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Mundhwa, Pune - 411 036, India.
Tel: +91 (20) 6645 8000

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

28th August, 2020

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 FY 2019-20 including notice of the 40th Annual General Meeting

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the Financial Year 2019-20 which includes the Notice convening the 40th Annual General Meeting of the Company.

The 40th Annual General Meeting of the Company will be held on **Monday, 21st September, 2020 at 11.00 a.m.**

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

On your marks,
Get set...

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Industrial Chemicals

Mining Chemicals

Crop Nutrition

Deepak Fertilisers And Petrochemicals Corporation Limited

Annual Report 2019-20

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On your marks, Get set...

At DFPCL, we stand today at an inflection point.

For decades, we were recognised as a dependable product supplier; we are now being respected as a holistic one-stop solutions provider.

For long, we were known for offering differentiated value-added products; we are now extending beyond customer expectations to offer innovative propositions that enhance consumer experiences.

For long, we were recognised for product integrity; we are now being respected for business sustainability and stand at an attractive point.

For long we were respected for our commitment to service customers; we are now making more extensive use of technology to enrich that experience around immediacy and convenience.

The faith of customers in our brand promise has helped us establish and protect leadership with strong market shares across key products.

With a solid foundation in chemistry, we are transitioning into a holistic solutions provider by offering differentiated and value-added products, strengthening our endeavour to extend beyond customer expectations through innovative solutions.

The time has come to enhance capacities, deepen our service mindset, reach consumers directly and emerge nimbler.

We are taking the next leap.

Deepak Fertilisers And Petrochemicals Corporation Limited

One of the trusted chemical and fertiliser manufacturers in India.

Enjoying a presence across four decades.

Supporting critical sectors of the economy such as agriculture, pharmaceuticals, mining, infrastructure, health and hygiene, among others.

Sustainable across market cycles through diversified segmental offerings.

Addressing the emerging needs of domestic and international markets through differentiated value-added consumer-centric products and innovative solutions.

Rich experience

Established in 1979, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) is one of India's leading producers of fertilisers and industrial chemicals. DFPCL is also among the leading manufacturers of Iso Prophyl Alcohol, NP prill 24:24:0 fertiliser and Technical Ammonium Nitrate in India. The Company addresses the growing needs of agriculture, pharmaceutical, mining, chemicals and infrastructure sector in India.

Presence

The Company is headquartered in Pune. The Company's products are exported to 29 countries across six continents.

State-of-the-art facilities

The Company possesses four state-of-the-art manufacturing facilities across India in Maharashtra (Taloja), Gujarat (Dahej), Andhra Pradesh (Srikakulam) and Haryana (Panipat).

The Company has adopted advanced global technologies that enable it to manufacture superior quality products that meet international standards. The facilities are strategically located, ensuring its proximity to the consumers.

Diversified product portfolio

The Company is engaged in the manufacture of Industrial Chemicals (Nitric Acid, Iso Propyl Alcohol, Methanol and Carbon Dioxide) Crop Nutrition (Nitro Phosphate, Nitrogen Phosphorous Potassium variants, Water Soluble Fertilisers and Bentonite Sulphur) and Technical Ammonium Nitrate (Mining Chemicals).

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

OUR LEADERSHIP POSITION

2nd largest manufacturer of Nitric Acid in South East Asia and the largest in India

Leading manufacturer and marketer of Iso Propyl Alcohol (IPA)

Only manufacturer of NP prill 24:24:0 fertiliser and TAN solids in India

Largest manufacturer of Bentonite Sulphur in India

Market leader in speciality and water soluble fertilisers in India

OUR KEY DIFFERENTIATORS

Leading player of TAN in the domestic market supported by superior quality product offerings

Broad-based product mix, derived from two streams using natural gas or ammonia as the primary feedstock

Ability to suitably modify its product mix in response to changes in market conditions

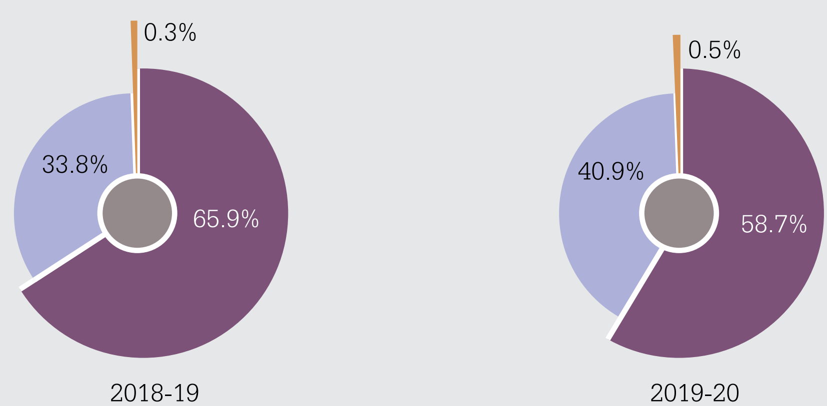
Investment commitment from IFC of US$ 60 million in the form of FCCB and CCD; infusion of 50% of commitment during the year.

Credit Ratings re-affirmed by ICRA; Long Term Facilities: A+ (Stable); Short Term Bank Facilities: A1

Installed Capacities

Industrial Chemicals	Crop Nutrition	Technical Ammonium Nitrate
13,52,000 MTPA	9,57,000 MTPA	4,84,900 MTPA
Industrial Chemicals (IC) (Nitric Acid - Weak and Concentrated, Methanol, Iso Propyl Alcohol & Liquid CO_2)	**Crop Nutrition Business (CNB)** (Nitro Phosphate Fertiliser, NPK Fertiliser and Bentonite Sulphur)	**Technical Ammonium Nitrate (TAN)** (Low Density Ammonium Nitrate, High Density Ammonium Nitrate and Ammonium Nitrate Melt)

Segmental Contribution to Revenue



2018-19
- Industrial Chemicals (including TAN) ₹4,440 cr
- CNB ₹2,273 cr
- VARE ₹22 cr

2019-20
- Industrial Chemicals (including TAN) ₹2,745 cr
- CNB ₹1,911 cr
- VARE ₹22 cr

Manufacturing Capacity (MT/year)

Industrial Chemicals	**Concentrated Nitric Acid** Installed (Taloja & Dahej) **2,31,000**	**Diluted Nitric Acid** Installed (Taloja, Dahej & Srikakulam) **8,85,000**	**Iso Propyl Alcohol** Installed (Taloja) **70,000** Planned Additional Capacity (Taloja) **1,00,000**
	Methanol Installed (Taloja) **1,00,000**	**Liquid CO_2** Installed (Taloja) **66,000**	
Crop Nutrition	**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**
Technical Ammonium Nitrate	**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**	

Key Sectors Served

Industrial Chemicals

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

Crop Nutrition Business

- Agriculture

Technical Ammonium Nitrate

- Mining
- Infrastructure
- Explosives
- Pharmaceuticals
- Electronics

VARE

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

Industrial Chemicals

- Dahej Nitric Acid plant completed its first year of operation; achieved overall capacity utilisation of 65%
- Two new grades of Nitric Acid were developed (61.5% DNA and 33% DNA)
- Achieved higher volumes of differentiated Pharma grade IPA used in formulations
- Forayed into the manufacture of IPA based hand sanitizers, wipes and rubbing alcohol (launched in April 2020)
- Enhanced focus on export opportunities
- Obtained REACH registration that opens up possibility of exports into EU in near future

Crop Nutrition Business

- Smartek sales of 2.2 Lakh MT, reflecting a growth of around 83% over last year
- Moved to 90% differentiated product portfolio sales in bulk fertiliser
- Superior marketing efforts helped in liquidating 5.6 lakh MT of NP/NPK
- Continued to establish a leadership position in Speciality Fertilisers sales in India
- Introduced enhanced efficiency Bensulf product branded as "Super Fast"; developed the product internally and manufactured at our facilities
- Launched a crop-specific water-soluble product addressing the needs of grape, tomato, sugarcane and flowering stage
- Connected with 1 million farmers through our field team
- Farmer engagement through digital medium like Facebook, WhatsApp and YouTube; connected with around 2 lakh+ farmers
- Focused BTL activities - 6,000+ value proposition-based crop campaign, demo site meetings and crop seminars
- Connected with progressive farmers through Mahadhan Saarthie initiative
- Aggressive 13,000+ demo to establish the value proposition of our focus crops

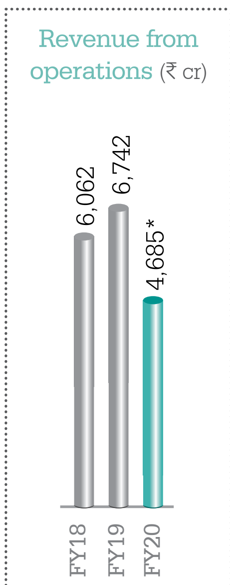
Technical Ammonium Nitrate

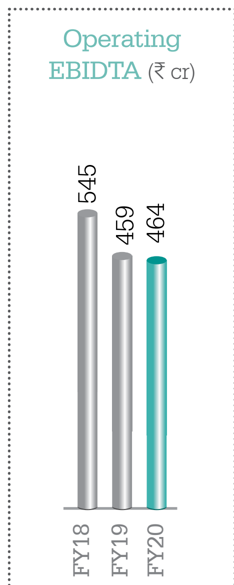
- The Company maintained TAN business profitability by servicing alternative markets, value-addition, responsiveness and decline in key raw material costs
- A tracking of market trends helped price products between spot and long-term prices, generating optimal realisations
- Long-term customer agreements underscored recognition, unique value proposition and efficient distribution
- Overall realisations and revenue of value-added products like LDAN were in line with strategic transformation initiatives
- Market share of key product portfolios was retained in-spite of market constraints
- Exports to key markets (South Asia, South East Asia, East and West Africa and Middle East) were strengthened on account of logistics effectiveness and enhanced brand recognition

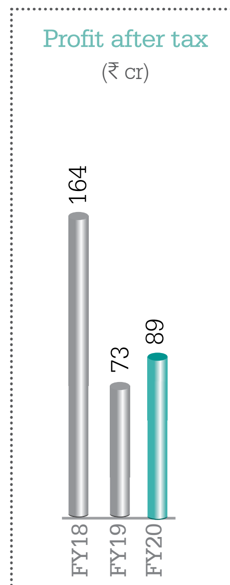
Value Added Real Estate

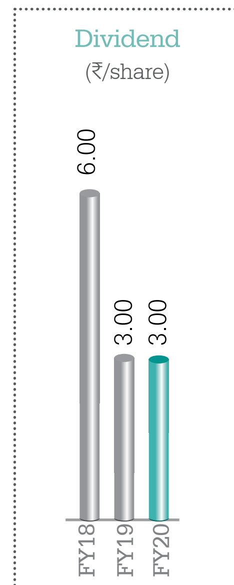
- Transformed from a product-offering mall into a solution-offering campus through start-to-end services (interior designing services, knowledge guide, personalised attention and after-sales specialised services) coupled with the Creaticity app, interactive kiosks, beacon-enabled notifications, social and digital media drive, among others
- Steady-state occupancy ~ 80%
- 20% increase in footfalls
- Occupancy income rose 56% through various initiatives

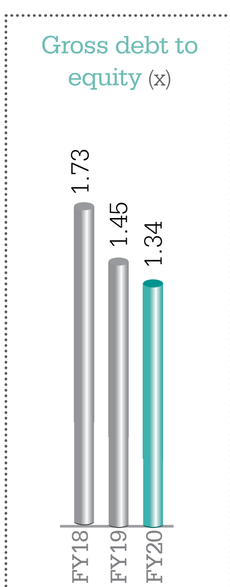
Consolidated Financial Highlights

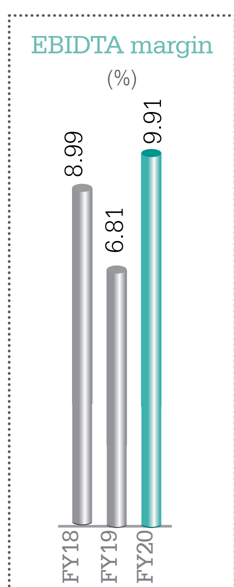


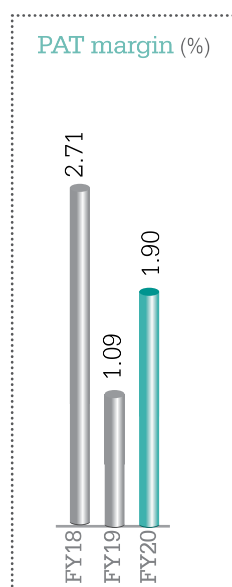


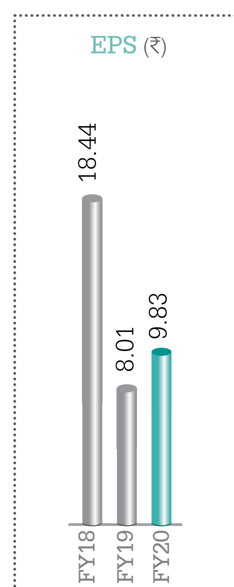






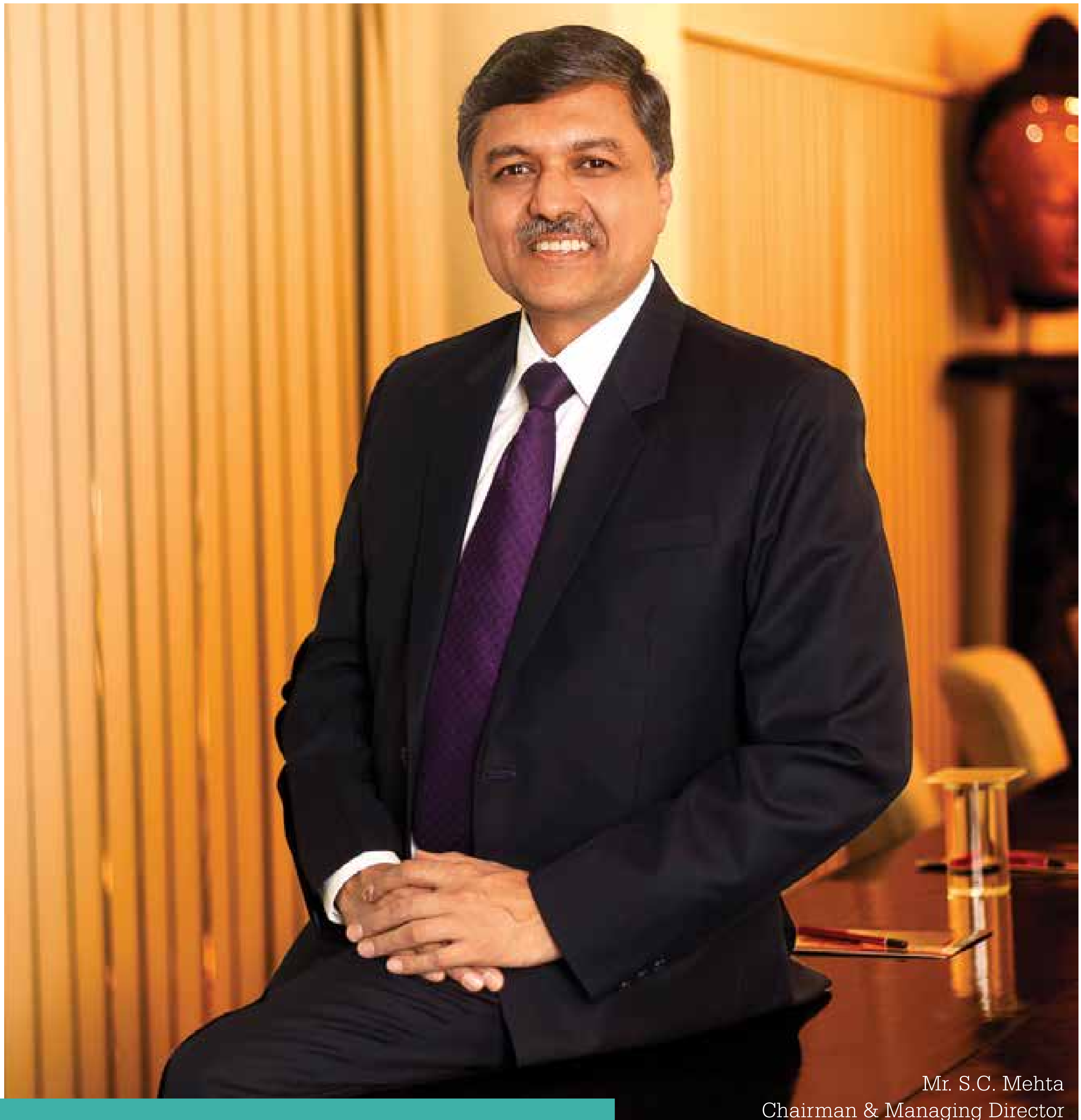






* Cautiously consolidated trading portfolio with focus on high-margin products.

Chairman & Managing Director's Message



Mr. S.C. Mehta
Chairman & Managing Director

On your marks.
Get set...

"Champions do not become champions when they win the event… but in the hours, weeks, months and years that they spend preparing for it." **- Alan Armstrong**

The FY 2019-20 turned out to be a second straight year when we got challenged on every single facet of business from all sides. Be it the struggle in the Fertiliser sector or the Chinese dumping of IPA or the first year struggles for the new Nitric Acid complex or the massive downturns in the financial sector…..what all could go wrong…did.

With grit and determination, we dug our heels and prepared for an all-round fight back….be it on the:

- Strategy front….
- Cost Optimization ….
- Logistics Recasts….
- Tighter Financial Prudence

The Fertiliser team responded with a newfound urgency in the strategy-to-execution journey from the commodity NPK fertilisers being sold to dealers to the Crop Specific and value-added NPK fertilisers being marketed to farmers based on superior technical product features. It called for a huge basket of change initiatives, encompassing organisational structure, manufacturing processes, applied R&D, channel reselection, farmer-focused marketing as well as systems and processes to monitor these initiatives. Following the rollout of more than 13,000 demonstration plots for different crops across geographies, our marketing team connected with more than 1 million farmers and 4,000 focused retailers, strengthening communication and conviction around improved farm yields.

The Technical Ammonium Nitrate (TAN) team took up its transformative journey from a product sale to a mining solution, repositioning its marketing focus to each end-user segment and its needs. To raise the productivity bar of the Indian mining sector, our team not only enhanced its collaboration with relevant stakeholders in the explosives and mining sectors but also commenced knowledge sharing on value-added synergies and global best practices. Deep-rooted studies of the Consumer segment needs, regulatory norms for each sector, the last mile connectivity…all went into the preparatory phase for this journey.

The Industrial Chemicals business engaged in studies to evaluate possibilities of graduating from conventional sale of IPA and Acids towards value-added product segments. An important milestone for us, was the commencement of our new greenfield plant at Dahej, Gujarat, for Nitric Acid. Though, it initially grappled with some teething issues, the operating team overcame challenges to show a reasonably satisfactory performance during the first year post commissioning.

DFPCL responded to the need for enhanced manufacturing competitiveness through a systematic TPM-led plant maintenance and reliability improvement. It focused on methodical examination of in-complex cost structures as well as the complete supply chain with the objective to moderate costs and turnaround time. Cross-functional teams collaborated extensively to generate enhanced efficiencies and solutions. Questioning each cost element in the chain from raw material to manufacturing to logistics to marketing and finally to Collections called for dispassionate team reviews, re-engineering business processes, sharper negotiations and above all building systems and processes to ensure sustenance over and over again demanded relentless discipline and drive. In this process, we also consciously compacted our trading basket by emphasizing more on profitable products for optimisation of working capital.

"I believe luck is preparation meeting opportunity" - Oprah Winfrey

As we moved from Q3 to Q4 of 2019-20, the preparation phase started delivering green shoots in terms of the market accepting the value being delivered along with cost and systems optimisation contributing to our margin improvements.

The demo plots showcased tangible evidence of promised yield and quality improvements, translating into attractive monetary implications for farmers in each geography. Our large number of last mile retailers communicated these success stories to other farmers, widening our circle of influence. The result was that what would have been a conventional industry-typical 'product push' approach was gradually transformed into a 'consumer pull' strategy.

Besides, systems and processes were embedded in smart handheld devices that translated into livelihood-strengthening messaging to farmers; a GPRS tracking mechanism was implemented to track farmer and field visits by the large B2C team. The interconnected sales and operations process tools now automatically connect with the demand generation inputs to timely activate the raw material procurement, manufacturing and supply chain systems. The process of timely invoicing led to sales and inventory liquidation, which resulted in timely collections, strengthening prospects of repeat sales and that too at premium pricing. Thus began the circle of Preparation to Conviction to Confidence in the Fertiliser team to take up more ambitious targets.

Then came the good rains. This positive development was complemented by the Indian Government announcing a pathbreaking agriculture policy, unshackling constraints and providing a greater growth catalyst.

