,857**	**3,69,152**
Derivatives financial liabilities					
- Foreign exchange contract used for hedging	25	25	-	-	25
- Borrowings	70,962	70,962	-	-	70,962
- Trade payables	32,941	32,941	-	-	32,941
Total derivative liabilities	**1,03,928**	**1,03,928**	**-**	**-**	**1,03,928**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Group is exposed to risk are USD, AED and EUR.

The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

(i) The Group's exposure to foreign currency risk at the end of the reporting period is presented in Note no 44.

FOREIGN CURRENCY BALANCES OUTSTANDING

	AED in Lakhs	USD in Lakhs	EURO in Lkahs
Assets			
Exports Receivable			
31 March 2019	-	17	-
31 March 2018	-	23	-
Liabilities			
Trade Payable			
31 March 2019	270	985	6
31 March 2018	103	1,669	-
Net (payable)/receivable in foreign currency Lakhs			
31 March 2019	(270)	(968)	(6)
31 March 2018	(103)	(1,646)	-

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2018-1%)	669	1,664
₹/USD -depreciated by 1% (31 March 2018-1%)	(669)	(1,664)
AED sensitivity		
₹/AED -appreciated by 1% (31 March 2018-1%)	51	18
₹/AED -depreciated by 1% (31 March 2018-1%)	(51)	(18)
EUR sensitivity		
₹/EUR-appreciated by NIL (31 March 2018-1%)	5	NIL
₹/EUR-depreciated by NIl (31 March 2018-1%)	(5)	NIL

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The following table provides a break-up of the Group fixed and floating rate borrowings:

	31 March 2019	31 March 2018
Variable rate borrowings	1,15,296	2,63,283
Fixed rate borrowings	1,87,915	89,926
Total borrowings	**3,03,211**	**3,53,209**

Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group profit for the year ended 31 March 2019 would decrease / increase by ₹ 576 Lakhs (for the year ended 31 March 2018: decrease / increase by ₹ 1,303 Lakhs). This is mainly attributable to the Group exposure to interest rates on its variable rate borrowings.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 40. CAPITAL MANAGEMENT

(a) Risk Management

The Group objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2019	31 March 2018
Net debt	2,91,588	3,43,178
Total equity	2,14,162	2,08,650
Net debt to equity ratio	1.36	1.64

(b) Dividends

Particulars		31 March 2019	31 March 2018
(i)	Equity shares		
	Final dividend for the year ended 31 March 2018 of ₹ 6 per fully paid equity share	5,292	5,292
(ii)	Dividend not recognised at the end of the reporting period	5,292	5,292
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (31 March 2018 : ₹ 6). The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	2,646	5,292

Note 41 (a) : Names Of The Related Parties And Relationships

A Associates

1 Ishanya Brand Services Limited

2 Ishanya Realty Corporation Limited

3 Mumbai Modern Terminal Complex Private Limited

4 Desai Fruits and Vegetables Private Limited

B Jointly Controlled Entity

1 Yerrowda Investments Limited

C Key management personnel

(a) Executive directors

Mr Sailesh Chimanlal Mehta

Mr Yeshil Mehta

(b) Non-executive directors

Ms Parul Sailesh Mehta

Mr Partha Sarathi Bhattacharyya

Mr Rajendra Ambalal Shah

Mr Madhumilan Parshuram Shinde

Dr Tapan Kumar Chatterjee

Mr Raghuraman Sriraman (upto 27 Mar 2019)

Mr. Ashok P Shah

Mr. Raghunath Kelkar

Non-executive Independent directors

Mr Berjis Minoo Desai

Mr Ashok Kumar Purwaha

Mr Mahesh Ramchand Chhabria

Mr Sewak Ram Wadhwa (upto 18 Sept 2018)

Mr Anil Chandanmal Singhvi

Mr Urmilkumar Purushottamdas Jhaveri

Mr Anil Sachdev

Mr Pranay Dhansukhlal Vakil

(c) Company Secretary

Mr K Subharaman

Mr. Mandar Velankar (upto 10 May 2018)