Our TAN Business engaged in a similar painstaking new product development journey. The globally accomplished Low Density Ammonium Nitrate, one of our key products, is being increasingly accepted and used for the manufacture of cost-effective and impactful segment-based explosives. An in-depth recasting of the last mile connectivity and proof of concept have strengthened the conviction of the marketing team as well as consumers. Independent industry-respected Research firms confirmed the attractive and impactful mine cost optimization and improved mine productivity. Strategic tie-ups downstream to provide value-added products, deeper associations with the growing private coal mining segment and down-the-hole (DTH) last mile delivery systems commenced in right earnest.

In a heartening development, the Indian Government recently announced the landmark Commercial Coal Mining policy, opening up a completely new chapter in the foreseeable future. This announcement positions us in the right place at the right time, validating our commitment to proactively prepare for the right opportunity.

Indeed, luck is preparation meeting opportunities!

Marching with Buoyancy!

We have always stood the test of time and with every passing year, we have become more consumer-focused, agile and progressive. The disbursement of the first tranche of US$30 Mn from IFC Washington reinforced their confidence in our operations and growth plan. We also commenced the monetization of non-core assets in 2019 by selling an unused land parcel in Dahej and a stake in Desai Fruits.

....And then, FY 2019-20 concluded with onset of an unprecedented economic catastrophe in the form of the COVID-19 pandemic. With our team of resilient workforce, suppliers and customers, we are geared to pass through this crisis by transforming challenges into opportunities and emerging stronger in tougher times.

"First, I prepare. Then I have faith" **- Joe Namath**

The strong preparatory phase that was followed with the green shoots, evident from ground level execution drive at the marketplace, supply chain network and the end-to-end operations, has now converted into a strong "CAN DO" faith. The year ahead will see larger, wider and deeper inroads into this journey from Commodity to Value-added products, from Customer to Consumer focus and a digital overdrive to establish USPs and impactful deliveries.

The compelling rationale has become stronger for our backward integration through 1500 TPD Ammonia project. Weakening of natural gas prices, both in the international and domestic markets, coupled with lack of additional global capacities of merchant ammonia, confirms our prognosis of further improvement in the prices of Ammonia going forward. A strong domestic demand for industrial explosives on the back of a greater reliance on domestic coal production, opening up of commercial mining and long-term growth trends in the housing and infrastructure sector, has given us further conviction to forge ahead with the expansion of our TAN capacities. We plan to expeditiously complete project development so that the construction of the TAN plant on the East coast can commence at the earliest. While the pace may get impacted due to COVID-19, we are putting in place many innovative project execution strategies to contain the impact.

Luck rewards the determined

Our business-strengthening initiatives in the past years have started delivering results. The performance of the Company in the first quarter of the current financial year (Q1FY21) was the best-ever quarterly performance in the Company's history. While the external environment remained challenging owing to the fragile global economic conditions due to COVID-19, we reported a 23% growth in revenue and more than 11 times growth in net profit compared to Q1FY20. Our diverse nature of the businesses gives us optimism that we will continue to create new benchmarks in the coming years. We have invested the last two years in Getting on the Mark, Getting Set.... we are now ready to Go!

S. C. Mehta
Chairman & Managing Director

Investor Relations
Q&A with the Chief Financial Officer

An interaction with
Mr. Amitabh Bhargava,
President and Chief Financial Officer

Q. How would you appraise the Company's performance in 2019-20?

A: The Company reported total revenues of ₹4,685 Crores in FY2020 compared to ₹6,742 Crores in FY2019. The Company cautiously consolidated its trading portfolio with a focus on high-margin products (as a result of which chemical trading consciously declined by ₹1,405 Crores y-o-y and fertiliser trading reduced by ₹419 Crores y-o-y). The result of this conscious approach was that operating margins increased to 9.9% in FY2020 compared to 6.8% in FY2019.

The total debt of the Company declined from ₹2,994 Crores at the end of September 2019 to ₹2,928 Crores as on 31 March 2020, despite drawing additional long-term loans for Capex. As a result net debt-to-equity ratio improved from 1.35x in September 2019 to 1.25x in March 2020. The Company's credit rating was reaffirmed by ICRA at A+ stable for long-term bank facilities and at A1 for short-term bank facilities.

The Board recommended a dividend of ₹3 per equity share of a face value of ₹10 each (30%).The highlight during the year under review was the decision of International Finance Corporation (IFC) to subscribe to the first tranche of US$ 30 million (approx. ₹210 Crores), Foreign Currency Convertible Bonds (FCCBs) and Compulsory Convertible Debentures (CCDs) in DFPCL and its wholly-owned subsidiary Smartchem Technologies Limited (STL). This funding represented a part of IFC's US$60 million investment commitment; the second tranche of US$ 30 million (i.e. ₹210 Crores) is expected to be subscribed in the first half of FY2021.

Q. What was the impact of COVID-19 on the Company's production?

A: The onset of the COVID-19 pandemic impacted the production of NP/NPK, TAN and Nitric Acid at Dahej in March 2020. The notional 'loss' of production on account of COVID-19 was c6.0 KT for Nitric Acid

(DNA+CNA); there was a production shortfall of NP/NPK (5 KT) and TAN (3 KT) as well.

Q. There was a significant turnaround in the fertilisers business. What were the reasons for this?

A: The margins of the company's fertiliser segment improved substantially from a negative (1.7)% in FY19 to a positive 1.7% in FY20. This turnaround was engineered by various initiatives undertaken by the company like a change in the product portfolio, value-based pricing and cost optimisation measures along with favourable monsoons and water levels in the country. NP sales volumes increased 11% y-o-y in FY20, although NPK volumes remained flat. Softening of major raw materials prices also helped in margin expansions. The delayed monsoon and lower rabi crop impacted farmers, resulting in lower demand in the first half of the year. However, a strong retreating monsoon and higher water table levels led to a demand recovery in the second half of the year.

Even as the overall market remained subdued, the Company remained focused on demand generation. It embarked on crop-specific market development campaigns including promotional activities, crop seminars, farmer meetings and product demonstrations across farmer fields. The Company focused on various sales and distribution efficiency improvement areas, including sales team automation and the development of alternative vendors for key raw materials.

The Company launched crop-specific grades in the water-soluble category during the year under review. The Company received a favourable market response; the grades enjoyed high margins potential over regular water soluble products. The Company moved its entire sales towards differentiated products (Smartek) towards the end of the year.

Q. What measures did the Company take to reduce its non-core exposure?

A: As a part of the commitment to focus on our core business and moderate our exposure to our non-core businesses, the Company divested a plot of industrial land in Dahej for a total transaction value of ₹99.2 Crores. In addition, the Company also sold 75% of its holding in Desai Fruits and Vegetables Private Limited (21.50% of its share capital) to Contract Farming Mauritius Private Limited for ₹28 Crores. The Company is taking steps towards monetisation of its other non-core assets i.e. real estate and stake in its step-down subsidiary Platinum Blasting Services Pty Limited.

Q. There was a news item that DFPCL's promoter had pledged more than 70% shares.

A: Non-Disposal Undertaking (NDU) was provided by the promoter of DFPCL to IFC for CCDs issued by Smartchem Technologies Ltd., which is usual in such transactions. As per the undertaking, the promoters undertook not to dispose the shares (as distinct from a pledge). The NDU ensures that the promoters will continue to own the shares, contrary to the news item that the promoters ran the risk of losing management control.

The fact that the encumbrances were only a 'non-disposal undertaking' in nature was communicated by the promoters to the stock exchanges. The NDU assured that the promoters would continue to own shares, contrary to a news report that the promoters potentially ran the risk of losing control of the entities on account of the pledge. Interestingly, the promoters increased their equity stake from 51.50% (March 2019) to 52.20% (March 2020), a reflection of enhanced confidence in the Company's prospects.

Q. How does the company ensure communication transparency?

A: At the Company, investor relations (IR) is a strategic management function that communicates the equity story and investment proposition for the benefit of institutional investors and shareholders. The Company continues to communicate transparently with all its stakeholders through one-on-one meetings, investor conferences and quarterly conference calls. Through a large database of opinion-makers, important business updates were proactively communicated during the year through various modes like emails, social media platforms like WhatsApp and YouTube, one-on-one calls and stock exchange disclosures, among others.

The Company also brought elements of innovation into its investor communication. It engaged extensively with stakeholders through vertical-focused calls that enhanced a granular understanding (including a specific call focusing on the TAN business). The Company also created a YouTube channel where the conference call recordings were embedded with an investor presentation for a larger family of stakeholders like investors, shareholders, research analysts, bankers, financial institutions and credit rating agencies etc., who may have missed the call.

The Company was the first among peers to provide a video recording of its AGM proceedings through YouTube, even though the AGM webcast was not statutorily required for DFPCL. Stakeholders also appreciated the detailed presentation at DFPCL's Annual General Meeting, by the CFO, which helped enhance their understanding of the Company's performance, challenges, and risk mitigation initiatives. There has been a significant decline in the turnaround time to resolve inbound stakeholder queries. DFPCL was also invited to participate in an expert panel discussion at the reputed International IR Magazine Awards 2019 in Mumbai. The Company's views were published in an International IR Magazine article 'Game-changing governance set to reshape Indian corporate culture' in 2019. The Company raised the benchmark in delivering on capital market expectations and will continue to improve disclosures to match international governance standards.

> "The margins of the company's fertiliser segment improved substantially from ~ negative (1.7)% in FY19 to positive 1.7% in FY20"

AWARDS 2019-20

Certificate for Meritorious Performance in Industrial Safety from National Safety Council – Maharashtra Chapter for Jawaharlal Nehru Port Trust (JNPT)

Certificate of Appreciation from National Safety Council for JNPT in 2019 for six consecutive years

Best Formulation – Innovation Award for Smartek at the Agri Business Summit and Agri Awards in April 2019

Safest Workplace Award during the Safe-Tech Awards in August 2019 received by Smartchem Technologies Limited

Innovative Lab to Farm Model Award for Smartek at the Flame Awards Asia, instituted by the Rural Marketing Association, recognising excellence in marketing, promotion and rural initiatives

Top Organisation with Innovative HR Practices award from Asia Pacific HRM Congress in September, 2019

Best Employer Brand Award 2019 from World HRD Congress in October, 2019

Most Popular Mall for Furniture at Times Retail Icons, Pune, for Creaticity

Platinum Award from Green Maple Foundation for Best Safety Practices & Management, at its JNPT terminal in December 2019, bagged by Smartchem Technologies

Best Boiler User – 2020 under the category of Pharma / Chemical / Diary / Hotels / Foods at the Boiler India – 2020 Conclave organised by the Directorate of Steam Boiler, Labour Department, Government of India, received by Smartchem Technologies Limited's K8 plant (third place among 150 participants)

Corporate Social Responsibility

Deepak Fertilisers And Petrochemicals Corporation Limited is a responsible corporate citizen.

Over the years, the Company has been engaged relentlessly in societal uplift (rural and urban) through Ishanya Foundation (IsFon) and Deepak Foundation. The Company's four-decade community intervention has been directed at the bottom of the economic and social pyramid, especially in rural and urban Maharashtra and Gujarat. The interventions comprised livelihood & women empowerment, farmer upliftment, health, education, art & culture, community development and social welfare.

16,796
Total families benefited

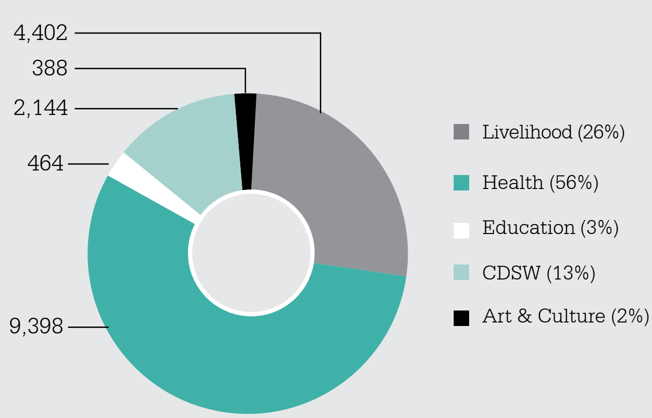
11,922
Rural families touched

4,874
Urban families touched

Ishanya Foundation (IsFon)

IsFon has been driven around the conviction that 'Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.' IsFon empowers individuals through employable skills that generate sustainable livelihoods, enhancing financial and emotional independence. The Foundation's urban initiatives comprise Vocational Skills Development Project (VSDP), Livelihood Enhancement through Entrepreneurship Development (LEED), Income Generation Program (IGP), Muskaan, the Yellow Ribbon NGO & Artisan Fair (YRNF) and Ishanya Restoration & Exhibition of Art, Culture & Handicrafts (IREACH). IsFon's rural initiatives comprise Wadi Project, Dairy Development Project, Vocational Skill Development, Vocational Training Centre (VTC) and Community Development & Social Welfare (CDSW), among others.

Sector-wise family coverage 2019-20



Vocational Skills Development Project (VSDP)

Personality Development Training in collaboration with Global Talent Track

IsFon conducts a variety of job-oriented vocational and soft skill training courses. VSDP leverages formal and informal learning to enhance social equality, inclusion and sustainable development. IsFon provides placement assistance leading to sustainable livelihoods. During the year under review, 227 individuals completed various courses.

IsFon also conducts soft skill training and conversational English sessions to enhance employability. Financial literacy and health discussions are organised; personality development training (with Global Talent Track Pvt Ltd) enhances individual development; each student is counseled one-on-one.

VSDP courses, 2019-20

- Professional Beautician Course and Art of Mehendi with Spoken English: 108 beneficiaries
- Certificate Course in Information Technology (CCIT) with Spoken English: 93 beneficiaries
- Post Basic B. Sc. Nursing - in collaboration with Symbiosis: 9 beneficiaries
- Diploma in Optometry in collaboration with KK Eye Hospital, Pune: 4 beneficiaries
- Financial & Accounting Course with USDC, Pune: 10 beneficiaries
- Automation course with Talentsetu: 1 beneficiary
- Bachelor of Education and Bachelor of Engineering: 2 beneficiaries
- Placed: 203

Success story

Jaya Dhumal: Earning ₹39,000 per month

Jaya's father, who is a farmer, earns ₹70,000 a year; her mother is a housewife. She was the first member of her family to go to college. She received Ishanya Foundation's Scholarship. With this support, Jaya completed a nursing course and is currently working at KEM Hospital (Mumbai) as a staff nurse earning ₹39,000 per month. Thanks to IsFon's support, she is not only financially independent but also supports her family.

Livelihood Enhancement through Entrepreneurship Development (LEED)

LEED provides entrepreneurship opportunities and facilitates livelihoods through secondary income generation for financially challenged women. This programme consists of the following initiatives:

Muskaan:

- Based on the principle of 'Reuse & Recycle'
- It empowers financially challenged women, fondly called 'Muskaan Parees', by providing them additional income
- Parees shortlisted are between 30-40 years of age who have not had a chance of availing education
- Ladies from various walks of life from Pune and Mumbai act as 'Brand Ambassadors' who graciously support the initiative by collecting pre-owned garments and accessories, which are then checked for quality and usability
- When cleared, they are resold by Muskaan Parees at nominal prices

1,674

Number of families benefited in 2019-20

Income Generation Programme (IGP)-Handcrafted for a Cause

The programme graduates' women (trained in tailoring and cutting) from small-scale 'darjees' into entrepreneurs adept in the manufacture of handmade products.

7,19,160

(₹) Income generated by this programme

Handmade Products

Handmade Products

Handmade Products

Entrepreneurship Development

The programme seeks to enhance skills and knowledge to empower entrepreneurs run small businesses through initiatives like Juice Paree and handcart sponsorship

Success story

Chandrabai Waghmare

Chandrabai was a roadside vegetable vendor in Jadhav Nagar, Yerwada, Pune. Her approximate monthly income was ₹7,000. She needed a hand cart; following support from Ishanya Foundation, her income increased to ₹9,500 per month. She now owns a vegetable stall, facilitated by IsFon.

14
Individuals supported by the initiative

Yellow Ribbon NGO & Artisan Fair (YRNF)


Stall visited by distinguished guests

This pre-Diwali event showcases folklore, cultural traditions and skilled craftsmanship of NGOs, artisans and self-help groups covering farmers and farm produce organisations. The platform empowers beneficiaries with a wide networking platform to learn, share, generate new ideas and enhance marketing awareness. YRNF is supported by NABARD.

1,352
Number of families benefited

Ishanya Restoration & Exhibition of Art, Culture & Handicrafts (IREACH)

The program was initiated with the following objectives:

- To provide budding artists with a platform for their talent to be recognised
- To display India's art and cultural heritage by promoting regional art forms, theatre, performing arts and music
- To unite individuals who appreciate and support cultural activities
- To promote an awareness of our rich and varied art legacy through events
- Kathak workshop, vocal music workshop, plays and dance competition, among others, were organised by IsFon

388
Beneficiaries in 2019-20

Rural initiatives

Wadi Project

The Foundation provides farming families with farming tools and techniques for intensive land development and establishment of Keshar Mango orchard across 0.5 acres of wasteland. The activities include the following:

- Mango (Keshar) plantation
- Development of eroded wasteland through soil and water conservation
- Water resource development and water conveyance
- Cultivation of suitable and improved inter-crops (vegetable cultivation)
- Development of model plots
- Capacity building (training exposure)
- Kisan melas and village meetings

Founder Trustee Mrs. Parul Mehta at a Mango plantation

Dairy Development Project

This rural initiative addresses small/marginalised/landless farmers and labourers and aims to enhance dairy farming productivity.

- Families of shortlisted farmers wives are supplied with cows
- Provides an opportunity for the farmers to earn about ₹8,000 to ₹12,000 per month through the sale of milk and cow dung
- Provides holistic support in the form of dairy management training, insurance and exposure, vaccination of cattle
- Assistance in the development of fodder plots
- Doorstep services of artificial insemination followed by pregnancy diagnosis of cows and buffaloes

Calf Rally

Total milk production (litre)	Home consumption	Sold milk (litre)	Income (₹)
4,20,862	47,800 +	2,87,452	1,01,72,930
	Calf consumption 85,610		

Vocational Skill Development

IsFon enhances rural skills through tailoring and optometry courses, resulting in enhanced financial stability.

Optometry Courses

67

Individuals benefited, 2019-20

Community Development and Social Welfare

Helmet Distribution at Taloja Police Station

Community members devise collective action leading to solutions for common problems without disturbing nature.

Key initiatives included:

- Support to flood affected families from Sangli and Kolhapur District of Maharashtra
- Donation to Donkey Sanctuary Welfare Association (DSWA) in the Sangli and Solapur District
- Watershed Development to Mardi Village of Maan Block, Satara District
- Helmet Distribution
- Mahashramdan at Jawalarjun Village on 1st May, 2019.
- Kanpoli Drinking Water Scheme (in progress)

Other rural and urban initiatives

AAROGYAM

This holistic health objective is woven around proactive diagnosis and care

- To assess and diagnose the health needs of individuals, families and communities, providing comprehensive care
- To provide family welfare services
- To counsel and educate individuals, families and communities
- To provide qualitative, preventive and curative health care to the community

Founder Trustee Mrs. Parul Mehta with beneficiaries

GYANAM

The two-pronged goal comprises of:

- To create a better school learning environment through various interventions
- To improve the overall quality of education

IsFon's activities under this initiatives include:

- Extra coaching classes for students of 1 - 10 grades
- Enhancement of infrastructure of schools
- Donation to educational institutions
- Appointment of additional teaching staff in schools in rural areas

Students being tutored at Laxminagar-Yerwada conducted in collaboration with Surajya Foundation

NOTICE

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

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

NOTICE is hereby given that the Fortieth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Monday, 21st September, 2020 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon and in this regard, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTIONS:**

   a. "**RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b. "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To declare a dividend on equity shares for the financial year ended 31st March, 2020 and pass the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** a 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, 2020 and the same be paid as recommended by the Board of Directors of the Company, partly out of the profits of the Company for the financial year ended 31st March, 2020 and partly out of the accumulated balance in the Profit & Loss Account of the Company."

3. To appoint Shri Madhumilan Parshuram Shinde (DIN: 06533004), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri Madhumilan Parshuram Shinde (DIN: 06533004), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

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 and other applicable provisions , if any {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, 2021, amounting to ₹ 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand 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 Bhuwan Chandra Tripathi (DIN: 01657366),** 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 3 consecutive years commencing from 13th February, 2020 and ending on 12th February, 2023.**

   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 Tripathi 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 Regulations 17, 25 of the Securities and Exchange Board of India [SEBI] (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Smt. Renu Challu (DIN: 00157204),** Woman Independent Director of the Company who has submitted a declaration that she 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 her candidature for the office of Director, be and is hereby appointed as an Woman Independent Director of the Company not liable to retire by rotation and to hold office for **first term of 3 consecutive years commencing from 13th May, 2020 and ending on 12th May, 2023.**

   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, Smt. Challu 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 Securities and Exchange Board of India [SEBI] (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri Sujal Anil Shah (DIN: 0058019),** 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 30th June, 2020 and ending on 29th June, 2025.**

   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 Shah 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 of **₹ 2,64,76,762/- (Rupees Two Crore Sixty-four Lakhs Seventy-six Thousand Seven Hundred and Sixty-two only)** paid to Shri S. C. Mehta, Chairman and Managing Director (DIN : 00128204) of the Company for the Financial Year 2019-20 due to lower profits and thereby being in excess of maximum remuneration permissible under the Act read with the limits under Schedule V provided thereunder.

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 (Original Resolution) passed by the members at the Thirty-Eighth Annual General Meeting held on 18th September, 2018, 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 and pursuant to Special Resolution (Rollover Resolution) passed by the members at the Thirty-Ninth Annual General Meeting held on 14th August, 2019, extending the validity of the Original Resolution by another 365 days and also pursuant to special resolution passed by the shareholders by way of Postal Ballot on 11th January, 2020 for ratifications as mentioned therein, 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 the Company to take such corporate actions as mentioned in the Special Resolutions passed by the members of the Company on 18th September, 2018, 14th August, 2019 and ratified on 11th January, 2020, 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. "

Dated: 30th June, 2020

By Order of the Board of Directors

K. Subharaman
Executive Vice President
Legal & Company Secretary

Registered Office:
Sai Hira, Survey
No. 93, Mundhwa,
Pune - 411 036

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and the aforesaid MCA Circulars, the AGM of the Company is being held through VC / OAVM, hereinafter called as 'e-AGM'

2. The deemed venue for Fortieth e-AGM shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/ OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip

are not annexed to this Notice.

4. Statement pursuant to Section 102 of the Act forms part of this Notice. The Board of Directors at their meeting held on 30th June, 2020 have decided that the special businesses set out under item no. 4 to 9, being considered 'unavoidable', be transacted at the ensuing e-AGM of the Company.

5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from **10.45 a.m. to 11.15 a.m.** and will be available for 1,000 members on a first-come first-served basis. This rule would however not put any restriction on the participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

6. Institutional Investors, who are members of the Company are encouraged to attend and vote at the fortieth e-AGM of the Company.

7. Members attending the e-AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. In terms of Section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.dfpcl.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of KFin at https://evoting.karvy.com

9. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFin by clicking on the link https://ris.kfintech.com/email_registration/. The Company has also published an advertisement in the newspaper containing details about the Annual General Meeting (AGM) i.e the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at Company's website, manner of registering the email ID's of those shareholders who have not registered their email ID's with Company/ RTA and manner of providing mandates for dividend and other matters are may be required.

10. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with KFin, by clicking the link: https://ris.kfintech.com/email registration/ for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

11. Since the meeting will be conducted through VC/OAVM facility without the presence of members at a common venue, the Route Map is not annexed to this Notice.

12. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL https://emeetings.kfintech.com/ and clicking on the tab "Post your Queries" during the period starting from **18th September, 2020 (9.00 a.m.) upto 20th September, 2020 (5.00 p.m.)** mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

13. SEBI vide its notification dated 8th June, 2018 as amended on 30th November, 2018, has stipulated that **w.e.f. 1st April, 2019,** the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. 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 dematerialised form, Members can contact the Company or Company's Registrars and Transfer Agents i.e. KFin Technologies Private Limited, for assistance in this regard. Members may also refer to Frequently Asked Questions (FAQs) on Company's website.

14. The Register of Members and the Share Transfer Books of the Company shall remain closed from **Thursday, 17th September, 2020 to Monday, 21st September, 2020** (both days inclusive).

    The dividend, if declared, will be paid to those Members whose names appear in the Register of Members of the Company as on **21st September, 2020,** 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.

15. Members holding shares in physical form are requested to intimate immediately to KFin Technologies 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@kfintech.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.

16. Pursuant to the changes introduced by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

17. 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.

18. 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 remote e-voting facility as an alternate mode of voting, for its Shareholders, to enable them to cast their votes electronically on the resolutions set forth in this notice. For this purpose, necessary arrangements have been made with KFin Technologies Private Limited (KFin) to facilitate remote e-voting.

    The instructions for remote e-voting are as under:

    The remote e-voting period begins at **9.00 a.m.** on **Friday, 18th September, 2020** and ends at **5:00 p.m.** on **Sunday, 20th September, 2020.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **14th September, 2020,** 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 Annual General 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) mentioned in your email.

    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 KFin Technologies 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 KFin Technologies Private Limited at toll free No. 1-800-3454-001 or email to https://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 KFin Technologies 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 etc. authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said Resolution / Authority Letter etc. shall be sent to the Scrutinizer by an e-mail at deulkarcs@gmail.com and mark copy to investorgrievance@dfpcl.com. It should reach the Scrutinizer on / before **20th September, 2020** at 5.00 p.m. They may also upload the same in the e-voting module in their login.

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

xiv. 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 KFin Technologies Private Limited https://evoting.karvy.com

xv. 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.

xvi. 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

19. 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 in electronic mode. Members can inspect the same by sending an email to investorgrievance@dfpcl.com

20. Members are requested to note that pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 (SS-2), 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.

21. **Voting at e-AGM:**

i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.

ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.

iii. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and e-voting at Annual General Meeting shall be treated as invalid.

iv. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

v. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.

vi. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

Instructions for members for attending the e-AGM:

- Members will be able to attend the e-AGM through VC/OAVM by using their e-voting login credentials. The link for e-AGM will be available in members login where the EVENT and the name of the Company can be selected.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts would be made to make the VC/

OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

- Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab "Speaker Registration" during the period starting from **18th September, 2020 (9.00 a.m.) upto 20th September, 2020 (5.00 p.m.).** Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.
- A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/
- Members who need technical assistance before or during the fortieth e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 345 4001.
- Shri Sridhar Mudaliar, Partner, SVD & Associates, Practising Company Secretaries, (Membership No. FCS 6156, CP No. 2664) or failing him Smt. Sheetal Joshi, Partner, SVD & Associates, Practicing Company Secretaries (Membership No. FCS 10480, CP No.11635) have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.
- The Chairman shall formally propose to the shareholders/members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the fortieth e-AGM and announce the start of the casting of vote at e-AGM through the e-voting system of KFin.
- The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutiniser shall be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

DIVIDEND RELATED INFORMATION

The dividend, as recommended by the Board, if approved at the ensuing Fortieth Annual General Meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form on record date.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source u/s 194, 195 and 196D of Income Tax Act, 1961 depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

The applicable Tax Deduction at Source (TDS) provisions, as per the Income Tax Act, 1961, for various categories of shareholders along with required documents provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	7.5%	No deduction of taxes in the following cases: • If dividend income to a resident Individual shareholder during FY 2020-21 does not exceed INR 5,000/-. • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same. • Submitting declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling all the required eligibility conditions. Format of Form 15G and Form 15H can be downloaded from the link given at the end of this communication.

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and self-declaration that the mutual funds are notified mutual fund u/s 10(23D)(ii) of Income Tax Act, 1961.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Income Tax Act, 1961 are not applicable and a declaration that they are beneficial owner of the Shares.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.	NIL	Documentary evidence that the Corporation is covered under section 196 of the Income Tax Act, 1961.
New Pension System Trust	NIL	A declaration that they are governed by the provisions of section 10(44) [subsection 1E to section 197A] of the Act along with copy of registration documents (self-attested);
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Alternative Investment fund (AIF)	NIL	A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
Other resident shareholder without PAN/Invalid PAN	20%	Shareholders should update the PAN if not already done with depositories (in case shares are held in demat mode) and with the Company's Registrar & Share Transfer Agent - KFin Technologies Private LimitedSelenium Building, Tower-B, Plot No. 31-32,Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India 500 032 at their email id: einward.ris@kfintech.com or with us at investorgrievance@dfpcl.com (only in case shares are held in physical mode).

Table 2: Non-resident Shareholders

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder	195	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company: i. Copy of the PAN Card, if any, allotted by the Indian authorities. ii. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident. iii. Self-declaration in Form 10F. iv. Self-declaration from Non-residential, primarily covering the following: • Non-resident is eligible to claim the benefit of respective tax treaty. • Non-resident receiving the dividend income is the beneficial owner of such income.

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
			• Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. The format of documents referred to in point nos. (iii) and (iv) can be downloaded from the link given at the end of this communication. TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	196D	20%* (plus applicable surcharge and cess)	None
Submitting Order under section 197 of the Act	197	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

* Such TDS rate shall not be reduced on account of the application of the lower Tax Treaty rate, if any.

The aforementioned document should be uploaded with KFin Technologies Private Limited, the Registrar and Transfer Agent ("KFin") at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com as per the timelines mentioned in the email sent to the shareholders or as mentioned in the Public Notice, in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained beyond the date mentioned in the aforesaid email or in the Public Notice.

In case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the shareholders, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

The Company will arrange to send TDS certificate in Form 16A in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at incometaxindiaefiling.gov.in.

In view of the above, the shareholders are requested to submit / update their bank account details with their Depository Participants, in case the shareholders are holding shares in the electronic form. In case the shareholding is in the physical form, the shareholders will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of PAN card, duly self-attested, with **KFin Technologies Private Limited,** this will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company at investorgrievance@dfpcl.com or with KFin Technologies Private Limited at their email id: einward.ris@kfintech.com. In this regards, the Company had also sent a communication to all the shareholders via email on 31st July, 2020 and had also published a newspaper advertisement on 15th August, 2020.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

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 its meeting held on 30th June, 2020 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 ₹ 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) plus taxes as applicable and reimbursement of travel and out-of pocket expenses for the Financial Year ending 31st March, 2021.

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, Board of Directors at their meeting held on 13th February, 2020 approved and recommended the appointment of Shri Bhuwan Chandra Tripathi (DIN: 01657366), 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 13th February, 2020 and ending on 12th February, 2023.

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

The Board is also of the opinion that Shri Tripathi 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 Tripathi is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In respect of the appointment of Shri Tripathi, 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.

The terms and conditions of appointment of independent director shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.dfpcl.com

Information about the appointee:

Shri. Bhuwan Chandra Tripathi is mechanical engineer from NIT Allahabad, formerly Motilal Nehru Regional Engineering College, Allahabad,.

Shri Tripathi started his career with ONGC. Shri. Tripathi joined GAIL India during its inception in 1984 and was one of the founding team members.

Shri. Bhuwan Chandra Tripathi was the youngest person to become a Chairman of India's then Navratna natural gas PSU - GAIL India Limited in August 2009. Shri Tripathi has served 12 years in board of the company with a decade long tenure as its Chairman and Managing Director (CMD).

Widely regarded as one of the finest CEOs in the petroleum sector in the country, Shri. Tripathi is credited with navigating GAIL through several challenging times. During his decade long tenure as the CMD, he steered the organization towards three times increase in physical asset base, 300% increase in turnover from USD 3.6 Billion to USD 11 Billion, 65% increase in Market Capitalization from USD 5 Billion to USD 8.8 Billion and 200% increase in PAT.

Shri Tripathi has transformed GAIL into a multi asset based portfolio company with presence across gas value chain in multiple geographies such as USA, Singapore, Myanmar and Egypt.

During his tenure, GAIL was conferred the 'Maharatna' public sector enterprise status.

As his legacy, he has left GAIL as a debt-free company along with pipeline of projects worth USD 7 Billion in Natural gas pipelines, Petrochemical Plants, fertilizer, coal gasification, LNG terminal and City Gas projects.

Shri. Tripathi was a part of the government think tank driving policy reforms for the gas/energy sector and was instrumental in bringing the larger government objectives to realization.

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

The provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides inter-alia, that the Board of directors of the top 500 listed entities shall have at least one independent woman director by 1st April, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by 1st April, 2020.

Furthermore, as per the market capitalisation list of BSE and NSE, the Company was in the list of Top 1,000 companies by market capitalisation as on 31st March, 2020.

In light of the above and considering the illustrious career spanning four decades and enormous experience Smt. Renu Challu possesses and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved and recommended the appointment of Smt. Renu Challu (DIN: 00157204), as an additional director in the capacity of Woman Independent Director of the Company, to hold the office for a first term of 3 consecutive years commencing from 13th May, 2020 and ending on 12th May, 2023.

Smt. Challu has submitted the Declaration of Independence, as required pursuant to Section 149(6) of the Companies Act, 2013 stating that she meets the criteria of independence as provided in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Smt. Challu has also informed that she 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, Smt. Challu fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Smt. Challu is independent of the management.

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

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

In respect of the appointment of Smt. Challu, 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 her 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.

The terms and conditions of appointment of independent director shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.dfpcl.com

Information about the appointee:

Smt. Renu Challu has over four decades of professional experience in commercial banking, investment banking and in the field of financial services. She has vast experience in strategy formulation, planning and in the achievement of goals in her various assignments in State Bank of India and its Subsidiaries. These assignments spanned corporate banking, international banking, retail banking, investment banking and primary dealership.

Smt. Challu has served as the Managing Director of State

Bank of Hyderabad, Managing Director and CEO of SBIDFHI, President and Chief Operating Officer of SBI Capital Markets Ltd and Dy. Managing Director (Corporate Strategies and New Businesses) in State Bank of India. In her various assignments, she played a valuable role in the growth of the organisations through path-breaking initiatives.

Smt. Challu has co-chaired 'The Centre for Rural Credit and Development Banking' in NIRD (National Institute of Rural Development) and has chaired the Hyderabad chapter of PRMIA (Professional Risk Managers' International Association).

Smt. Challu is a Certified Associate of the Indian Institute of Bankers. She holds an MA in Economics (gold medalist) from University of Lucknow. In the past, she has served on the Boards of Clearing Corporation of India and many corporates in the financial and non-financial sectors.

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 her relatives.

Item No. 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 30th June, 2020 approved and recommended the appointment of Shri Sujal Anil Shah (0058019), as an additional director in the capacity of an Independent Director of the Company, to hold the office for a first term of 5 consecutive years commencing from 30th June, 2020 and ending on 29th June, 2025.

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

The Board is also of the opinion that Shri Shah 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 Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In respect of the appointment of Shri Shah, 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.

The terms and conditions of appointment of independent director shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.dfpcl.com

Information about the appointee:

Shri Sujal Shah is a practising Chartered Accountant having an overall post qualification experience of about 28 years. He is the founder partner of SSPA & Co., Chartered Accountants, Mumbai, and is involved in Corporate Consultancy practice of the firm. He was partner of M/s N. M. Raiji & Co., Chartered Accountants till October 2006.

The main areas of practice of Shri Shah are Valuation for Mergers & Acquisitions, advising on Restructuring of business, conducting financial due-diligence, and general corporate advisory.

Shri Shah has been associated with several large Corporate Mergers. He has carried out financial valuations of well reputed Indian and Multinational companies.

Shri Shah has authored several papers on subjects of Valuations and Restructuring for WIRC and BCAS. He is the contributor to the Referencer published by the Bombay Chartered Accountants' Society and WIRC of the Institute of Chartered Accountants of India.

Shri Shah is a regular speaker at various forums including The Institute of Chartered Accountants of India (ICAI), The Institute of Company Secretaries of India (ICSI) on Mergers & Acquisitions, Valuations, Due Diligence Review, etc.

Shri Shah was one of the Team members involved in drafting of Valuation Standards for ICAI.

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 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.

Due to inadequacy of profits, the remuneration paid to Shri S.C. Mehta for the financial year 2019-20 has exceeded the limits specified under Section 197 of the Companies Act, 2013 read with limits set out in Schedule V thereto. The Company had paid the remuneration in the normal course as per his appointment terms anticipating normal performance and normal profits in the Company to be adequately within the limits as set out in the SEBI [LODR] Regulations, 2015 as amended on 9th May, 2018. The details of excess remuneration paid are as under:

(In ₹)

Particulars	F.Y. 2019-20
Amount payable as per table provided in Schedule V Section II [Maximum remuneration payable in case of inadequacy of profits]	1,24,44,000
Amount actually paid as Remuneration	3,89,20,762
Excess Remuneration	2,64,76,762

Accordingly, the approval of shareholders is being sought by way of Special Resolution to waive off the excess remuneration of ₹ 2,64,76,762 paid to Shri S.C. Mehta for the Financial Year ended 31st March, 2020 in a similar manner as approved by shareholders in the Previous Year

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 and also runs Speciality Mall, Creaticity and also owns Wind Mills of 10MW capacity.

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. 2019-20
Total Income	1,77,547
Expenditure other than Interest and Depreciation	1,59,601
Profit before Interest, Depreciation and Tax	17,946
Interest (Net)	8,525
Profit before Depreciation and Tax	9,421
Depreciation	7,228
Profit before Tax and Exceptional Items	2,193
Provision for Current Tax	-
Provision for Deferred Tax	(878)
Net Profit	3,071

5. Foreign investments or collaboration, if any: None

II. INFORMATION ABOUT THE CHAIRMAN AND MANAGING DIRECTOR:

1. Background Details:

(₹ in lakhs)

Name of Director	Shri S. C. Mehta
Age	59
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, 2019 ₹ 373.82 Lakhs /- was paid as remuneration to Shri S. C. Mehta.

3. **Recognition and awards:** Shri Sailesh Mehta was conferred Udyogh Rattan Award [Jewel of Industry Award] for his outstanding contribution to the economic development of the country by Institute of Economic Studies {IES} affiliated with the Government of India during the Financial Year 2019-20.

4. **Job profile Suitability:**

   Shri S. C. Mehta is the Chairman and Managing Director of the 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.

5. **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:-

(In ₹)

Particulars	F.Y. 2019-20
Amount payable as per table provided in Schedule V Section II [Maximum remuneration payable in case of inadequacy of profits]	1,24,44,000
Amount actually paid as Remuneration - No commission eligible due to negative profits.	3,89,20,762
Excess Remuneration	2,64,76,762

6. **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 lesser than the remuneration packages paid to the similar counterparts in other similar sized companies.

7. **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 and imports of acetone based IPA from Chinese suppliers in the first nine months of 2019-20, unjustified and unexpected stoppage of water supply affecting the production at Taloja plant for few months 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 2019-20 and non-receipt of Dividend from its material subsidiary Company, the Company had 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 unjustified and unexpected water stoppage issue has been handled by suitably taking it up with appropriate authorities as well as taking legal action and post those actions, there are no stoppage of water. Demand for propylene based IPA has picked up after Covid-19 pandemic and it is the most preferred alcohol for manufacture of sanitizer worldwide. The Company also took initiative to stop dumping of IPA. The Company also launched its own sanitizer brand called "Cororid" and it is expected to do well. The Dahej nitric acid complex also have stabilised after several technical initiaves. Demand for Nitric Acids is also expected to pick up once the lockdown is eased and industries using the Acids starts normal functioning.

3. **Expected increase in productivity and profits in measurable terms:**

   The Company expects to have adequate profits for payment of remuneration above the limits specified in SEBI [LODR] Regulations, 2015 and necessary approval from shareholders to pay such remuneration would be taken after looking at half yearly profits of the Company.

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 of the Company held on 18th September 2018, with the approval of the Board of Directors, the shareholders of the Company had, through a Special Resolution, provided their consent, authority and approval to the Company to, inter-alia, create, offer, issue and allot such number of equity shares of the Company of the 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 (collectively, the "Securities"), 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, for an aggregate amount not exceeding ₹ 600 Crores (Rupees Six Hundred Crores Only) (hereinafter, the "Original Resolution").

Further, in the Thirty-Ninth Annual General Meeting of the Company held on 14th August, 2019, the members of the Company, through a Special Resolution, approved the extension and rollover of the said Original Resolution for a further period of 365 days from 17th September, 2019 to 16th September 2020, to enable the Company to take such corporate actions as may be necessary within the approved aggregate threshold of ₹ 600 Crores (Rupees Six Hundred Crores Only) (hereinafter, the "Rollover Resolution").

The Company would be requiring a valid resolution for fund mobilisation for its projects. Hence, it is proposed to rollover the Original Resolution once again for another 365 days effective from 17th September, 2020.

The Board of Directors have accorded its approval for roll over of the said Original Resolution for another 365 days for taking such Corporate actions for the purpose of fund mobilisation as mentioned in the Special Resolutions passed on 18th September, 2018, 14th August, 2019 and ratified on 11th January, 2020, as and when necessary, within the same threshold limit of ₹ 600 Crore, subject to the approval of the members.

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.