Mr. Pankaj Gupta (From 29 May 2018)

(d) Chief Finance Officer

Mr. Amitabh Bhargava

Mr. Debasish Banerjee (upto 13 Apr 2018)

D Entities over which key managerial personnel are able to exercise significant influence:

1 Blue Shell Investments Private Limited

2 Nova Synthetic Limited

3 The Lakaki Works Private Limited

4 Superpose Credits And Capital Private Limited

5 Storewell Credits And Capital Private Limited

6 High Tide Investments Private Limited

7 Deepak Asset Reconstruction Private Limited

8 Mahadhan Investment and Finance Private Limited

9 Ishanya Foundation

10 Deepak Foundation

11 Mahadhan Farm Technologies Private Limited

12 Robust Marketing Services Private Limited

13 Crawford Bailey & Co.

E Relatives of Key Management Personnel

1 Mr Chimanlal Mehta

2. Ms. Rajvee Mehta

F Entities over which relatives of key managerial personnel are able to exercise significant influence:

1 Deepak Nitrite Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	Jointly Controlled Entities	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of KMP are able to exercise significant influence	Total	Jointly Controlled Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of kmp are able to exercise significant influence	Total
1	**Sale of goods**											
	Mahadhan Farm Technologies Private Limited	-	-		1303	-	1,303	-	-	698	-	698
	Deepak Nitrite Limited	-	-		-	8,970	8,970	-	-	-	7,443	7443
2	**Rendering of services/ reimbursement of expenses**											
	Ishanya Foundation	-	-		4	-	4	-	-	4	-	4
3	**Purchase of goods and services**											
	Mahadhan Farm Technologies Limited	-	-		(1902)	-	(1902)	-	-	(1578)	-	(1578)
4	**Receiving of services/ reimbursement of expenses**											
	Yerrowda Investments Limited	(31)	-		-	-	(31)	(86)	-	-	-	(86)
	M P Shinde	-	(18)		-	-	(18)	-	-	-	-	-
	Crawford Bailey & Co	-	-		(9)		(9)	-	-	-	-	-
	Ishanya Foundation	-	-		(1)	-	(1)	-	-	-	-	-
5	**Donation given**											
	Ishanya Foudation	-	-		(41)	-	(41)	-	-	(153)	-	(153)

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	Jointly Controlled Entities	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of KMP are able to exercise significant influence	Total	Jointly Controlled Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of kmp are able to exercise significant influence	Total
6	**Remuneration (including perquisites)**											
	Mr Sailesh Mehta	-	(398)		-	-	(398)	-	(656)	-	-	(656)
	Mr.Yeshil Mehta	-	(81)		-	-	(81)	-	(52)	-	-	(52)
	Mr. Vipin Agrawal	-	-		-	-	-	-	(97)	-	-	(97)
	Mr Amitabh Bhargava	-	(189)		-	-	(189)	-	(76)	-	-	(76)
	Mr Debashish Banerjee	-	(3)		-	-	(3)	-	(47)	-	-	(47)
	Mr K Subharaman	-	(70)		-	-	(70)	-	(68)	-	-	(68)
	Mr Mandar Velankar	-	(3)		-	-	(3)	-	(17)	-	-	(17)
	Mr Pankaj Gupta	-	(40)		-	-	(40)	-	-	-	-	-
	Ms. Rajvee Sailesh Mehta	-	-	(14)	-	-	(14)	-	(4)	-	-	(4)
7	**Sitting Fees paid to Non -Executive Directors**		(79)				(79)		(73)			(73)
8	**Lease rental expenses**											
	Deepak Nitrite Ltd.		-			-	-		-		8	8
	Robust Marketing Services Private Limited		-		(66)		(66)		-	(66)		(66)
	Mr Sailesh Chimanlal Mehta		-		-	-	-		(16)	-	-	(16)
9	**Deposits for Renting of Premises**											
	Mr Sailesh Chimanlal Mehta		(1300)		-	-	(1300)					