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 and Secretarial Standards -2 (SS-2)]

Name of the Director	Shri Madhumilan Parshuram Shinde	Shri Bhuwan Chandra Tripathi	Smt. Renu Challu	Shri Sujal Anil Shah
DIN	06533004	01657366	00157204	0058019
Date of Birth	14th December, 1954	12th January,1960	30th January,1952	23rd September,1968
Age	65	60	68	51
Qualification	M.Sc, Diploma In Industrial Safety, Diploma in Ecology & Environment	B. Tech (Mechanical)	M A (Economics), Certified Associate of Indian Institute of Bankers	Chartered Accountant
Date of Appointment	10th February, 2017	13th February, 2020	13th May, 2020	30th June, 2020
Expertise	Environment, Health and Safety	General Management	Banking	Valuation for Mergers & Acquisitions, advising on Restructuring of business etc
Major Directorships	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Smartchem Technologies Limited	1. Deepak Fertilisers And Petrochemicals Corporation Limited	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Schaeffler India Limited 3. NCC Limited 4. Ceinsys Tech Limited	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Amal Limited 3. Hindoostan Mills Limited 4. Rudolf Atul Chemicals Limited 5. SSPA Consultants Private Limited 6. Bhishma Realty Limited 7. Capricon Realty Limited 8. Raiji and Horwath Consultancy Services Private Limited 9. Amrit Corp. Limited 10. Convergence Chemicals Private Limited 11. Mafatlal Industries Limited 12. Greycells Education Limited
Chairman / Member of the Audit Committee	Deepak Fertilisers And Petrochemicals Corporation Limited	Nil	1. Schaeffler India Limited 2. Ceinsys Tech Limited 3. NCC Limited	1. Bhishma Realty Limited 2. Hindoostan Mills Limited 3. Amrit Corp. Limited 4. Amal Limited 5. Rudolf Atul Chemicals Limited 6. Mafatlal Industries Limited 7. Convergence Chemicals Private Limited 8. Capricon Reality Limited 9. Greycells Education Limited
Chairman / Member of the Stakeholders' Relationship Committee	Nil	Nil	1. Schaeffler India Limited 2. NCC Limited	Nil
Chairman / Member of the Nomination and Remuneration Committee	Nil	Nil	1. Schaeffler India Limited 2. NCC Limited 3. Ceinsys Tech Limited	1. Amal Limited 2. Hindoostan Mills Limited 3. Rudolf Atul Chemicals Limited 4. Bhishma Realty Limited 5. Capricon Realty Limited 6. Convergence Chemicals Private Limited 7. Greycells Education Limited
Shareholding in the Company	1000	Nil	Nil	Nil
Relationship between the Directors inter-se	Nil	Nil	Nil	Nil
Terms and Conditions of Appointment	N.A.	Refer to Explanatory Statement to Resolution no. 5	Refer to Explanatory Statement to Resolution no. 6	Refer to Explanatory Statement to Resolution no. 7

BOARD'S REPORT

To the members

Your Directors have pleasure in presenting the Fortieth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Revenue (including Other Operating Revenues)	1,70,775	3,14,888	4,68,538	6,74,206
Profit Before Tax (PBT)	2,193	1,114	10,325	11,284
Less: a) Current Tax (Net)	-	314	381	1,351
b) Deferred Tax	(878)	8	1,026	2,281
Share of (Loss) of equity accounted investees	NA	NA	(17)	(305)
Net Profit for the year after share in (loss) of associates	3,071	792	8,901	7,347
Minority Interest	NA	NA	108	238
Net Profit / (Loss) for the period	3,071	792	8,726	7,067
Total Comprehensive Income	2,632	385	7,815	6,548
Add: Surplus brought forward	1,18,656	1,24,244	1,66,593	1,65,864
Amount available for Appropriations	1,21,727	1,25,036	1,75,319	1,72,931
Appropriations:				
a) Adjustment from adoption of AASB 16	-	-	(134)	-
b) Movement of Minority of Deepak Mining Solutions Private Limited	-	-	16	-
c) Dividend on Equity Shares (Net)	(2,646)	(5,292)	(2,646)	(5,292)
d) Tax on Proposed Dividend (Net)	(544)	(1,088)	(544)	(1,046)
Deferred Tax Adjustment		-		-
Surplus carried to Balance Sheet	1,18,537	1,18,656	1,72,011	1,66,593

STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved the Total Revenues of ₹ 1,708 Crore (including ₹ 707 Crore from trading operations) during the year under review as against previous year's level of ₹ 3,149 Crore (including ₹ 1,989 Crore from trading operations). Profit Before Tax (PBT) for the year under review was ₹ 22 Crore as against ₹ 11 Crore in the previous year. Net Profit for the current year was recorded at ₹ 31 Crore as against ₹ 8 Crore in the previous year. The Company's financial performance was affected on account of water shortage due to water cuts by MIDC, sharp fall in prices of solvents and severe financial debt market crisis.

MANAGEMENT DISCUSSION AND ANALYSIS

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 on a consolidated basis.

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. The security issue agreements have been executed by the Company and IFC.

Subsequently, the Securities Issue Committee of the Company at its meeting held on 19th October 2019, allotted 30 (Thirty) Foreign Currency Convertible Bonds (Convertible Securities) having a par value of US$ 500,000 each, being the first tranche, to International Finance Corporation ("IFC"), for an aggregate amount of US$ 15 million (Approx. ₹ 107 Crore).

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

During the year under review, the Company has raised funds through preferential allotment in the following manner:

Sr. No.	Mode of Fund Raising	Name of the party to whom the securities were issued	Date of Raising Funds	Amount Raised
1	Issue of warrants convertible into Equity Shares	Robust Marketing Services Private Limited	1st October, 2019	₹ 25 Crores
2	Issue of Foreign Currency Bonds	International Finance Corporation	19th October, 2019	(US$ 15 Million) Approx. ₹ 107 Crore

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 ₹ 3 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2020.

The proposed dividend is in line with the 'Dividend Distribution Policy' adopted by the Board at its meeting held on 30th June, 2017. The Policy is available on the Company's website: www.dfpcl.com.

SHARE CAPITAL

The paid-up equity share capital as on 31st March, 2020 was ₹ 89.28 Crore. During the year under review, the Company had allotted 10,79,482 equity shares to Robust Marketing Services Private Limited pursuant to conversion of warrants into equity shares. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

RIGHTS ISSUE

Subsequent to the close of the Financial Year 2019-20, the Board of Directors of the Company at their meeting held on 25th May, 2020 have approved raising of funds by way of issue of equity shares to the existing equity shareholders of the Company on rights basis for an issue size of upto ₹ 180 Crore.

CHANGES IN THE BOARD OF DIRECTORS

Appointments

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. The Shareholders at their Annual General Meeting held on 14th August, 2019 have approved the appointment of Shri Alok Perti and Dr. Amit Biswas as Independent Directors of the Company.

Further, the Board in its meeting held on 13th February, 2020 based on the recommendation of Nomination and Remuneration Committee appointed Shri Bhuwan Chandra Tripathi as an additional director in the capacity of Independent Director for the first term of 3 consecutive years w.e.f. 13th February, 2020. The detailed profile of Shri Bhuwan Chandra Tripathi is disclosed in the notice of Annual General Meeting of the Company.

Further, the Board based on the recommendation of Nomination and Remuneration Committee approved the Appointment of Smt. Renu Challu as an additional director in the Capacity of Woman Independent Director of the Company for the first term of 3 consecutive years w.e.f. 13th May, 2020 and Shri Sujal Anil Shah as an additional director in the capacity of Independent Directors of the Company for the first term of 5 consecutive years w.e.f. 30th June, 2020. The detailed profile of Smt. Renu Challu and Shri Sujal Anil Shah are disclosed in the notice of Annual General Meeting of the Company.

Resignation

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.

Re-appointment

Shri M. P. Shinde retires by rotation at the ensuing Annual General Meeting pursuant to provisions of Section 152 of the Companies Act, 2013 and rules made thereunder and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Shareholders of the Company at the Annual General Meeting held on 21st September, 2017 had approved the re-appointment of Shri. Pranay Vakil as an Independent Director of the Company for a second term with effect from 31st July, 2017 up to 30th July, 2020 or up to the conclusion of Annual General Meeting for the Financial Year 2019-20, whichever is later.

The provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that an Independent Director can be appointed for a maximum of 2 terms.

In light of the of aforesaid provisions, Shri Pranav Vakil will cease to be an Independent Director of the Company post the Annual General Meeting to be held on 21st September, 2020.

The Board places on record its sincere appreciation to the valuable guidance provided by Shri Pranay Vakil during his tenure as Independent Director of the Company.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Five Board Meetings were held during the Financial Year 2019-2020. These meetings were held on 22nd April, 2019, 30th May, 2019, 14th August, 2019, 13th November, 2019 and 13th February, 2020.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, there were no changes in Key Managerial Personnel.

A STATEMENT REGARDING THE OPINION OF BOARD THE WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the year under review, the following were the Independent Directors appointed on the Board of the Company:

1. Shri Alok Perti
2. Dr. Amit Biswas
3. Shri Bhuwan Chandra Tripathi
4. Smt. Renu Challu (appointed w.e.f. 13th May, 2020)
5. Shri Sujal Anil Shah (appointed w.e.f. 30th June, 2020)

The Board is of the opinion that the aforesaid Independent Directors appointed on the Board of the Company are persons of high integrity and reputation, they possess the requisite expertise and experience (including the proficiency).

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / 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 2020.

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. The Company has now filed a writ petition in the Delhi High Court since, based on the decision taken by Government with regard to reasonableness of profit, there was no undue gain made by the Company as alleged and there was no question of renewing the Bank Guarantee. The Delhi High Court has ordered to keep the status-quo for both the Petitioners and Respondents and further ordered that no coercive action be taken against the Company [Petitioners] till the next date of hearing. The matter is scheduled to be further heard by Delhi High Court in the month of August, 2020.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2019-20 and corresponding figures for 2018-19 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 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 forms part of this Annual Report.

A separate statement containing the salient features of Company's subsidiaries, associates and joint venture subsidiary 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 have been followed along with proper explanation relating to material departures;

ii) the accounting policies have 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, 2020 and of the profit and loss of the Company for that period;

iii) proper and sufficient care have 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 are 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 the 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 a 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 2019-20 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).

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

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 and Performance Chemiserve Limited, material unlisted subsidiaries, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2019-20. The said reports thereon forms part of such subsidiaries' respective annual reports.

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 2019-20. 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, 2019 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, 2021 at a remuneration, of ₹ 2,25,000/- (Rupees Two Lakhs twenty five thousand 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.

EY are acting as an Internal Auditor of the Company since Financial Year 2016-17.

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 2020-21.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Details of investments made, loans advanced and guarantees given by the Company are given in the notes to the Financial Statements.

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 company 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. The 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 at www.dfpcl.com

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

All the Independent Directors of the Company 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. Members interested in obtaining a copy of the same may write to the Company Secretary at investorgrievance@dfpcl.com 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

Desai Fruits and Vegetables Private Limited (DFV)

The Company was holding 28.67% of the Share Capital of Desai Fruits and Vegetables Private Limited (DFV), an Associate Company. The DFV business was mainly focused on growing banana plantation and supplies to domestic as well as international market.

Further, as part of the strategy to divest from non-core investments, the Company has sold 75% of its holding i.e. 21.51% of the share capital. Currently, the Company is holding only 5.30% of the Share Capital of DFV.

Consequent to the aforesaid stake sale, DFV is no more an associate company of the Company.

Mumbai Modern Terminal Market Complex Private Limited

The Company had an associate Company viz. Mumbai Modern Terminal Market Complex Private Limited (MMTMCPL). The Company was holding 40 % stake in MMTMCPL.

During the year under review, the Company has written off the investment in MMTMCPL, as Unity Infraprojects Limited (Unity), the holding Company of MMTMCPL is under liquidation (IBC). Therefore, MMTMCPL is no more an associate company of the Company.

Ishanya Brand Services Limited (IBSL)

The Company has an associate Company viz. Ishanya Brand Services Limited (IBSL). The Company was holding 49.99% stake in IBSL.

IBSL is engaged in the retail business of buying and selling home furnishings goods. IBSL was incorporated on 8th May 2008 in India.

The Company has increased its stake in IBSL from 49.99% to 74.995%. Consequently, IBSL has become the Subsidiary of the Company.

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(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, inter alia, provides that the annual report of the top 1,000 listed entities based on market capitalisation (calculated as on 31 March of every financial year), shall include a Business Responsibility Report.

As the Company is one of the top 1,000 listed entities, the Company has presented its Business Responsibility Report for the financial year 2019-20, which is part of this Annual Report.

As a green initiative, the BR Report has been hosted on the Company's website i.e. www.dfpcl.com

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

Place: Pune
Date: 30th June, 2020

S. C. MEHTA
Chairman and Managing Director

ANNEXURE 1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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, 2020** 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, 2020 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 there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 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 **(Not applicable to the company during the Audit Period);**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); **and**

h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

vi) **We further report that,** following are 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 Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above subject to the following observation-

The Corporate Actions to be made with Depositories for transfer of shares to the demat account of Investor Education and Protection Fund Authority, pursuant to sub-section 6 of Section 124 of the Act read with sub rule (1) of Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, have been done beyond the time prescribed therefor.

We further report that

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

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

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

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

We further report that during the audit period:

1. Performance Chemiserve Limited became a material subsidiary of the Company w.e.f. 1st April 2019.
2. The Company sold 75% of its holding in the share capital of Desai Fruits and Vegetables Private Limited (DFV) to Contract Farming Mauritius Private Limited who is a majority shareholder of DFV, as a part of the Company's strategy to divest from non-core investments, thus bringing the Company's shareholding in DFV to 5.30%. DFV, post such divestment, ceased to be an associate company of the Company.
3. Approval of shareholders was accorded by way of Special Resolution, at the Thirty-ninth Annual General Meeting held on 14th August, 2019, for rollover of the Special Resolution passed at the Thirty-eighth Annual General Meeting held on 18th September, 2018 regarding subscription of Foreign Currency Convertible Bonds (FCCB) on or after 17th September, 2019, within the threshold limit of ₹ 600 Crore.
4. The Company, on 1st October, 2019, allotted 10,79,482 shares to Robust Marketing Service Private Limited (RMSPL), a promoter company, upon conversion of 10,79,482 warrants out of a total of 64,76,893 warrants held by RMSPL as per the terms of issue of the said warrants.

5. Pursuant to the approval obtained from shareholders in Thirty-eighth Annual General Meeting held on 18th September, 2018, the Company had offered Foreign Currency Convertible Bonds (FCCBs) aggregating up to US$ 30 million to International Finance Corporation (IFC), to be issued in two tranches, by way of board resolution dated 22nd April 2019 towards which the Company received a sum of US$ 15 million from IFC as an amount of subscription to the first tranche of FCCBs on 16th October, 2019. The Company issued first tranche of 30 FCCBs on a private placement basis to IFC on 19th October, 2019. The shareholders passed a Special Resolution by way of postal ballot on 11th January, 2020 for ratification of resolution pertaining to FCCBs issued, and to be issued, pursuant to Special Resolution passed at Annual General Meeting of shareholders held on 18th September, 2018 and 14th August, 2019.
6. 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.
7. Smartchem Technologies Limited (STL), a material subsidiary of the Company has acquired 100% shares of Mahadhan Farm Technologies Private Limited (MFTPL), making it a step-down subsidiary of the Company w.e.f. 14th October, 2019.
8. 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 Registrar Of Companies, Pune on 2nd May, 2017. Therefore, the Audit of Accounts consequent to the demerger as aforesaid had 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 in the month of June 2017, levied a fine of ₹ 22,60,768 which was duly paid by the Company under protest. The Company had made a representation of the matter before Securities and Exchange Board of India (SEBI). SEBI vide its order dated 1st August, 2018 had rejected the Company's application to waive the fine imposed by the Stock exchanges. The Company has preferred an appeal with Securities Appellate Tribunal (SAT) on 17th October, 2019 against the aforesaid SEBI's order and at present the matter is pending with SAT.
9. The Company has acquired the majority of shareholding of Ishanya Brand Services Limited (ISBL), an associate company of the Company, following which ISBL has become a subsidiary of the Company w.e.f. 23rd March, 2020.
10. The Company has written off its investment in Mumbai Modern Terminal Market Complex Private Limited (MMTMCPL), an associate company of the Company, as Unity Infraprojects Limited (Unity), the holding Company of MMTMCPL is under liquidation as per the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). Therefore, MMTMCPL has ceased to be an associate company of the Company.

For SVD & ASSOCIATES
Company Secretaries

SRIDHAR G. MUDALIAR
Partner
FCS No: 6156
C P No: 2664
UDIN: F006156B000389594

Place: Pune
Date: 30th June, 2020

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.

5. We have also relied on the documents and evidences provided on email to us, in view of the prevailing pandemic situation of COVID -19.

Disclaimer

6. 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 G. MUDALIAR
Partner
FCS No: 6156
C P No: 2664
UDIN: F006156B000389594

Place: Pune
Date: 30th June, 2020

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)

		Details of Subsidiaries										
		1	2	3	4	5	6	7	8	9	10	11
Sr. No.	Name of Subsidiary	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#	Complete Mining Solutions Private Limited (earlier known as Runge Pincock Minarco India Private Limited)# $3	Mahadhan Farm Technologies Private Limited$1	Ishanya Brand Services Limited	Yerrowda Investments Limited#
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020
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 = 46.28	AUD 1 AUD = 46.28	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = 46.28	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,806	-	7	5	1	81	29	1	10	24
4	Reserves & Surplus	2,61,554	-744	163	44,965	-27	-32	-59	-3	-114	-46	3,801
5	Total Assets	5,33,628	13,127	2,683	1,36,223	759	15	22	26	664	417	3,833
6	Total Liabilities	2,70,369	9,065	2,520	91,251	781	46	-	1	777	452	8
7	Investments	46,118	-	-	1,011	-	15	-	-	-	-	1
8	Turnover	3,15,070	22,914	1,144	239	-	-	-	-	2,263	538	-
9	Profit / (Loss) before taxation	1,480	471	263	354	-2	-2	-1	-1	146	-60	-30
10	Provision for taxation	542	91	96	-16	-	3	-	-	40	-15	20
11	Profit / (Loss) after taxation	938	380	167	370	-2	-5	-1	-1	106	-45	-50
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	65.00%	65.00%	85.64%	100.00%	100.00%	100.00%	99.99%	100.00%	74.99%	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 ₹ 3,150.70 Crore (excluding other income) and profit before tax of ₹ 14.80 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)**

   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. **SCM Fertichem Limited**

   The Company, is a wholly owned subsidiary of your Company and is in business of Manufacturing and Trading of Fertilisers, Petroleum, and their products. Currently, the Company is engaged in the business of agriculture produce.

6. **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.

7. **Complete Mining Solutions Private Limited (earlier known as Runge Pincock Minarco India Co. Ltd. (RPM)**

   Complete Mining Solutions Private Limited is subsidiary of Deepak Mining Services Private Limited and in the business of mining consultancy and has good potential to capture the emerging opportunity in mining business.

8. **Mahadhan Farm Technologies Private Limited**

   The Company, is in the business of manufacturing of water soluble NPKs grades namely 19:19:19, 20:20:20 and 13:40:13; which is further marketed by STL. The Company had proposed agri business, for which the land had been taken on lease from Maharashtra State Farming Corporation.

9. **Ishanya Brand Services Limited**

   The Company is in the business of brand management, online selling of products, giving furniture and home improvement products on rent, developing an E-Commerce platform etc.

10. **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.

11. **Deepak Nitrochem Pty Limited**

    Deepak Nitrochem Pty Limited, is an Australian company and is a wholly owned subsidiary of your company. This company was incorporated for the purpose to capture the opportunity in respect of Mining activity and for synergy for our existing TAN business. This Company has not done any business since inception.

Notes:

1. Names of subsidiaries which are yet to commence operations:
   a. Deepak Nitrochem Pty Limited
   b. Deepak Mining Services Private Limited.
   2. Names of subsidiaries which have been liquidated or sold during the year: None

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 Realty Corporation Limited#
2	Latest audited balance Sheet Date	01/04/2019 to 31/03/2020
3		
	No. Shares of Associate / Joint Ventures held by the Company on the year end	49,994.00
	Amount of Investment in Associate/ Joint Venture	5.00
	Extend of Holding %	49.99%
4	Description of how there is significant influence	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.
6	Net-worth attributable to Shareholding as per latest audited Balance Sheet	1
7	Profit/ (Loss) for the year	0
8	Considered in Consolidation	-
9	Not Considered in Consolidation	-0.24

#Standalone Figures

1. **Ishanya Realty Corporation Limited**

   Your Company holds 49.99% stake in the Company. The Company is in the business of Sale of Engineering Components & Allied Activities. The Company is exploring various business opportunities.

Notes:

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Mumbai Modern Terminal Market Complex has not commenced its business yet, investment in this company written off during the year, as other shareholder is in the process of liquidation (IBC).

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. 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 2019-20

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: **₹ 11,105 Lakhs**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **₹ 222 Lakhs**

5. Details of CSR spent during the financial year:

a) **Total amount to be spent for the financial year:** ₹ 222 Lakhs

b) **Amount unspent, if any:** ₹ 161 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 2019-20		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 enhancemenments through Enterpreneurship.	Taloja	Maharashtra	20.16	7.04	0.25	120.75	Implementing Agency –Ishanya Foundation.
2.	Establishment of Private Industrial Training Institute / Contribution for Promotion of education	Employment enhancing vocational skill	Taloja	Maharashtra	-	97.68	-	336.00	Implementing Agency –Ishanya Foundation
3.	Health [Aarogyam]	General health check up	Taloja & Pune	Maharashtra	49.88	8.41	0.31	8.72	Implementing Agency –Ishanya Foundation
4.	Education [Dnyanam]	Support for Education	Taloja & Pune & Dahej	Maharashtra & Gujarat	68.76	3.32	0.12	3.44	Implementing Agency –Ishanya Foundation
5.	Horticulcure Development / Contribution for Environmental protectin	Ensuring Environmental sustainability, Ecological Balance, protection of flora and fauna	Taloja	Maharashtra	64.38	8.74	0.30	186.96	Implementing Agency –Ishanya Foundation
6.	Job Oriented Vocational Training	Vocational training Courses/ Skill development	Pune/ Taloja	Maharashtra	77.60	8.30	0.29	235.93	Implementing Agency –Ishanya Foundation
7.	Promotion of Art & Culture	Promotional and developments of Traditional Arts and Handicrafts.	Pune	Maharashtra	32.08	0.67	-	36.7	Implementing Agency –Ishanya Foundation
8.	Livelihood Generation Activity/ Yellow Ribbon NGO Fair/Development of Web Based Compendium	Livelihood enhancemenments through Entrepreneurship.	Pune	Maharashtra	36.54	6.89	0.29	112.86	Implementing Agency –Ishanya Foundation
9.	Community Development		Pune, Taloja, Satara, Kolhapur and Sangli	Maharashtra	136.44	5.99	0.19	46.25	Implementing Agency –Ishanya Foundation
Total					485.84	147.04	1.75	1,087.61	

* 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, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (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, 411036 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.	Kfin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone : (040) 6716 2222 Contact Person : Mr. S V Raju Designation : Deputy General Manager Email id : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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	22.87%
2	Nitric Acid	20123	26.93%
3	Wholesale of industrial chemicals	46691	28.15%

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	Complete Mining Solutions Private Limited (earlier known as RungePincockMinarco India Private Limited)#	09900	U14200PN2012PTC145300	Subsidiary	99.99	2 (87)

Sr. No.	Name and address of the Company	NIC Code of the Product/service	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Yerrowda Investments Limited		U65990MH1954PLC009228	Subsidiary	85	2 (87)
6	Mahadhan Farm Technologies Private Limited##		U01110MH2003PTC140539	Subsidiary	100	2 (87)
7	Ishanya Brand Services Limited		U74900PN2008PLC131967	Subsidiary	74.99	2 (87)
8	Ishanya Realty Corporation Limited		U70101PN2008PLC131330	Associate	49.99	2(6)
9	Performance Chemiserve Limited##	21009	U24239PN2006PTC022101	Subsidiary	85.64	2(87)
10	Deepak Nitrochem Pty. Limited			Subsidiary	100	2 (87)
11	Platinum Blasting Services Pty Limited##			Subsidiary	65	2 (87)
12	Australian Mining Explosives Pty Limited###			Subsidiary	65	2 (87)

#Subsidiary of Deepak Mining Services Private Limited

##Subsidiaries of Smartchem Technologies Limited

###Subsidiary of Platinum Blasting Services Pty Limited

IV. SHARE HOLDING 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 / Promoters Group									
(1) Indian									
a) Individual/ HUF	7,67,005		7,67,005	0.87	8,67,005	-	8,67,005	0.97	0.10
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4,46,56,034		4,46,56,034	50.63	4,57,35,516		4,57,35,516	51.22	0.60
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**4,54,23,039**	**-**	**4,54,23,039**	**51.50**	**4,66,02,521**	**-**	**4,66,02,521**	**52.20**	**0.70**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A): (A)(1) + (A)(2)	**4,54,23,039**	**-**	**4,54,23,039**	**51.50**	**4,66,02,521**	**-**	**4,66,02,521**	**52.20**	**0.70**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5,88,097	-	5,88,097	0.67	3,22,814	-	3,22,814	0.36	-0.31
b) Banks / FI	7,19,508	11,625	7,31,133	0.83	6,13,316	10,575	6,23,891	0.70	-0.13
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

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	
Others									
Insurance Companies	12,99,522	600	13,00,122	1.47	12,89,256	600	12,89,856	1.44	-0.03
Foreign Institutional Investor	33,97,417	-	33,97,417	3.85	24,09,473	-	24,09,473	2.70%	-1.15
Foreign Portfolio - Corp	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**60,04,544**	**12,225**	**60,16,769**	**6.82**	**46,34,859**	**11,175**	**46,46,034**	**5.20**	**-1.62**
2. Non-Institutions									
a) Bodies Corp.	78,79,756	22,106	79,01,862	8.96	55,30,909	19,031	55,49,940	6.22	-2.74
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1lakh	1,54,73,951	34,09,942	1,88,83,893	21.41	1,77,06,105	30,74,210	2,07,80,315	23.27	1.87
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	53,76,348	66,950	54,43,298	6.17	63,91,605	66,950	64,58,555	7.23%	1.06
c) Others (specify)									
Clearing Members	92,851	-	92,851	0.11	5,11,867	-	5,11,867	0.57	0.47
HUF	10,35,874	-	10,35,874	1.17	11,54,264	-	11,54,264	1.29	0.12
IEPF	8,34,485	-	8,34,485	0.95	9,44,600	-	9,44,600	1.06	0.11
Non Resident Indians	7,35,352	12,75,750	20,11,102	2.28	8,35,667	12,45,425	20,81,092	2.33	0.05
NRI Non-Repatriation	3,65,258	-	3,65,258	0.41	3,53,237	-	3,53,237	0.40	-0.02
Non Domestic Companies	-	1,83,600	1,83,600	0.21	-	1,83,600	1,83,600	0.21	0.00
Trusts	12,637	-	12,637	0.01	18,050	-	18,050	0.02	0.01
Foreign Nationals	275		275	-	350		350	0.00	0.00
Sub-total (B)(2):-	**3,18,06,787**	**49,58,348**	**3,67,65,135**	**41.68**	**3,34,46,654**	**45,89,216**	**3,80,35,870**	**42.60**	**0.92**
Total Public (B): (B) (1) + B (2)	**3,78,11,331**	**49,70,573**	**4,27,81,904**	**48.50**	**3,80,81,513**	**46,00,391**	**4,26,81,904**	**47.80**	**-0.70**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8,32,34,370	49,70,573	8,82,04,943	100.00	8,46,84,034	46,00,391	8,92,84,425	100.00	0.00

The Shareholders may note that there is a change in the total number of shares of the Company at the end of the Financial Year, due to allotment of 10,79,482 shares converted from warrants issued to Robust Marketing Services Private Limited, a promoter Company.

(ii) Shareholding of Promoters / Promoters Group

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@	4,27,06,848	48.42%	-	4,27,06,848	47.83%	82.61%#	0.59%
3	Chimanlal Khimchand Mehta@	7,64,273	0.87%	-	7,64,273	0.86%	-	0.01%
4	Parul Sailesh Mehta@	1,226	0.00%	-	1,226	0.00%	-	0.00%
5	Yeshil S Mehta^	-	-	-	1,00,000	0.11%		0.11%
6	Rajvee S Mehta^	-	-	-	-	-	-	-
7	Sofotel Infra Private Limited@	16,88,301	1.91%	-	16,88,301	1.89%	-	0.02%
8	Robust Marketing Services Private Limited@	2,60,885	0.30%	-	13,40,367	1.50%	*	1.21%

#Nova Synthetic Limited has provided Non-Disposal Undertaking on 3,52,81,977 shares in favour of International Finance Corporation as per FCCBs agreement.
*Robust Marketing Services Private Limited, ("Robust") has availed a debenture facility from (i) Priyank Mercantile Limited; and (ii) Asia Pacific Private Credit Opportunities 1 Singapore Pte Limited ("Debenture Holders") pursuant to a debenture trust deed dated March 20, 2020 entered into by and amongst Robust and Vistra (ITCL) India Limited (acting in its capacity as the Debenture Trustee).

The Debenture Facility has been secured inter-alia by creating a pledge over 100% (one hundred percent) of the shares of Robust, held by Shri Sailesh. C. Mehta & Smt. Parul S. Mehta in favour of Vistra (ITCL) India Limited acting as the pledgee and the debenture trustee for the Debenture Holders. Hence an indirect pledge has been created over the shares of DFPCL. Further, Robust has not pledged directly any shares held by it in DFPCL.

@Promoters

^Promoters Group

(iii) Change in Shareholding of Promoters and Promoters Group (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	4,27,06,848	48.42%	4,27,06,848	47.83%
	At the end of the year			4,27,06,848	47.83%
3	**Chimanlal Khimchand Mehta**				
	At the beginning of the year	7,64,273	0.87%	7,64,273	0.86%
	At the end of the year			7,64,273	0.86%
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	1.89%
	At the end of the year			16,88,301	1.89%
6	**Robust Marketing Services Private Limited**				
	At the beginning of the year	2,60,885	0.30%	2,60,885	0.29%
	Purchase - Allotment of Shares pursuant of conversion of warrants into shares - 01.10.2019	10,79,482	1.22%	13,40,367	1.50%
	At the end of the year			13,40,367	1.50%
7	**Yeshil Sailesh Mehta**				
	At the beginning of the year	-	-	1,00,000	0.11%
	At the end of the year	1,00,000	0.11%	1,00,000	0.11%
8	**Rajvee Sailesh Mehta**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

Changes in the Promoter Holding is mainly due to the allotment of shares to Robust Marketing Services Private Limited pursuant to conversion of warrants into shares, which has resulted in increase in total no. of shares at the end of the year.

(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	FIDELITY PURITAN TRUST-FIDELITY LOW PRICED STOCK FUND				
	At the beginning of the year	11,50,000	1.30 %	11,50,000	1.29 %
	At the end of the year (or on the date of separation, if separated during the year)			11,50,000	1.29 %
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	11,06,930	1.25%	11,06,930	1.24%
	Sale of Shares on 19.04.2019	10,000	0.01%	10,96,930	1.23%
	Sale of shares on 03.05.2019	28,452	0.03%	10,68,478	1.20%
	Sale of shares on 10.05.2019	10,000	0.01%	10,58,478	1.19%
	Sale of shares on 28.06.2019	2,30,504	0.26%	8,27,974	0.93%
	Sale of shares on 05.07.2019	8,27,974	0.94%	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-
3	RUNNER MARKETING PVT LTD				
	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	0.67%
4	ANAGHA ADVISORS LLP				
	At the beginning of the year	5,76,605	0.65%	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%
5	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	5,59,371	0.63%	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%
6	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	0.60%
7	VIC ENTERPRISES PVT LTD				
	At the beginning of the year	3,22,243	0.37%	3,22,243	0.37%
	Purchase of Shares on 26.06.2019	60,000	0.06%	3,82,243	0.43%
	Purchase of Shares on 12.07.2019	30,000	0.03%	4,12,243	0.46%
	Purchase of Shares on 26.07.2019	85,000	0.10%	4,97,243	0.56%
	Purchase of Shares on 30.08.2019	20,000	0.02%	5,17,243	0.58%
	At the end of the year (or on the date of separation, if separated during the year)			5,17,243	0.57%
8	M B FINMART PVT LTD				
	At the beginning of the year	3,18,608	0.36%	3,18,608	0.36%
	Purchase of Shares on 26.06.2019	60,000	0.07%	3,78,608	0.43%
	Purchase of Shares on 12.07.2019	30,000	0.03%	4,08,608	0.46%
	Purchase of Shares on 26.07.2019	85,000	0.10%	4,93,608	0.56%
	Purchase of Shares on 30.08.2019	20,000	0.02%	5,13,608	0.58%
	At the end of the year (or on the date of separation, if separated during the year)			5,13,608	0.58%

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
9	GENERAL INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	5,00,151	0.57%	5,00,151	0.57%
	Sale of Shares on 21.02.2020	10,266	0.01%	4,89,885	0.56%
	At the end of the year (or on the date of separation, if separated during the year)			4,89,885	0.56%
10	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD				
	At the beginning of the year	5,00,000	0.56%	5,00,000	0.56%
	Sale of Shares on 13.03.2020	26,000	0.03%	4,74,000	0.53%
	Sale of Shares on 20.03.2020	74,000	0.08%	4,00,000	0.45%
	Sale of Shares on 27.03.2020	3,00,000	0.34%	1,00,000	0.11%
	Sale of Shares on 31.03.2020	1,00,000	0.11%	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-

(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	Berjis Minoo Desai				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Ashok Kumar Purwaha				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Mahesh Ramchand Chhabria				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Parul Sailesh Mehta				
	At the beginning of the year	1,226	0.00%	1,226	0.00%
	At the end of the year		0.00%	1,226	0.00%
6	Pranay Dhansukhlal Vakil				
	At the beginning of the year	4,475	0.01%	4,475	0.01%
	At the end of the year		0.00%	4,475	0.01%
7	Madhumilan Parshuram Shinde				
	At the beginning of the year	1000	0.00%	1000	0.00%
	At the end of the year		0.00%	1000	0.00%
8	Anil Singhvi				
	At the beginning of the year	85,000	0.10%	85,000	0.10%
	At the end of the year		0.00%	85,000	0.10%

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
9	Alok Perti				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Dr. Amit Biswas				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	Bhuwan Chandra Tripathi				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
12	Amitabh Bhargava				
	At the beginning of the year	200	0.00%	200	0.00%
	Sale of shares on 31.05.2020	200	0.00%	0.00	0.00%
	At the end of the year			0.00	0.00%
13	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	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**
Change in Indebtedness during the financial year					
*	Addition	1,22,380.50	265.00	-	1,22,645.50
*	Reduction	1,12,170.88	-	-	1,12,170.88
Net Change		10,209.62	265.00	-	10,474.62
Indebtedness at the end of the financial year					
i)	Principal Amount	77,873.56	265.00	-	78,138.56
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	55.94	-	-	55.94
Total (i+ii+iii)		**77,929.50**	**265.00**	**-**	**78,194.50**

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 in ₹
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	2,64,11,538	2,64,11,538
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	82,73,454	82,73,454
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify (Taxable Component of Superannuation and Gratuity)	42,35,769	42,35,769
	Total (A)	**3,89,20,762**	**3,89,20,762**
	Ceiling as per the Act	**1,24,44,000**	**1,24,44,000**

Remuneration paid to Managing Director was exceeding the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and the Company is seeking Shareholder's approval for waiver of the excess remuneration amounting to ₹ 2,64,76,762 paid to the Managing Director during the Financial Year 2019-20.

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	5,50,000	3,40,000	3,80,000	5,40,000	18,10,000
	Commission	-	-	-	-	-
	Total (1)	**5,50,000**	**3,40,000**	**3,80,000**	**5,40,000**	**18,10,000**
	Independent Directors	Shri Partha Bhattacharyya	Shri Alok Perti	Dr. Amit Biswas	Shri Bhuwan Chandra Tripathi	
	Sitting Fee	5,60,000	2,50,000	3,10,000	50,000	11,70,000
	Commission	-	-	-	-	-
	Total (1)	**5,60,000**	**2,50,000**	**3,10,000**	**50,000**	**11,70,000**
2	Non-Executive Directors	Smt . Parul Mehta	Shri Madhumilan P Shinde			
	Sitting Fee	3,10,000	6,70,000			9,80,000
	Commission	-	-	-	-	-
	Total (2)	**3,10,000**	**6,70,000**	**-**	**-**	**9,80,000**
	Total (B)=(1+2)	**14,20,000**	**12,60,000**	**6,90,000**	**5,90,000**	**39,60,000**
	[$]Total Managerial Remuneration (A+B)[1]					**4,28,80,762**
	Overall Ceiling as per the Act[2&3]					**1,64,04,000**

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

[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 19-20

[3] Overall ceiling as per Act is not applicable to sitting fees paid to non-executive directors.

Appointment of Managing Director and Chairman is governed by a Service Contract for a period of 5 Years. The remuneration paid to Managing Director and other Directors are within the limits as provided under Section 197 read with Schedule V of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount in ₹
		Chief Financial Officer Amitabh Bhargava	Company Secretary K. Subharaman	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	2,93,08,365	65,78,414	3,58,86,779
	(b) Value of perquisites under Section 17 (2) of the Income-Tax Act, 1961	93,658	70,430	1,64,088
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify (Taxable portion of Superannuation)	12,23,671	1,01,513	13,25,184
	Total	**3,06,25,694**	**67,50,357**	**3,73,76,051**

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 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

a) **The steps taken or impact on conservation of energy:**

- K1 Plant
  a. The Company saved ~ 0. 5 Crore/year by replacing conventional lighting fixtures with energy efficient LED lighting with an investment of 0.35 Crore.
- Dahej
  b. The Company saved ~5.4 Crore/year in Dahej plant by taking various improvement steps in steam traps, instrument air and cooling water consumption with total spares expenses of ~0.27 Crore.

b) **The steps taken by the company for utilising alternate sources of energy:**

- The Company saved ~ 1.3 Crore/year by utilising the provision of Open Access mechanism for purchase of power at JNPT site.
- The Company constructed rainwater harvesting lagoon at Dahej plant of 50,000 m3 capacity with rainwater collection facility with an investment of ~2.65 Crore.

B. TECHNOLOGY ABSORPTION

i. **The efforts made towards technology absorption**

- The Company is working on proposal with NIIK Russia to enhance capacity of its Dilute Nitric acid plants and to improve concentration of Nitric Acid in these plants.
- The Company is working with various vendors for optimizing on NOx emission in his Dilute Nitric Acid plant.

ii. **The benefits derived like product improvement, cost reduction, product development or import substitution:**

The benefits derived under various projects/ initiatives taken under Technology Absorption are explained in section "i" and section "iv".

iii. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

Details of Technology imported	The Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefor
None			

iv. The expenditure incurred on Research and Development

Research and Development Efforts

K1:

- Hand Sanitiser (Value addition to IPA product basket) - To mitigate the current COVID-19 pandemic situation and ensure availability of alcohol based hand sanitiser, R&D team quickly established process as per WHO guidelines for Hand Sanitiser production with required purity at R&D scale. After requisite results from R&D Trial, the commercial production of Hand sanitiser started at 1600 litres/day with R&D spend of ~2.5 lakhs. The Company has also outsourced manufacturing whereby Commercial Hand sanitizer is brought to market.
- EGNA (Electronic Grade Nitric Acid, Value addition to Nitric Acid Basket)- Process & Quality established in lab scale suitable for Electronic grade industry applications. Pilot plant setup is ready and first commercial trial batch consignment delivered to M/s TATA Power Solar System Limited-Bangalore in June 2019. The Company has spent ~50 lakhs between 2017-19.

- Calcium Nitrate (100% Water soluble) – Prepared Calcium nitrate (100% soluble) at Lab scale in R&D using Calcium carbonate (Bought out) and Nitric acid (in House). The Process & Quality established in lab scale suitable. Product feasibility at commercial scale evaluation in process.
- RO water in DM Plants – The Company's Plant team prepared scheme and utilised RO water as feed to existing DM units at K-1 complex. The System was commissioned in May 2019. The expected benefits will be in terms of reduction in effluent quantity, reduction in chemical consumption, improvement in Boiler water feed quality and thereby reducing blowdown losses and Improvement in DM units thereby reduction in maintenance cost. Overall, 71 lakhs were spent from inception, piping erection and commissioning.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Earnings in Foreign Currency:

(₹ In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Export of goods (Manufactured and Traded)	2,851.11	4,312.92
Other income	-	-
Total	**2,851.11**	**4,312.92**

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Interest and repayment of loans	1.68	136.03
Technical fees to foreign vendors	27.91	26.27
Foreign travels	13.49	25.81
Others (Net of Reimbursements)	893.31	2,741.13
Total	**936.39**	**2,929.24**

CIF Value of Imports:

(₹ In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Raw Materials	7,905.03	5,700.10
Traded Chemicals	34,140.93	1,30,248.67
Total	**42,045.96**	**1,35,948.77**

For and on behalf of the Board of Directors

Pune

Dated: 30th June, 2020

S. C. MEHTA

Chairman & Managing Director

ANNEXURE 7

SECRETARIAL COMPLIANCE REPORT OF
DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED FOR
THE YEAR ENDED 31st MARCH, 2020

To,
The Members,
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, either physically or by way of email in view of the prevailing pandemic situation of COVID -19 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, 2020 ("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;

   b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;

   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, 2018 **(Not applicable to the listed entity during the Review Period);**

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

   f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the listed entity 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 listed entity 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) 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; and circulars/ guidelines issued thereunder; 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:-

Sr. No.	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 listed entity has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/ CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the listed entity.