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	Jointly Controlled Entities	Key Management Personnel	Relatives of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of KMP are able to exercise significant influence	Total	Jointly Controlled Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which Relatives of kmp are able to exercise significant influence	Total
10	**Amount outstanding**											
	Trade payables											
	Yerrowda Investments Limited	(21)	-		-	-	(21)	(54)	-	-	-	(54)
	M P Shinde		(1)		-	-	(1)	-	-	-	-	-
	Mahadhan Farm Technolgies Limited		-		-	37	37	-	-	-	(143)	(143)
	Commission payable											
	Shri S.C.Mehta	-	-	-	-	-	-	-	(312)	-	-	(312)
	Deposit for renting of premises											
	Mr Sailesh Mehta	-	1,500.00	-	-	-	1,500		200.00			200
	Robust Marketing Services Private Limited	-	-	-	650	-	650	-	-	653	-	653
	Trade receivables											
	Deepak Nitrite Ltd.	-	-	-	-	1397	1,397	-	-	-	2418	2418
	Ishanya Foundation	-	-	-	-		-	-	-	1	-	1
	Money received against share warrants	**-**	**-**	**-**	**(5,000)**	**-**	**(5,000)**	**-**	**-**	**-**	**-**	**-**

Note : Figures in bracket are outflows.

All Transactions are in ordinary course of business and on an arm's length basis

(*) Includes transaction with enterprises over which relatives are able to exercise significant influence

NOTE 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2019	31 March 2018
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	16,606	40,107
Income Tax Demands	7,514	7,890
Excise/Service Tax/Custom Demands*#	5,694	12,662
Sales Tax/ VAT Demands	6,608	4,454
Local Body Tax	1,193	-
Penalty on Entry Tax	1,551	-
Penalty Levied by Competition commission of India and contested by Parent Company	-	200
Total	**39,166**	**65,313**
B. Capital Commitments		
Related to Projects	76,146	31,396
Related to Realty	4,353	403
Total	**80,499**	**31,799**

* Includes customs duty demands amounting to ₹ Nil (31 March 2018 : ₹ 9,347 Lakhs) on duty free import of fertiliser during the period 2005-06 to 2009-10. Under the applicable policy of Government on subsidy, any customs duty was to be reimbursed by the Government.

Includes ₹ 1,881 Lakhs (31 March 2018 : ₹ 1,881 Lakhs) which pertains to service tax liabilities. Subsequent to the year end Parent Company has received a favourable order from CESTAT against which the department has not gone into appeal as of date.

Note 43: LEASES

The Group has taken premises on operating lease for a period of one to five years. The future lease payment of such operating lease is as follows:

Particulars	31 March 2019	31 March 2018
Minimum Lease rental payable		
Not later than 1 year	2,021	539
Later than 1 year and not later than 5 years	3,335	133
Total	**5,356**	**672**

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 44 : FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2019		31 March 2018	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Hedged Position				
Creditors (in USD)	879	60,766	477	31,124
Creditors (in AED)	-	-	102	1,816
Buyers Credit (in USD)	23	1,609	1,089	70,962
Un-hedged Position				
Creditors (in USD)	83	5,743	104	6,807
Creditors (in AED)	270	5,071	103	1,823
Creditors (in EURO)	6	464	-	-
Buyers Credit (in USD)	-	-	16	1,047
Exports receivable (in USD)	17	1,176	23	1,482
Bank Balance (in USD)	-	-	-	9

*The above transactions are hedged by following derivative contracts

Particulars	31 March 2019		31 March 2018	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	173	11,944	1,035	67,436
Forward Contracts -AED	-	-	102	1,816
Options Contracts - USD	729	50,431	532	34,650
Total	**902**	**62,375**	**1,669**	**1,03,902**

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109

Unhedged foreign currency explore is as under

Particulars	**31 March 2019**	31 March 2018
Payables	11,278	9,677
Receivables	1,176	1,482

NOTE 45: INCOME TAXES

A. Components of Income Tax Expenses	31 March 2019	31 March 2018
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	1,351	4,849
Adjustments/(credits) related to previous year - (net)	-	(800)
MAT Credit entitlement	-	(1,700)
Total (A)	**1,351**	**2,349**
Deferred tax charge/(credit)	2,281	4,290
Total (B)	**2,281**	**4,290**
Total (A+B)	**3,632**	**6,639**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	182	48
(Gain)/Loss on debt instruments through other comprehensive income	18	33
Total	200	81

Reconciliation of tax expense and accounting profit

Particulars	31 March 2019	31 March 2018
Profit before tax	11,284	23,288
Income Tax expense calculated at (Company's domestic tax rate) 34.944% (31 March 2018: 34.608%) (A)	**3,943**	**8,060**
Effects of income not subject to tax		
- Profit from power generation division	(182)	(182)
- Dividend income	(36)	-
Effects of non-deductible business expenses	261	58
Reversal of earlier year tax provision	79	(800)
Others	(433)	(497)
Total (B)	**(311)**	**(1,421)**
Income Tax expense reported in the statement of profit or loss (A+B)	**3,632**	**6,639**

Note 46

The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy, due to the Group in accordance with applicable Nutrient Based Subsidy (NBS) scheme of GOI, alleging undue gain arising to the Group on account of supply of cheap domestic gas since challenged by the Group before the Honourable High Court of Bombay. Based on the directive of the Honourable Court, DoF agreed to release subsidy withheld except a sum of ₹ 31,052 Lakhs pending final decision, which has been released during the month of January 2018 against a Bank Guarantee of equal amount.

Note 47

During the current year, the managerial remuneration (based only on fixed component) paid by the Company to its Chairman & Managing Director is in excess of the limits laid down under section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 249 Lakhs. The parent Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 48

The Income Tax Department carried out a Search and Seizure operation in Company's Office premises and plants during the period from 15 November 2018 to 21 November 2018 under section 132 and section 133A of the Income Tax Act, 1961.

The Management has provided the requisite information to the income tax authorities and responded to questions that were posed during and after the search period. No demand notices have been issued to the Company as of 30 May 2019.

Management is of the view that the search and seizure will not have any significant impact on the Company's financial position and results as at and for the year ended 31 March 2019 and hence no provision has been established in the financial statements.

Note 49

i) MAT credit entitlement is regrouped with deferred tax liabilities (net) in the balance sheet (refer Note 26). Consequently, previous year comparative amounts of MAT credit entitlement of ₹ 1,587 Lacs which were classified under Income tax assets have been regrouped under deferred tax liabilities (net). The correction resulted in decrease in income tax assets and deferred tax liabilities by ₹ 1,587 Lacs as at 31 March 2018.

ii) Employee liabilities and capital creditors have been classified as other financial liabilities (refer Note 23). Consequently, previous year comparative amounts of employee liabilities of ₹ 1,417 Lacs and capital creditors of ₹ 439 Lacs which were classified under other current liabilities have been regrouped under other financial liabilities.

Note 50 : Consolidated Segment Reporting

Sr No	Particulars	Chemicals	Fertilisers	Realty	Others	Eliminations	Common	Total
1	**Revenue**							
	a) **External Sales**							
	I) **Manufactured & Traded**	**4,43,354**	**2,27,214**	**2,155**	**818**	**-**	**-**	**6,73,541**
	Previous Year	*4,22,137*	*1,80,592*	*1,685*	*711*	*-*	*-*	*6,05,125*
	b) **Inter-segment sales**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*-*	*-*
	c) **Other operating income**	**599**	**66**			**-**	**-**	**665**
	Previous Year	*911*	*118*			*-*	*-*	*1,029*
	d) **Unallocated Corporate other income**	**-**	**-**		**-**	**-**	**5,430**	**5,430**
	Previous Year	*-*	*-*		*-*	*-*	*2,408*	*2,408*
	Total Revenue	**4,43,953**	**2,27,280**	**2,155**	**818**	**-**	**5,430**	**6,79,636**
	Previous Year	*4,23,048*	*1,80,710*	*1,685*	*712*	*-*	*2,408*	*6,08,563*
2	**Segment Result**	**51,725**	**(3,886)**	**(1,572)**	**421**	**-**	**5,430**	**52,118**
	Previous Year	*51,335*	*3,674*	*(1,596)*	*323*	*-*	*2,408*	*56,144*
3	**Interest expense**	**-**	**-**	**-**	**-**	**-**	**22,933**	**22,933**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*17,316*	*17,316*
4	**Unallocated Corporate expenses**	**-**	**-**	**-**	**-**	**-**	**17,901**	**17,901**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*15,540*	*15,540*