(d) 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:

Sr. No.	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

(e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	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 G. Mudaliar
Partner
FCS No: 6156
C P No: 2664 UDIN: F006156B000389605

Place: Pune
Date: 30th June, 2020

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 received from the Directors of Deepak Fertilisers and Petrochemicals Corporation Limited (hereinafter referred to as 'the Company'), having CIN - L24121MH1979PLC021360 and having registered office at Sai Hira, Survey No. 93, Mundhwa, Pune – 411 036 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 verifications (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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sailesh Chimanlal Mehta	00128204	1st August, 2008
2	Parul Sailesh Mehta	00196410	20th October, 2005
3	Pranay Dhansukhlal Vakil	00433379	25th May, 2010
4	Partha Sarathi Bhattacharyya	00329479	31st October, 2012
5	Madhumilan Parshuram Shinde	06533004	10th February, 2017
6	Berjis Minoo Desai	00153675	7th July, 2017
7	Ashok Kumar Purwaha	00165092	7th July, 2017
8	Mahesh Ramchand Chhabria	00166049	7th July, 2017
9	Alok Perti	00475747	22nd April, 2019
10	Amit Biswas	08173442	22nd April, 2019
11	Bhuwan Chandra Tripathi	01657366	13th February, 2020

Ensuring the eligibility 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 G. Mudaliar
Partner
FCS No: 6156
C P No: 2664
UDIN: F006156B000389616

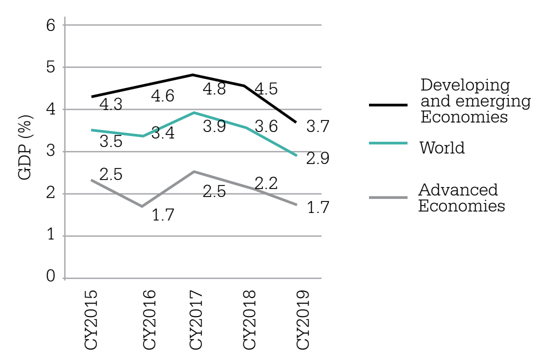
Place: Pune
Date: 30th June,2020

Management
Discussion & Analysis

Global economic review

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global merchandise trade fell 0.1% in 2019 owing to trade tensions and slowing economic growth. The dollar value of world merchandise exports in 2019 fell by 3% to US$ 18.89 trillion.

Real GDP growth

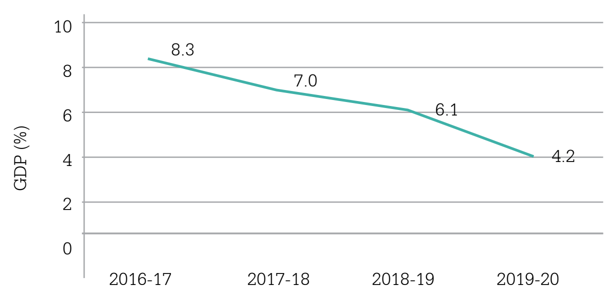


Source: IMF

Indian economic review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of US$ 2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. The IIP for manufacturing was lower at 1.1% in FY2019-20 against 3.8% in FY2018-19. Besides, the fall of two major NBFCs in the last two successive years resulted in a decline in credit outflow, which also impacted consumer spending.



* Years in the chart represent financial years | GDP at constant price 2011-12

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of US$ 2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

Source: Economic Times, CSO, Economic Survey, IMF, EIU

Outlook

Various forecasts have estimated a sharp contraction in the growth rate of the Indian economy for the current financial year due to the combined impact of demand compression and supply disruption, the first such instance of de-growth in decades. The Government of India announced a series of relief measures, which included packages for the SME sector, EMI moratorium as well as policies towards agricultural reform, among others. The ₹ 20 trillion Covid relief package, accounting for around 10% of the country's GDP, is among the largest in the world to counter the economic implications of the Covid-induced lockdown. These measures are expected to help the Indian economy get back on track in the medium term.

Industrial Chemicals (IC)

Industry Overview

India is the sixth largest global producer of chemicals. The Indian chemicals industry is highly diversified, possessing the ability to manufacture more than 80,000 commercial products. The size of India's chemical industry is estimated at around US$ 163 billion, addressing an increasing demand from downstream sectors like pharmaceuticals, textiles, paints, coatings and packaging, among others. It is expected to grow to a size of US$ 304 bn by 2025 at around 9% Y-o-Y growth.

From a global perspective, India is attractively placed in the competitive manufacture of specialty chemicals and value-added chemicals. Besides, India's

Iso Propyl Alcohol plant at Taloja

prospects appear brighter following the COVID-19 outbreak as a number of customers are seeking supply alternatives to China, strengthening India's export prospects. There is also an increasing shift in terms of a number of multinational companies actively working on shifting their manufacturing base from China to India. The Atmanirbhar Bharat initiative of the Indian government, aimed at making the country self-reliant and reducing import dependence, bodes well for the Indian chemicals industry, which has a significant dependence on China.

Pharmaceuticals: India is the largest provider of generic drugs in the world, accounting for approximately 20% share of the global volume. India is respected as a dependable provider of APIs and formulations used in the pharmaceuticals sector. India's domestic pharmaceuticals turnover reached ₹1.4 lakh Crores (US$ 20.03 billion) in 2019, up 9.8% y-o-y from around ₹129,015 Crores (US$ 18.12 billion) in 2018. The Indian pharmaceutical sector is expected to grow to US$ 100 billion by 2025.

Operational review

DFPCL is among the leading manufacturers of industrial chemicals in India. The Company specialises in the manufacture of Iso Propyl Alcohol (IPA), Methanol, Nitric Acid and food-grade liquid Carbon Dioxide. The Company is the largest manufacturer of IPA, enjoying a market share of 65% in FY2019-20. The Company is also a market leader in Nitric Acid with a 71% market share in the Concentrated Nitric Acid (CNA) segment and 30% market share in the Dilute Nitric Acid (DNA) segment.

The Company's production facilities are located at Taloja in Maharashtra, Dahej in Gujarat and Srikakulam in Andhra Pradesh. The Company leverages its robust distribution network to provide products pan-India and to countries in the Middle East, Far East, Australia, New Zealand, Europe and America.

IPA

The major application of IPA is in the production of pharmaceuticals (APIs and formulations), accounting for 80% of product offtake. IPA is also used in the manufacture of inks, coatings and specialty chemicals. IPA demand was driven by the growth of the pharmaceutical industry. Towards the end of FY2019-20, a demand surge emerged from the hand sanitizers segment owing to the onset of COVID-19.

The calendar year 2019 witnessed the dumping of low-priced acetone-based IPA from China into India that affected DFPCL's market share and realisations. The Company petitioned to the Government for remedial protection, which is under active consideration. Despite a few setbacks, such as water shortage at Taloja and raw material shortage, the Company reported 86% plant capacity during the year.

The Company continues to be the leading player in the industry, maintaining its market share through captive manufacture and imports.

Following the COVID-19 outbreak, the Company swiftly commenced IPA supplies to hand sanitizer manufacturers, besides launching its own brand of hand sanitizers, IPA wipes and rubbing alcohol, from April 2020, helping mitigate domestic scarcity.

Nitric Acid

Nitric Acid is used in the manufacture of nitro aromatics, pharmaceuticals, dyes and dye intermediates, steel rolling, defense and explosives. The Company is the largest producer of Nitric Acid in India, with a total installed capacity of 1.1 Mn MT per annum. The Company enjoys enduring relationships with customers on account of its scale, service and product quality.

During April 2019, the Company commissioned a new plant in Dahej with CNA production capacity of 92,400 MTPA and DNA production capacity of 148,500 MTPA.

Nitric Acid plant at Dahej

Following the commissioning of this facility, the Company is located in the heart of the Nitroaromatics market, with all major CNA customers located in Gujarat. The Company is competently placed to service the growing DNA requirements of fragmented markets in Central and North India from Dahej. With a complement of three locations, Dahej, Taloja and Srikakulam, the Company is the only Nitric Acid producer in India with the ability to supply the product from multiple facilities.

This was the first full year of operations following the Dahej operation, which saw capacity utilisation exceeding 65% despite initial challenges.

During the year, the Company developed two new grades of Nitric Acid in line with market demand of 61.5% and 33% purity levels, besides regular grades of purity levels of 98%, 72%, 68%, 64% and 60%. Besides, trials of steel grade Nitric Acid proved successful; once the industry situation improves, the product will be commercialised.

Liquid carbon dioxide

Liquid carbon dioxide is used in the manufacture of dry ice and beverages as well as a shield gas in welding. The Company is one of the major suppliers of liquid carbon dioxide in India with an installed capacity of 66 KTPA. During the year under review, the Company reported a capacity utilisation of 80% based on product availability and market dynamics.

Methanol

Methanol is a key ingredient in the manufacture of formaldehyde, tert-amyl methyl ether (TAME) and methyl derivatives. The product is also used in the manufacture of pharmaceuticals. The Company possesses an installed capacity of 100 KTPA at Taloja and the plant is operated tactically during viable opportunities based on affordable gas pricing and market dynamics.

Traded Chemicals

To maintain market share and plug supply gaps, the Company traded selected products like IPA and ammonia. Over the past few quarters, the Company strategically consolidated its trading portfolio to focus on high margin products and the optimal deployment of working capital. Based on market dynamics and demand-supply gaps, it will continue to import IPA and ammonia to service esteemed customers.

NPK bagging plant at Taloja

Crop Nutrition Business (CNB)

Industry review

India is the second-largest agricultural nation by land area. Agriculture is the primary source of livelihood for more than 58% of the country's population. The country's agriculture industry was estimated at ₹56.6 trillion in 2019. India's 2019-20 food grain production touched a record 292 Million tonnes. India is the largest producer of spices, pulses, milk, tea, cashew and jute. The country is also the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. India is second in the global production of fruits and vegetables and the largest producer of mango and banana.

The agriculture sector contributes to around 20% to the country's GDP. A growing population and corresponding food demand growth are driving crop productivity to address the demand-supply gap. Crop nutrition solutions enhance crop productivity through soil fertility, improved yields and crop quality.

India is the second largest fertilizer market next to China. Bulk fertilisers commonly used in India comprise Urea, Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), Single Super Phosphate (SSP) and NPK complexes (Nitrogen, Phosphorous and Potash).

Fertilisers have played a key role in the success of India's Green Revolution and foodgrain reliance.

The Indian fertiliser market is classified by products across the nitrogenous, phosphatic, potash, secondary nutrient like sulphur boron and micronutrient segments. Besides, the sector has been further classified based on subsidy and non-subsidy products - bulk fertilisers and speciality fertilisers.

Key market trends and their impact

Shift in consumption towards high value foods like fruit, vegetables and processed foods have been changing across the urban and rural landscapes, led by increasing disposable incomes and rapidly evolving consumer needs. Indians are now spending more on high value foods. A major increase in fruits and vegetables consumption has been seen, increasing.

Horticulture production suppressed foodgrain production significantly in India in the last three years. Increasing use of advance agricultural practices in horticultural crop to increase yields and quality are expected to drive the demand for Enhance Efficiency fertilizers like water soluble fertiliser, crop specific and stage-specific fertilisers etc.

Rising population to drive food consumption

Global population is projected to increase from ~7.5 billion in 2020 to 8.5 billion in 2030 to more than 9.5 billion in 2050. Increasing population is one of the main drivers for prospective food demand. Besides, initiatives in the area of hunger and poverty eradication and increasing calorie intake per capita are expected to drive food consumption worldwide. Farmers will need to increase crop output, either by cultivating a greater amount of agricultural land or by enhancing productivity on existing land through fertilisers and irrigation and adopting new methods such as precision farming. India is a country of ~1.3 billion, or over 17% of the world population. However, it has only 2.4% and 4.0% of global land and water resources, respectively. India needs to ensure food security for its growing population.

India has the third-largest agricultural producer globally and ranks first in terms of pulses with a 21% share, second for seed cotton, fruit & vegetables and sugarcane with a share of 22%, 11% and 18%, respectively and third-largest for cereals with a 10% share. However, India significantly lags China and the world in terms of yield per hectare.

Given a shrinking arable land and increasing water scarcity, we believe that the efficient and judicious usage of Enhance Efficiency fertilisers help in improving yield per hectare.

Government focus on agriculture to double farmer incomes

The government is continuously focusing on means to double farmer incomes through the following initiatives:

- Increasing the output through enhancing the crop productivity and knowing the cropping intensity,
- Improving realisations of produce through price discovery, remunerative pricing and crop diversification,
- Reducing costs by the balanced application of agri-inputs and effectively utilising the available resources
- By providing risk coverage for crop, livestock and non-farm income.

We believe that efforts to boost crop yields, quality and the right market price discovery will increase the demand for fertilisers. The Indian farmer's preference is likely to shift towards higher fertilizer-consuming crops would drive the demand for specialty nutrients.

Policy support

Policy reforms on the farm output marketing side:

The Government announced major reforms on the agri output marketing side as part of its commitment to double farmer incomes. The Government brought in an ordinance to modify Essential Commodities Act and Agricultural Produce Market Committee (APMC) Act. These reforms need to be executed well and could significantly improve farmer incomes and transform the economics of Indian agriculture.

Policy reforms in subsidy:

Direct Benefit Transfer (DBT) has stabilised in the fertiliser sector, wherein the farmer's purchase is captured through POS Machine (point of sales). The DBT Phase I was successfully implemented by the government of India. Pilot models to develop linkages between soil health and farmer purchases were in process. Once the government is successful in their implementation, subsidies will be directly transferred to the farmer's account based on soil health and crop requirement, which can drive the balanced nutrition practices.

Operational review

Smartchem Technologies Limited (STL) is a 100% subsidiary of Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) and is one of the leading manufacturers of nitro phosphate fertilisers (nitrogen in both nitrate and ammoniacal forms), NPK fertilisers (Smartek) and speciality fertilisers like sulphur bentonite with a fast releasing technology. STL is also a leader in speciality fertiliser supplies.

Crop Nutrition Business (CNB) offers consistent and high purity enhanced efficiency fertiliser products like nitro phosphate fertilisers, NPK fertilisers (Smartek) and water soluble fertiliser under the brand name of 'Mahadhan'. The Company has a strong presence in Maharashtra, Karnataka and Gujarat, collectively known as the horticultural belt of India. The Company has also expanded its presence to South and North states of India. It operates largely in important cash crops (sugar cane, cotton, groundnut soybean and onion) and horticulture (F&V) regions, strengthening its business.

The Company is a market leader in NP and NPK market in Maharashtra with a market share of about 19%. The subsidiary has a strong marketing, sales and distribution network across 12 states with 150 sales and marketing personnel, 3800+ dealers and 24,000 retailers. The Company is targeting to attain a leadership position in Maharashtra; and aims to be among the top 3 players in select other states within the next three to five years.

In line with the strategy to move from commodity to speciality, value-added and innovative products, the Company had introduced Enhanced Efficiency NPK fertilisers under the brand of 'Smartek'. It is a unique product established by proprietary manufacturing process of the 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 a 10-15% increase in yield and increased farmer income and has established its value proposition across various focus crops.

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

The Company also focuses on growing high margin crop-specific water soluble fertilisers. The Company recently launched a crop-specific water soluble product addressed at the crop needs of grapes, tomato, sugarcane and flowering stage.

Key highlights, 2019-20

The crop nutrition business reported a revenue of ₹1,911 Crores in FY2019-20 against a revenue of ₹2,273 Crores in FY2018-19. Fertiliser segment margins improved from (1.7)% in FY2018-19 to 1.7% in FY2019-20.

The year under review commenced with a high sectoral inventory resulting in price erosion and a high raw material cost. The delayed monsoon and a lower rabi crop impacted the investment pattern of farmers leading to a slower demand in the first half of the year. However, a strong retrieving monsoon and higher water reservoir levels led to a demand recovery in the second half of the year.

As per the Company's strategic decision to graduate from commodity to differentiated fertiliser segments, sales of differentiated grade NPK (Smartek) was 222 KT; 83% more than FY2018-19. The Company moved ~ 90% of its bulk fertiliser portfolio to differentiated products. The Company sold 220 KT of ANP during the year, which was its flagship differentiated product for the last 28 years.

Even as the market remained subdued, the Company focused on demand generation. It embarked on crop-specific market development campaigns including promotional activities crop seminars, farmer meeting and product demonstration in farmer fields. To increase the salience of the Smartek products, a television campaign addressed the Maharashtra market and engaged more than 12,000 retailers in focus markets.

Under the crop-based value-proposition, various sponsored trials and demonstrations were undertaken.

The Company undertook targeted crop-based value proposition campaigns based on various sponsor trials and field demonstrations. During the second half of the year, focused crop campaigns for sugarcane, onion and potato for Maharashtra, Karnataka, and Gujarat were undertaken, which helped increase the share of focused crops. The company focused on paddy for Tamil Nadu, Andhra Pradesh and Telangana. Aggressive demonstrations are planned in these markets. The benefits associated with the Marginal Cost Benefit Ratio (MCBR) trials are being evaluated around the value proposition-based pricing in the upcoming years.

The Company strengthened its marketing capability to liquidate product inventory among retailers. During the year under review, the Company's liquidation share of enhanced efficiency fertiliser increased significantly over the previous year, strengthening inventory management within the trade channel.

By the close of the year under review, the Company had conducted around 13,000 field demonstrations across Enhance Efficiency fertiliser products to showcase benefits. The Company developed a network of 19000+ Saarathi farmers and 4,000 focused retailers, the former working as 'Mahadhan' brand ambassadors.

To increase farmer connect, the Company invested in digital media campaigns on Facebook, WhatsApp and YouTube. For increasing farmer outreach and providing unique services, the Company revamped its Android-based smart phone application called 'Mahadhan'. The app focuses on modern agriculture and possesses a user-friendly interface that provides information and guidance on the crop calendar, soil testing and nutrient deficiency. The application also comprises a knowledge center for educating farmers.

The Company launched crop-specific grades in the water-soluble category during the year. These grades were designed in-house after examining crop-specific requirements across specific stages. The Company received a good market response and the grades enjoy high-margin potential over regular water soluble products.

The Company enhanced sales and operation (S&OP) efficiency by managing demand-driven production decisions and inventory management practices leading to superior inventory management and lower working capital requirements.

The Company developed alternative vendors for key raw materials; it optimised the raw material mix to rationalise operational costs and undertook debottlenecking initiatives that enhanced throughput.

The Company focused on various sales and distribution efficiency improvement areas including sales team automation.

Business Outlook

Although COVID-19 initially impacted the Company's supply chain, it streamlined to address in the demand upturn for the initial months of the kharif season. A favorable monsoon outlook augurs well for the Company's prospects.

With our team effort and support from key stakeholders, the scenario has returned to normal. The positive momentum has carried into the kharif 2020 as there has been a good monsoonal beginning. Early crop sowing estimates show a double-digit growth in crop sowing week-on-week compared to the previous five-year average.

The recent report released by the Central Water Commission, indicate that water reserves across Northern, Eastern, Western, Central and Southern parts of the country have exceeded the level witnessed at the same time last year as well as the normal 10-year average. The Company is positive about a good output during the Kharif season. Higher water levels in reservoirs will help boost sowing for the Rabi crop season and on the overall a good demand for crop nutrition solutions this year is expected.

The Company perceives this bountiful monsoon as an opportunity based on the Company's depth of manufacture, rich operational experience and new product development approach that supports the introduction of various Enhance Efficiency fertilisers in India. The Company's new product development team will introduce various crop-specific grades in the coming year and expects 100% growth in its flagship Enhance Efficiency NPK product Smartek where it successfully demonstrated a superior value proposition.

Prilling Tower at Taloja

Technical Ammonium Nitrate (TAN)

Industry Overview

Technical Ammonium Nitrate (TAN) is a critical ingredient used in mining (extracting raw materials in mines and quarries), explosives (raw material for the manufacture of all types of industrial explosives) and pharmaceutical industries.

TAN is the base product of all mining explosives; the properties of explosives are dependent on the type/physical characteristics of TAN being used. While the high density variant is used in explosives production, the low density variant is largely used as an explosive following the blending with fuel oil, termed as Ammonium Nitrate Fuel Oil (ANFO), a commonly used mining explosive across the world. ANFO consumption across the world as well as India has grown consistently owing to its relatively lower cost, productivity improvement, better fragmentation and low column charge, among others, over conventional explosives. ANFO is primarily transported/ shipped, stored, and mixed with fuel oil at the point of use.

India possesses the fifth largest coal reserves in the world and Coal India Limited (CIL) is the world's single largest coal producer. Even as CIL produced 602 million tonnes of coal in 2019-20, which was lower than 607 million tonnes produced during the previous fiscal year, it outlined a target to raise output to a billion tonnes by 2024. The total Indian coal production stood at 729 million tonnes in 2019-20, which was at par with the previous year, an impressive 12% growth being generated from captive coal producers.

Iron ore production declined to 206 million tonnes from a peak of 234 million tonnes in FY2018-19, largely on account of mining lease auctions/renewal in Odisha. Steel production was almost at par when compared with the previous year, reporting a production of 115 million tonnes against 113 million tonnes in 2018-19. The cement industry, which had grown in the first half of the year, reported flat growth during the year under review at 335 million tonnes when compared with 337 million tonnes in the previous year. The Scrap Recycling Policy for steel is likely to reduce imports of steel's end use products and thereby increase iron ore production to meet the domestic demand. Global Data's Mining Intelligence Centre projects 6-7% CAGR in domestic iron ore production while exports could generate 4% CAGR between FY2020 and FY2025. The cement industry too continues to be in focus with increasing capacity additions in Eastern India; utilisation could increase at a CAGR of 4-5% between FY2020 and FY 2025.

Following the Coal & Mineral Industry policy reforms, coupled with changes in National Mineral Policy (NPM), Mines & Minerals Development Act (MMDA), Commercial Coal Mining Laws and Auction of Coal Blocks etc., there was a renewed focus on India's mining industry. The Indian Government, under Atmanirbhar Bharat, announced the following reforms in the mining sector:

- Introduction of commercial coal mining; 50 coal blocks to be immediately offered for auction
- ₹50,000 Crores earmarked for infrastructure development in the coal sector
- 500 blocks of minerals to be auctioned in composite exploration-cum-mining-cum-production regime
- Joint auction of bauxite and coal mineral blocks
- A ₹70,000 Crores boost to India's housing sector through the Credit Linked Subsidy Scheme in addition to relief to project contractors on completion / penalties etc. and due extension of registration and completion of real estate projects under the RERA scheme to activate ground activities.

The cost-effective nature of TAN makes it a preferred choice for mines and quarry operators. It is commonly used as a raw material for manufacturing all types of industrial explosives. With the positive outlook for the mining and infrastructure sector, the focus on coal mining and the opening of the coal segment to private operators, the Company is benefiting from increased TAN demand, a trend that is likely to sustain. The country's TAN market is expected to grow ~1.6 - 1.7x the existing demand and sustain a CAGR growth of 3-4% during the next 8 to 10 years.

Key demand drivers

Infrastructure: The infrastructure sector is a key driver of the Indian economy, enjoying Government priority, evident from successive Union Budgets. With near-term demand of expressways, highways and roads increasing to satisfy domestic as well as foreign trade, the Government is targeting to invest approximately ₹1000 billion in the country's infrastructure across the foreseeable future.

Rising population: India is the second-most populous country with a population of around 1.36 billion in 2019 and growing at >1% per year, the largest population increment anywhere. This population growth, coupled with increased aspiration for a better life, better infrastructure for living at par with the best standards etc. is catalysing the consumption of coal, steel and iron ore, in turn expected to drive TAN demand.

Housing shortage: The Ministry of Housing and Urban Affairs evaluated an affordable housing shortfall of approximately 10 million units. The Indian Government focused on achieving the ambitious Pradhan Mantri Awas Yojana by 2022, strengthening the need for construction necessities like cement and steel etc., widening the market for TAN.

Power demand: With conventional energy sources continuing to account for more than 60% of India's power generation, the outlook for coal (and in turn TAN) appears to be secured.

Smart Cities: Since the launch of this mission in 2015, around 5,151 projects worth more than ₹2 lakh Crores are already under implementation across 100 cities. The Government announced the addition of five Smart Cities in the Union Budget 2020-21.

Business review

Smartchem Technologies Limited (STL), a wholly-owned subsidiary of DFPCL, is one of the world's largest TAN manufacturers, producing high-density ammonium nitrate (HDAN), low-density ammonium nitrate (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, widely used in the production of medical grade nitrous oxide for use as an anaesthetic/analgesic.

The production facilities of the Company are located at Taloja in Maharashtra and Srikakulam in Andhra Pradesh. The Company caters to the mining, infrastructure, and pharmaceutical sectors under the brand names of Optiform / Vertex

Norma (HDAN), Optimex / Vertex Super (LDAN), Optispan / Vertex Supreme (Medical Grade AN), strengthening recall and customer loyalty. Through TAN, STL provides a superior service proposition and through the strategic proximity of ten warehouses at key mining regions, it provides ready material availability, low delivery turnaround time and a low delivered cost.

The Company has built on its unique position in the low-density ammonium nitrate (LDAN) segment with customer transformation initiatives to drive the market from conventional explosives to Ammonium Nitrate Fuel Oil (ANFO). The Company's principal markets comprise private coal, limestone, and the quarrying/construction industries.

The TAN business of the company comprises employees possessing strong domain knowledge and the best experienced talent from within India and knowledgable foreign consultants. The team comprises mining-cum-blasting engineers from India. The TAN business initiated the work of developing, testing and the commercial introduction of value-added products as a part of its transformative journey, contributing to India's growth in the coal, infrastructure and mining sectors.

Based on its existing business model, growth plans and rich human capital, the Company expects to emerge as the world's third largest TAN manufacturer in five years.

Key highlights, FY2019-20

1. Despite subdued domestic demand owing to extended monsoons affecting the coal industry, lower production and offtake in infrastructure consumption, the Company maintained the profitability of its TAN business vertical by servicing alternative markets, value-addition, stronger price-responsiveness to market realities and decline in key raw material prices.
2. The business continuously tracked market trends, which helped price products between spot and long-term prices to generate optimal realisations. The long-term agreements with key customers underscored the overall industry recognition, unique value proposition in offerings and efficient distribution systems. In view of this, the business delivered expectations in line with commitments to the industry and customers.
3. The business retained its market share in key product portfolios in-spite of market constraints.
4. Exports to key markets like South Asia, South East Asia, East and West Africa and the Middle East were strengthened on account of logistics effectiveness and enhanced brand recognition.

Business outlook

The strategy of the Company's TAN business is being driven around three pillars: protecting the core or market share, increasing the product range, deepening the customer network and aligning capacity to market requirements. The second pillar comprises forward integration where the Company will increasingly connect with end customers directly and introduce new value-added products. The third pillar will comprise superior service, including the recently introduced on-the-ground service for the delivery of explosives to mine sites.

The nation-wide lockdown starting March 2020 resulted in migrant workers returning to their native homes, affecting downstream productivity. However, the various measures announced by the Government are in the right direction and could restore economic health and infrastructure growth, catalysing TAN prospects.

While the business shall continue to focus on the value-added LDAN segment and coal is expected to retain its position as the primary energy source for the next few decades, TAN prospects appear protected in the long-term. Additionally, a large number of planned infrastructure projects, coupled with the positive mining industry outlook, provide an attractive backdrop for the products. The domestic TAN demand is projected to grow at 4% per annum till 2035.

On the other hand, Platinum Blasting Services Pty. Ltd. (PBS), a joint venture in Australia and subsidiary of STL, was established in FY2014-15 as a value-added mining services player in the Australian mining services industry. During the year under review, the joint venture secured a major contract for products and services, a major contract for AN supply to Glencore and a few small blasting service contracts to mining operators in Australia.

Creaticity, India's largest destination for Home & Interiors, Fine Dining & Entertainment

Value Added Real Estate (VARE)

This business segment of the Company entails a lifestyle retail centre called Creaticity (formerly 'Ishanya'). This division focuses on three categories – home & interior (H&I), food & beverages (F&B) and entertainment - with a mix of national and international retail brands in H&I, several casual dining and fine dining F&B outlets and specific entertainment spaces catering to different age groups. The campus also houses commercial offices and co-working spaces on the higher floors. Creaticity aims to emerge as a destination in its focused categories by offering range and depth, useful knowledge and differentiated and personalised experiences. Several initiatives such as knowledge guide, curated trails and master classes were carried out to engage with customers and enhance their patronage.

Key highlights, FY2019-20

Creaticity continued its focus on the three-pronged strategy of establishing range and depth in H&I, nurturing F&B and Entertainment (variety of cuisines and choice of sportainment) as footfall generators and leveraging the higher floor spaces for commercial leasing to optimise occupancy.

In the home and interior offerings, the Company continued to focus on establishing Creaticity as a destination for all residential products. During the year, Creaticity opened its doors to some of the finest national and international brands such as Urban Ladder, Hatil (Bangladesh), Santa Lucia (Italy), Plank & Weave Inc. (USA), among others. It is pertinent to note that there is a growing focus on attracting a new set of customers who are online-savvy; this was reinforced by the fact that two major online players of India, Pepperfry and Urban Ladder, are present at Creaticity. Adding to international and national leaders such as Ashley Furniture and @home, the category gets stronger and sharper with time.

Consolidation continues in the F&B category and most outlets of Pubtown began to offer lunch services to augment the popular night destination value that Creaticity has created over the last couple of years. This will help attract new customers, corporate and families, strengthening category offerings.

In the adjacent commercial/co-working segment, 91 Springboard, which had opened a large 1000-seater facility in the previous year, expanded operations by opening a second hub in Creaticity. As a result of all these efforts, there emerged a balanced mix of space across the three categories, which improved occupancy incomes.

One key challenge during the year was subdued customer demand. Despite a relative slowdown in the consumer sentiment during the latter half of the fiscal, Creaticity maintained its occupancy level in excess of 80%. When combined with judicious addition and the replacement of occupants with around-market rentals, innovative sales promotions and customer engagement methods, occupancy income rose by 56% in FY2019-20 over the previous year.

These facts fortify the effects of the refreshed and rebranded avatar of Creaticity across category mix, choice of retailers and customer engagement initiatives. Creaticity transformed from being a product-offering mall into a solution-offering campus through a series of initiatives in providing start-to-end services, comprising interior designing services, knowledge guide, personalised attention and after-sales specialised services along with use of technology via the Creaticity app, interactive kiosks in the mall, beacon-enabled notifications, social and digital media drive among others.

Business Outlook

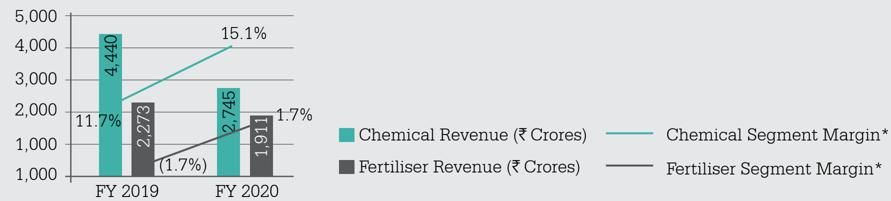
The year ahead is poised to be challenging and exciting. The role of technology has seldom been emphasised as much as in recent times. There is a rapid adoption of technology in almost every field. We have been witnessing online retailers open offline stores, offline stores begin their online journey, mobile apps, touch screen kiosks inside stores, 3D software, virtual walk-throughs, increased technology and channels in action. With this background, Creaticity is planning to embark on a unique journey of creating an assisted e-commerce platform for customers. Targeted at improving the quality of conversion and enhancing revenues, the initiative will have interesting techniques such as 'Visit by Appointment', virtual mall tour and suggestive/consultative selling.

Given the after-effects of COVID-19, Creaticity is poised to take measures that generate positive demand, provide consumers with a safe and secure environment, improve social engagement and deliver a superior experience.

Transformation Initiatives

- The new DoA (Delegation of Authority) and e-NFA (Note For Approval) enabler tool are fully stabilised and functioning effectively.
- **Enterprise Resource Planning (ERP):** SAP S/4 HANA Core transaction capturing system has successfully gone live on 2nd August, 2019. We continue to focus on training and knowledge management while addressing any issues with change management and sustainability.
- **Connected Planning:** We have begun our enterprise wide connected planning journey by starting implementation of S&OP Connected Planning process and Tool implementation project, followed by Connected Financial Planning solutions.
- The initiatives, conceived as a part of Sales & Distribution Transformation in the CNB Sector, have been fully stabilised and initiatives have become part of Business Strategy, which are regularly being reviewed at respective forums. New Digital Marketing initiatives (including Social Media Management) are being planned to increase sales, revenues and brand equity. CNB Digital Analytics Platform is being evaluated to automate the insights generation, improve key KPIs along with advanced analytics capabilities (What-If and Predictive Analytics/forecasting).
- **Finance excellence project:** This will focus on Target Operating Model and will deliver automation for the Accounts Payable function (AP) by leveraging advance technologies such as ICR/OCR (Intelligent Character Recognition/ Optical Character Recognition), RPA (Robotic Process Management) and Work Flow Management tools. Further initiatives on Smart factory and Operations Excellence and digital roadmap/ automation are being crystalised and firm actions will be taken up.
- **Smart Manufacturing/Industry 4.0 Roadmap:** This has been developed and various initiatives are being planned to improve productivity, efficiency, quality and improve response time.
- **COVID-19 Business Continuity:** Many initiatives have been implemented and are planned to minimise business disruption due to COVID-19 - Work From Home enablement, collaboration and productivity tools, EHS (Environment Health and Safety) automation and compliance through digital enablement and mobile application are few of the key initiatives.

Consolidated Financial Overview



Parameters	FY20	FY19
Debtors turnover (x)	3.51	4.01
Inventory turnover (x)	6.20	8.45
Interest coverage ratio (x)	2.30	2.24
Current ratio (x)	1.01	0.95
D/E ratio (total Debt Equity Ratio) (x)	1.34	1.45
Operating Margin (%)	5.35	4.27
Net Margin (%)	1.90	1.09
Return on net worth (%)	4.16	3.55

Key performance metrics

Parameters	FY20	FY19
Total revenue (₹ Crores)	6,742	4,685
EBITDA (₹ Crores)	459	464
PBT (₹ Crores)	103	110
PAT (₹ Crores)	89	73
Earnings per share (₹)	8.01	9.83

**Segment margins as per financials; represents segment Profit Before Tax (before finance costs and unallocable expenditure)*

Analysis of the Balance Sheet

Sources of funds

The net worth of the Company increased 4% from ₹2,098 Crores as on 31st March, 2019 to ₹2,181 Crores as on 31st March, 2020.

Long-term debt: Long-term debt of the Company increased by 19% from ₹1,856 Crores as on 31st March, 2019 to ₹2,209 Crores as at 31st March, 2020. Long-term debt-equity ratio of the Company stood at 1.01x in FY2019-20 compared to 0.88x in FY2018-19. Credit Ratings were re-affirmed by ICRA; Long Term: A+ (Stable); Short Term Bank Facilities: A1.

Applications of funds

Fixed assets (gross) of the Company increased 15% from ₹2,714 Crores as on 31st March, 2019 to ₹3,118 Crores as on 31st March, 2020. Depreciation on assets increased 25% from ₹171 Crores in FY2018-19 to ₹214 Crores in FY2019-20.

Working capital management

- Current assets of the Company decreased 18% from ₹2,935 Crores as on 31st March, 2019 to ₹2,406 Crores as on 31st March, 2020.
- Inventories including raw materials, work-in-progress and finished goods, among others, decreased 17% from ₹ 828 Crores as on 31st March, 2019 to ₹ 684 Crores as on 31st March, 2020.
- Cash and bank balances of the Company increased from ₹116 Crores as on 31st March, 2019 to ₹259 Crores as on 31st March, 2020.

Analysis of the profit and loss statement

Revenues: The revenues from operations of the Company stood at ₹4,685 Crores compared to ₹ 6,742 Crores in the preceding year. The Other Income of the Company reported 76% growth. The Company cautiously consolidated its trading portfolio with a focus on high-margin products (Chemicals trading consciously reduced by ₹1,405 Crores y-o-y and Fertilisers trading reduced by ₹419 Crores y-o-y).

Operating margins improved from 4.27% in FY2018-19 to 5.35% in FY2019-20. Net Profit margins improved from 1.09% in FY2018-19 to 1.90% in FY2019-20. This was primarily driven by improved fertilizer business outlook and cost optimization initiatives. Prices of major raw materials declined compared to FY2018-19. Nitric Acid plant at Dahej completed its first year of operation; achieved overall capacity utilization of about 65%. Segment profit of Chemical business improved from 11.7% in FY2018-19 to 15.1% in FY2019-20. Segment profit of Fertiliser business improved from (1.7%) in FY2018-19 to 1.7% in FY2019-20. Return on net worth is higher due to increase in net profit margins along with increase in net worth. Inventory Turnover ratio declined from 8.45X in FY2018-19 to 6.20X in FY20-1920, mainly due to cautiously consolidation of trading portfolio.

Expenses: Total expenses of the Company decreased from ₹6,684 Crores in 2018-19 to ₹4,678 Crores in FY2019-20. Raw material cost, comprising 71% of the Company's revenues in FY2019-20 (78% in FY2018-19), decreased 37% from ₹5,291 Crores in FY2018-19 to ₹3,310 Crores in FY2019-20.

Employees' expenses, comprising 6.53% of the total revenues, increased 10% from ₹278 Crores in FY2018-19 to ₹306 Crores in FY2019-20.

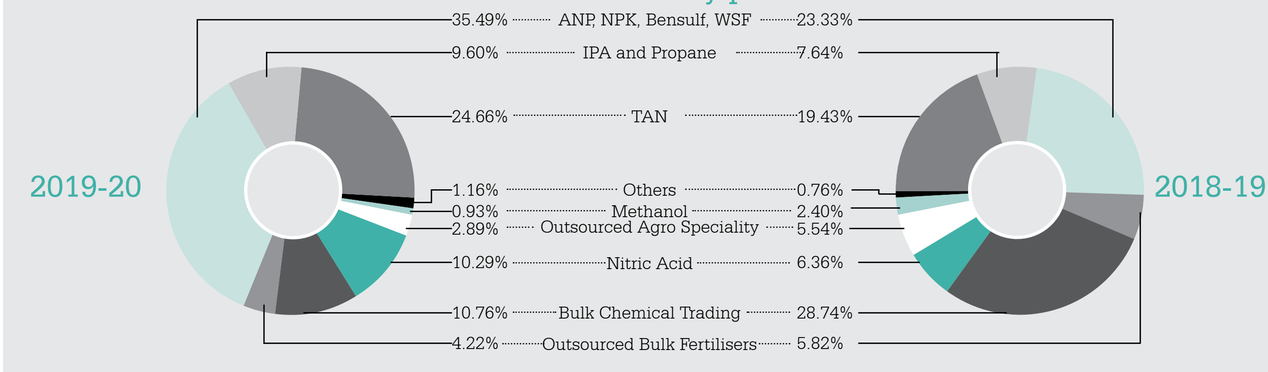
Finance cost: Finance cost of the Company increased 6% from ₹229 Crores in FY2018-19 to ₹243 Crores in FY2019-20. The Company's interest cover stood at 2.30 times in FY2019-20 (2.24 times in FY2018-19).

The Financial Analysis is based on consolidated basis as stated by us in the Directors' Report

Production & Sales (MT)

Products	Sales Volume		Production Volume	
	FY20	FY19	FY20	FY19
Ammonia	NA	NA	98,808	63,683
Methanol	18,239	52,215	18,086	51,531
Iso Propyl Alcohol	61,584	61,274	60,387	62,793
Propane	10,097	10,083	10,320	9,997
Dilute Nitric Acid	63,899	52,114	6,53,831	6,90,505
Concentrated Nitric Acid	1,38,229	1,23,555	1,53,078	1,34,019
Special Nitric Acid (SNA)	27,568	23,532	24,846	23,598
Technical Ammonium Nitrate	4,36,203	5,06,190	4,40,212	5,05,947
Traded Chemical	91,807	3,45,060	-	-
Bulk Fertilisers Traded	84,311	2,35,700	-	-
Nitro Phosphate Fertiliser	2,19,996	1,98,145	2,12,568	1,98,684
NPK Fertiliser	2,86,226	2,85,725	2,73,142	3,04,909
Bentonite Sulphur	23,500	23,898	22,721	26,910
Liquid Carbon Dioxide	55,254	28,144	55,259	28,392
Water Soluble Fertiliser	736	847	-	3,512
Water Soluble Fertiliser (traded)	23,860	22,075	-	-
Windmill Power ('000 KWH)	14,870	15,880	15,015	16,092

Revenue mix for key products



Strengths, Opportunities, Threats, Risks and Concerns

Strengths

- More than four decades of robust knowledge and rich extensive experience in manufacturing and financial prudence
- Trusted and respected among its downstream users across business segments
- Strong dealer network and loyal customer base across market segments
- De-risked 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
- Proximity to key downstream users
- Among the handful manufacturers of IPA and TAN Solids in India and the second largest Nitric Acid producer in South East Asia
- Well-established sourcing partners with port and gas pipeline infrastructure for importing raw materials
- Strong management team

Opportunities

- Being present in critical growth sectors of the economy, the Company is poised for strong growth with the overall growth of the Indian economy.
- Graduation 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 digitalilsation 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 rates, 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
- 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, 2020, the Company has followed the applicable accounting standards without any alternative treatment.