(All amounts in ₹ Lakhs unless otherwise stated)

Sr No	Particulars	Chemicals	Fertilisers	Realty	Others	Eliminations	Common	Total
5	**Net profit**	**-**	**-**	**-**	**-**	**-**	**-**	**11,284**
	Previous Year	-	-	-	-	-	-	*23,288*
6	**Other Information**							
	a) **Segment Assets**	**3,36,640**	**2,28,313**	**21,884**	**1,960**	**-**	**1,22,964**	**7,11,761**
	Previous Year	*3,17,714*	*1,74,726*	*23,568*	*2,726*	-	*1,80,411*	*6,99,145*
	b) **Segment Liabilities**	**2,74,867**	**2,01,311**	**2,406**	**3**	**-**	**19,012**	**4,97,599**
	Previous Year	*1,55,159*	*1,36,459*	*993*	*46*	-	*1,97,838*	*4,90,495*
	c) **Capital Expenditure incurred during the year**	**35,406**	**10,932**	**-**	**-**	**-**	**3,815**	**50,153**
	Previous Year	*36,840*	*4,634*	*971*			*9,698*	*52,143*
	d) **Depreciation/ Amortisation**	**8,355**	**4,839**	**1,053**	**225**	**-**	**2,674**	**17,146**
	Previous Year	*9,092*	*5,037*	*1,114*	*225*		*855*	*16,323*

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment		Products covered
a)	Chemicals	Ammonia, Methanol, DNA, C NA, CO2, TAN, IPA, Propane, Bulk and Speciality Chemicals
b)	Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits,Vegetables, Pesticides
c)	Realty	Real Estate Business
d)	Others	Windmill Power

2 Secondary Segment Information: There are no reportable geographical segments since the Group caters mainly to needs of Indian Markets.

Notes 3 to 50 form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. Mehta
Chairman and Managing Director
DIN:00128204

Amitabh Bhargava
President & CFO

Raajnish Desai
Partner
Membership No.: 101190

Mahesh R Chhabria
Director
DIN : 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS:4361

Place: Pune
Date: 30 May 2019

Place: Pune
Date: 30 May 2019

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING

AGM Venue: Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Airport Road, Yerawada, Pune- 411 006.

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

Registered Office : Sai Hira, Survey No. 93,
Mundhwa, Pune - 411 036
CIN: L24121MH1979PLC021360

PROXY FORM

Form No. MGT-11

Thirty Ninth Annual General Meeting, 14th August, 2019

[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 / her

2. Name : ____________	E-mail ID : ____________
Address : ____________	Signature : ____________

or failing him / her

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 Ninth Annual General Meeting** of the Company, to be held on Wednesday, 14th August, 2019 at 11:30 a.m. at Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Airport Road, Yerawada, Pune- 411 006 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
ORDINARY BUSINESS			
1	Receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2	Declare a dividend on equity shares for the financial year ended 31st March, 2019.		
3	To appoint a Director in place of Smt. Parul Mehta (DIN 00196410), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
SPECIAL BUSINESS			
4	Ratification and confirmation for payment of remuneration to M/s Y. R. Doshi & Company, Cost Accountants.		

(Cut here)

Resolution No.	Resolution(s)	Vote (Optional see Note 2)	
		For	Against
5	Appointment of Shri Partha Bhattacharyya (DIN 00329479) as an independent director of the Company.		
6	Appointment of Shri Alok Perti (DIN 00475747) as an independent director of the Company.		
7	Appointment of Dr. Amit Biswas (DIN 08173442) as an independent director of the Company.		
8	Approval of the members for waiver of excess remuneration paid to Shri S. C. Mehta (DIN 00128204), Chairman & Managing Director.		
9	Approval of the members to the rollover of the Special Resolution passed in the 38th Annual General Meeting for raising of funds aggregating to ₹ 600 Crore through one or more of the various options of securities such as Equity Shares, GDRs, ADRs, FCCBs or Partly Convertible Debentures or by way of qualified institutions placement to QIB (Qualified Institutional Buyers) in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2019 and to take such other corporate actions as and when necessary within the same threshold limit of ₹ 600 Crore.		

Signed this ________________ day of ________________ 2019

* Applicable to Members holding shares in electronic form.

Please affix Revenue Stamp

Signature of Shareholder ______________________

Signature of Proxy holder(s) ______________________

NOTES:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.

2. It is optional to indicate your preference. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Notes

Notes

Company Information

C. K. Mehta
Chairman Emeritus

BOARD OF DIRECTORS

S. C. Mehta
Chairman & Managing Director

Parul S. Mehta
Non-Executive Woman Director

M. P. Shinde
Non-Executive
Non-Independent Director

Partha Bhattacharyya
Independent Director

Pranay Vakil
Independent Director

Berjis Desai
Independent Director

Ashok Kumar Purwaha
Independent Director

Mahesh Chhabria
Independent Director

Alok Perti
Independent Director

Dr. Amit Biswas
Independent Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

K. Subharaman
Executive Vice President (Legal)
& Company Secretary

MANAGEMENT TEAM

Amitabh Bhargava
President – Finance & CFO

Amrish Goel
President – Strategy

Debasish Banerjee
President – Strategic Projects

D. S. Ravindra Raju
President – Manufacturing

Mahesh Girdhar
President – Crop Nutrition Business

Naresh Kumar Pinisetti
President – Corporate Governance

Pandurang Landge
President – Projects

Raghunath Kelkar
President – Industrial Chemicals

Romy Sahay
President – Human Resource

Shyam Narayan Sharma
President – TAN

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Limited
IDFC Bank Limited
Axis Bank Limited
ICICI Bank Limited
Yes Bank Limited
Kotak Mahindra Bank Limited
IDBI Bank Limited
Export Import Bank of India

LEGAL ADVISORS

Crawford Bayley & Co.
Agarwal Law Associates
Zeus Law Associates
Hariani & Co.
Samvad Partners

AUDITORS

B S R & Associates, LLP
Chartered Accountants

SECRETARIAL AUDITOR

SVD & Associates

COST AUDITOR

Y R Doshi & Company

INTERNAL AUDITOR

Ernst & Young

REGISTERED AND CORPORATE OFFICE

Sai Hira, Survey No. 93,
Mundhwa, Pune - 411 036,
Maharashtra
CIN: L24121MH1979PLC021360
E-mail: investorgrievance@dfpcl.com
Website: www.dfpcl.com
Phone: +91 20 6645 8000

PLANTS

Plot K1, K7-K8,
MIDC Industrial Area,
Taloja, A.V. – 410 208,
District Raigad,
Maharashtra

Village Ponnada,
Etcherla Mandalam,
Srikakulam – 532 408,
Andhra Pradesh

Plot No. 47,
HSIIDC Industrial Estate,
Refinery Road,
Panipat – 132 140,
Haryana

Plot No. D - II / 7A,
Dahej GIDC Industrial Estate,
Village Rahiyad, Taluka Vagra
District Bharuch – 392 130,
Gujarat

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Sai Hira, Survey No. 93,
Mundhwa, Pune – 411 036,
Maharashtra, India.
CIN: L24121MH1979PLC021360

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40
a journey of 40 years