Human Resources

2019-20 has been a year of business transformation and the associated need to further strengthen people practices keeping its business contextual in this journey. The core human resource management agenda continues to focus on:

- Enhancing people and business performance by deepening and sharpening focus on the performance management framework.
- Productive cost management by revisiting the organisational structure to make it lean, agile and productive.
- Building functional capabilities through the formation of a Technical Training Center for Manufacturing and Sales Academy addressing CNB capability enhancement proved to be a catalyst.
- Leadership Development by investing disproportionate time, effort and support to people occupying key leadership roles.
- Facilitating cultural change management through the development of enablers that integrated desired behaviours in employee lives through campaigns promoting reward of role models, recognition of success stories, innovation contests enhancing creative expression & potential, ideas that transformed business practices, diagnostic studies that measured effectiveness and the implementation of action plans. Pan-organisational deep people engagement was facilitated through coffee talks, skip-level meetings, town halls, etc.
- Leveraging technologies by automating key HR processes that enhance the user experience on the one hand and accelerate or simplify processes on the other.
- Employee inclusivity & well-being: Through a balance of professional and personal interests comprising fun, healthy and a conducive work environment journey of employee participation was reinforced. This included a diverse range of activities such as participating in performing arts, sports activities, yoga & aerobic sessions, marathons, trekking, family get-togethers, medical checks, family picnics, participating in social works and health awareness workshops.

Recognising the company's superior human resource practices, DFPCL received the 'Top Organisation with Innovative HR Practices' award from Asia Pacific HRM Congress and the coveted 'Best Employer Brand Award' from World HRD Congress.

Total employees as on 31st March, 2020 stood at 1,945.

COVID-19 impact management

The COVID-19 pandemic affected the Company's supply chain, resources availability and seamless flow of work. The Company's operations & sales organisation continued to operate despite these challenges.

In a responsible measure, the company did not retrench, but took interventions to provide employees with a sense of purpose and reinforce its business continuity plan. The Company utilised the opportunity to enhance competencies through classroom, eLearning programs and the use of social communication platforms. Work from home was widely used to ensure people are virtually connected to support the business. During this time, sustenance of plant operations with enhanced focus on EHS and Covid care to employees/contract labours and other stakeholders, remained top priority areas. The Company has proactively undertaken various health & hygiene measures, including an adherence to Government guidelines/ advisories, across all its locations.

Various initiatives undertaken to safeguard health and hygiene

With the help of the government authorities, the Company operated its manufacturing plants, ensuring conformance with all the required safety guidelines. It ensured regular disinfection of the manufacturing units, arranges for thermal scanners for the employees and taken additional precaution for staffs working in high population density areas. It made wearing masks compulsory in its factory premises and placed hand sanitizers at entry and exit points across all its manufacturing units.

Outlook

The outlook remains optimistic with an enhanced focus on productivity, cost optimisation, innovation and effective execution. The Company's products fall under Essential Categories; there has been renewed vigour on the sector's services by various business units. The robustness of the Company's business model along with sectorial optimism makes the Company's outlook a strong one.

Internal Control Systems & their Adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

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, FY2020.

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, 2020

Sr. No.	Category	Name of Director
1	Promoter and Executive Director	Shri S. C. Mehta, Chairman & Managing Director
2	Promoter & Non-Executive Director	Smt. Parul S. Mehta
3	Non-Executive and Non Independent Director	Shri M. P. Shinde
4	Independent Directors	Shri Partha Bhattacharyya
		Shri Berjis Desai
		Shri Mahesh Chhabria
		Shri Pranay Vakil
		Shri Ashok Purwaha
		Shri Alok Perti[1]
		Dr. Amit Biswas[2]
		Shri Bhuwan Chandra Tripathi[3]
		Smt. Renu Challu[4]
		Shri Sujal Shah[5]
		Shri Anil Singhvi[6]

1&2 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.

3. The Board at its meeting held on 13th February, 2020 appointed Shri Bhuwan Chandra Tripathi as Independent Directors w.e.f. 13th February, 2020

4&5. The Board on the recommendation of Nomination and Remuneration Committee had approved the appointment of Smt. Renu Challu as Woman Independent Director w.e.f. 13th May, 2020 and Shri Sujal Shah as Independent Director w.e.f. 30th June, 2020

6. 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 2019-2020 and the Annual General Meeting (AGM) held on 14th August, 2019 are as follows:

Five Board Meetings were held during the Financial Year 2019-2020. These meetings were held on 22nd April, 2019, 30th May, 2019, 14th August, 2019, 13th November, 2019 and 13th February, 2020. 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	5	Yes	1	12	0	0
2.	Shri Partha Bhattacharyya	5	Yes	3	6	3	1
3.	Smt. Parul S. Mehta	5	Yes	1	7	0	0
4.	Shri Pranay Vakil	4	Yes	3	1	4	2
5.	Shri M. P. Shinde	5	Yes	1	1	1	0
6.	Shri Ashok Purwaha	5	Yes	1	1	0	0
7.	Shri Mahesh Chhabria	5	Yes	6	4	4	2
8.	Shri Berjis Desai	4	Yes	6	7	9	4
9.	Shri Alok Perti	5	Yes	2	3	2	1
10.	Dr. Amit Biswas	5	Yes	1	1	0	0
11.	Shri Bhuwan Chandra Tripathi@	1	N.A.	1	0	0	0
12.	Smt. Renu Challu&	N.A	N.A	4	0	5	3
13.	Shri Sujal Shah^	N.A	N.A	6	6	8	3
14.	Shri Anil Singhvi*	N.A	N.A	N.A	N.A	N.A	N.A

$ Excludes directorships of foreign companies and dormant companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

@ The Board at its meeting held on 13th February, 2020 appointed Shri Bhuwan Chandra Tripathi as Independent Director w.e.f. 13th February, 2020

& The Board on the recommendation of Nomination and Remuneration Committee had approved the appointment of Smt. Renu Challu as Woman Independent Director w.e.f. 13th May, 2020.

^ The Board on the recommendation of Nomination and Remuneration Committee had approved the appointment of Shri Sujal Shah as an Independent Director w.e.f. 30th June, 2020.

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

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, 2020 are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1.	Shri S. C. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Chairman & Managing Director
2.	Smt. Parul S. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non Independent Director
3.	Shri Berjis Desai	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Praj Industries Limited	Independent Director
		Man Infraconstruction Limited	Independent Director
		Jubiliant Foodworks Limited	Independent Director
		Edelweiss Financial Services Limited	Independent Director
		The Great Eastern Shipping Company Limited	Non-Executive Non- Independent Director
4.	Shri Partha Bhattacharyya	Tide Water Oil Co. India Limited	Independent Director
		Ramkrishna Forgings Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
5.	Shri Pranay Vakil	Godrej Properties Limited	Independent Director
		Onward Technologies Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
6.	Shri Mahesh Chhabria	Kirloskar Industries Limited	Managing Director
		Kirloskar Oil Engines Limited	Non-Executive Non Independent Director
		Kirloskar Ferrous Industries Limited	Non-Executive Non Independent Director
		Tube Investments of India Limited	Independent Director
		Wabco India Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
7.	Shri Ashok Purwaha	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
8.	Shri M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
9.	Shri Alok Perti	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Shalimar Paints Limited	Independent Director
10.	Dr. Amit Biswas	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
11.	Shri Bhuwan Chandra Tripathi$	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

$ The Board at its meeting held on 13th February, 2020 appointed Shri Bhuwan Chandra Tripathi as an Independent Director w.e.f. 13th February, 2020

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:

Audit & Risk Management, Corporate Governance, CSR & NGO matters, Finance & Taxation, Global Business Leadership, Human Resources, Law, Management & Strategy, Operations & Engineering, Regulatory & Government matters, Research & Development, Sales, International Business and Business Management.

Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that w.e.f. the financial year ended 31 March 2020, the names of directors who have such skills/expertise/competence shall be disclosed, which are as below:

However, in the absence of a mark against a director's name does not necessarily mean the director does not possess the corresponding qualification and skill.

	Area of Expertise												
Director	Audit & Risk Management	Corporate Governance	CSR & NGO matters	Finance & Taxation	Global Business Leadership	Human Resources	Law	Management & Strategy	Operations & Engineering	Regulatory & Government matters	Research & Development	Sales	International Business
Shri S. C. Mehta	✓	✓	✓		✓	✓		✓	✓				✓
Smt. Parul S. Mehta		✓	✓	✓		✓		✓			✓	✓	
Shri Berjis Desai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Partha Bhattacharyya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Pranay Vakil	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Mahesh Chhabria	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Ashok Purwaha	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri M. P. Shinde	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Alok Perti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Amit Biswas	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Bhuwan Chandra Tripathi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Renu Challu	✓	✓	✓	✓	✓	✓		✓				✓	✓
Shri Sujal Shah	✓	✓		✓	✓		✓	✓	✓	✓			

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 (as amended) 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.

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, Six Committee Meetings were held on 30th May, 2019, 13th August, 2019, 13th November, 2019, 21st November, 2019, 13th February, 2020 and 11th March, 2020. The attendance of the Members were as follows:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Mahesh Chhabria, Chairman	6	6
Shri Pranay Vakil	6	4
Shri Partha Bhattacharyya*	6	6
Shri M. P. Shinde	6	6

* 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 14th August, 2019.

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 Stakeholders Relationship 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 security holders and to improve the efficiency in service to security holders.

The terms of reference of Stakeholders Relationship Committee are in line with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which includes inter alia, the following:

1. Resolving the grievances of the security holders,
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. To review measures taken for effective exercise of voting rights by shareholders; and
4. 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 21st November, 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	1	1
Shri Partha Bhattacharyya	1	1
Shri Berjis Desai	1	1

Details of complaints received during the financial year 2019-20 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	2	Nil	Nil
Non-receipt of annual report	3	Nil	Nil
Non-receipt of dividend warrants	1	Nil	Nil
Issue of duplicate share certificates	6	Nil	Nil
Others (relates to non-receipt of shares, demat, change of address, Bank details, signature correction of name etc	7	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, two Committee Meetings were held on 30th May, 2019, and 5th February, 2020.

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Berjis Desai, Chairman	2	2
Shri Pranay Vakil	2	1
Shri Mahesh Chhabria*	1	1
Dr. Amit Biswas#	1	1

* Shri Mahesh Chhabria ceased to be the member of the Committee w.e.f. 14th August, 2019

Dr. Amit Biswas was inducted as the member of the Committee w.e.f. 14th August, 2019

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, One Committee Meeting was held on 13th November, 2019. The attendance of the Members were as follows:

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

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

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

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, one committee meeting was held on 11th December 2019. The Composition of the Committee is as given below:

Name of Director	No. of Meetings entitled to attend	No. of Meetings attended
Shri Partha Bhattacharyya, Chairman	1	1
Shri M. P. Shinde	1	1
Shri Ashok Kumar Purwaha	1	1

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, one Committee Meeting were held on 12th November, 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	1	1
Smt. Parul Mehta	1	1
Shri Partha Bhattacharyya	1	1

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.

The terms of reference of the Committee is in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 12th February, 2020:

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

* Dr. Amit Biswas was appointed as the member of the Committee w.e.f. 30th May, 2019

Shri Anil Singhvi resigned as a Director of the Company w.e.f. 19th April, 2019 and hence ceased to be the Chairman & member of the Committee.

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, three committee meetings were held on 8th May, 2019, 1st October, 2019 and 19th October, 2019. 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	3	2
Shri Pranay Vakil	3	2
Shri M. P. Shinde*	3	3
Shri S. C. Mehta*	3	3
Shri Amitabh Bhargava*	3	3

* 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.

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

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 as below

Sr. No.	Particulars
1.	Shri S.C. Mehta - Chairman
2.	Smt. Parul S. Mehta - Member
3.	Shri Amitabh Bhargava* - Member
4.	Shri K. Subharaman* - Member
5.	Shri Pranav Thakkar* - Member
6.	Shri Deepak Balwani* - Member

During the year under review, 28 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, *Shri K. Subharaman and *Shri Deepak Balwani are not directors of the Company but are members 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 2019-20. The Board at its Meeting held on 30th June, 2020 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 27th March, 2020 via Video Conferencing on account of COVID 19 to 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 measures 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 by email.

Code of Conduct

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2019-20. 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

As reported in the last year's Annual Report, the shareholders of the Company at the Annual General Meeting held on 21st September, 2017 had 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 2019-20:

(in ₹)

Name of Director	Designation	Salary and Allowances	Perks	Commission	Others (PF and Super Annuation)	Total
Shri S. C. Mehta	Chairman & Managing Director	2,64,11,538	82,73,454	-	42,35,769	**3,89,20,762**

Managerial Remuneration paid / accrued by the Company for the financial year ended 31st March, 2020 which exceeds the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder by ₹ 2,64,76,762 and hence, is subject to the approval of the shareholders in the Annual 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 2019-20 and Commission paid for Financial Year 2019-20 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:

The payments of Commission 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.

Further, for the Financial Year ended 31st March, 2019 and 31st March, 2020, the Company had inadequate of profits. Hence, the Company decided not to pay commission to Non-Executive Directors of the Company for the Financial Years 2018-19 and 2019-20. Hence, no commission was paid to the Non-Executive Directors for the Financial Years 2018-19 and 2019-20.

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

Details of Shares held by Non-Executive Directors as on 31st March, 2020:

Sr. No.	Non-Executive Director	Holding
1.	Smt. Parul S. Mehta	1,226 Equity Shares
2.	Shri Pranay Vakil	4,475 Equity Shares
3.	Shri M.P. Shinde	1,000 Equity Shares
4.	Shri Partha Bhattacharyya	Nil
5.	Shri Berjis Desai	Nil
6.	Shri Mahesh Chhabria	Nil
7.	Shri Ashok Kumar Purwaha	Nil
8.	Shri Alok Perti	Nil
9.	Dr. Amit Biswas	Nil
10.	Shri Bhuwan Chandra Tripathi	Nil

Annual General Meeting

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

Particulars	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19
Day	Thursday	Tuesday	Wednesday
Date	21st September, 2017	18th September, 2018	14th August, 2019
Time	12:00 Noon	11:30 a.m.	11:30 a.m.
Venue	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	Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Off Airport Road, Yerawada, Pune - 411 006
Whether any special resolutions passed	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.	Yes • To waive of excess managerial remuneration aggregating to ₹ 249.39 Lakhs paid to Shri S. C. Mehta, Chairman and Managing Director. • To 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.

Special resolutions passed through Postal Ballot

During the year under review, the following Special Resolution was passed:

Ratifications of resolution pertaining to Foreign Currency Convertible Bonds issued, and to be issued, pursuant to special resolution passed at Annual General Meeting of shareholders held on 18th September, 2018 and14th August, 2019.

Shri S. V. Deulkar, Partner, SVD & Associates, Practising Company Secretaries (Membership No. FCS1312, CP No. 965) or failing him Shri Sridhar Mudaliar, Partner SVD & Associates, Practising Company Secretaries, (Membership No. FCS 6156, CP No. 2664) was appointed to act as the Scrutiniser for conducting voting process in a fair and transparent manner.

The Result of the Postal Ballot was announced on 13th January, 2020 and details of voting result on the resolutions were as follows:

Sr. No.	Description	Votes (No. of shares and %)	
		In favour	Against
1	Ratifications of resolution pertaining to Foreign Currency Convertible Bonds issued, and to be issued, pursuant to special resolution passed at Annual General Meeting of shareholders held on 18th September, 2018 and14th August, 2019.	4,80,19,272 98.6541%	6,55,122 1.3459%

Whether any special Resolution is proposed to be conducted through Postal Ballot

There is no immediate proposal for passing any resolution through postal ballot.

Procedure for postal ballot

The Company had sent the postal ballot notice dated 13th November, 2019 and postal ballot form along with postage pre-paid business reply envelope to shareholders/beneficial owners through email at their registered email IDs and through physical copy to the shareholders who have not registered their email IDs. The Company had also published notice in the newspapers for the information of the shareholders. The voting rights were reckoned on the equity shares held by the shareholders as on the cut-off date that was 6th December, 2019. The voting period for postal ballot and E-voting was from 13th December, 2019 to 11th January, 2020.

The postal ballot results were intimated to the stock exchanges pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as displayed on the Company's website www.dfpcl.com. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

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 Fortieth Annual General Meeting, forming part of this Annual Report.

iii. **Pecuniary relationship/transaction with non-executive directors**

During the year under review, there was no pecuniary relationship/transaction with any non-executive director of the Company.

iv. **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 2019-20, 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, the 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. The 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, 2020; 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 circulars dated 25th July, 2019 and 17th September, 2019, 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 13th February, 2020, amended the Company's Insider Trading Policy.

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

ix. Material Subsidiaries

The material subsidiaries of the Company are Smartchem Technologies Limited and Performance Chemiserve Limited 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/2020/02/Policy-on-determining-material-subsidiaries.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. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32A of SEBI Listing regulations

During the year under review, the Company has raised funds through preferential allotment in the following manner:

Sr. No.	Mode of Fund Raising	Name of the party to whom the securities were issued	Date of Raising Funds	Amount Raised
1	Issue of warrants convertible into Equity Shares	Robust Marketing Services Private Limited	1st October, 2019	₹ 25 Crores
2	Issue of Foreign Currency Bonds	International Finance Corporation	19th October, 2019	(US$ 15 Million) Approx. ₹ 107 Crore

There is no deviation or variation on in the utilisation of the aforesaid funds and the funds were used for the objects stated in the Notice of the Annual General Meeting held on 18th September, 2018.

xi. Confirmation by the Board of Directors on 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.

xii. 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 2019-20.

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

The report is unqualified.

There are no observations in the aforesaid report.

xiii. 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.

There are no observations in the aforesaid report.

xiv. Disclosure of total fees paid to the Statutory Auditors

During the year under review, total of ₹ 41 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.

xv. 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.

xvi. Commodity price risk or foreign exchange risk and hedging activities

As on 31st March, 2020, the Company does not have any exposure hedged through commodity derivatives.

On the foreign exchange risk, 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 / options contracts.

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 Company has its own website, www.dfpcl.com, which contains all important public domain information including press releases, presentations, if any, made to the analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including details of the contact persons of the Company and of the share transfer agent of the Company, shareholding pattern etc.

GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting Day, Date, Time and Venue	:	Monday, 21st September, 2020 at 11.00 a.m. The Company would be conducting meeting through video conferencing ('VC')/ other audio visual means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM.
2.	Financial year / Calendar		
	-Results for first quarter ending June 30, 2020	:	Within 45 days from the end of the quarter
	-Results for second quarter ending September 30, 2020	:	Within 45 days from the end of the quarter
	-Results for third quarter ending December 31, 2020	:	Within 45 days from the end of the quarter
	-Results for financial year ending March 31, 2021	:	Within 60 days from the end of the financial year
3.	Date of Book Closure	:	Thursday, 17th September,2020 to Monday, 21st September, 2020
4.	Dividend Payment Date	:	After 26th September, 2020 but not later than 20th October, 2020
5.	Registered Office and CIN	:	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036 CIN : L24121MH1979PLC021360
6.	Phone, 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, District: 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	:	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9.	Phone, E-mail of RTA	:	Phone : (040) 6716 2222 Email: einward.ris@kfintech.com
10.	Listing on Stock Exchanges	:	BSE Limited (BSE) 1st Floor, New Trading Ring Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001 and National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor Plot No. C-1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400 051. Annual Listing fee for financial year 2019-20 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 2019-20:

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2019	169.00	122.00	39,487.45	38,460.25
May, 2019	157.40	120.80	40,124.96	36,956.10
June, 2019	145.60	106.20	40,312.07	38,870.96
July, 2019	118.55	80.00	40,032.41	37,128.26
August, 2019	92.30	76.45	37,807.55	36,102.35
September, 2019	112.65	77.15	39,441.12	35,987.80
October, 2019	110.70	86.15	40,392.22	37,415.83
November, 2019	115.15	93.35	41,163.79	40,014.23
December, 2019	101.55	88.55	41,809.96	40,135.37
January, 2020	126.85	95.70	42,273.87	40,476.55
February, 2020	115.65	85.00	41,709.30	38,219.97
March, 2020	94.55	57.00	39,083.17	25,638.90

12. Distribution of shareholding as on 31st March, 2020: 1,08,219 shareholders held 8,92,84,425 equity shares of ₹ 10/- each.

Distribution of Shareholding as on 31/03/2020 (TOTAL)					
Sl. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	1,00,110	92.51	1,13,75,978	12.74
2	5001 - 10000	4,369	4.04	34,48,210	3.87
3	10001 - 20000	1,869	1.73	28,06,060	3.14
4	20001 - 30000	609	0.56	15,63,153	1.75
5	30001 - 40000	274	0.25	9,79,794	1.10
6	40001 - 50000	242	0.22	11,38,676	1.27
7	50001 - 100000	368	0.34	27,16,022	3.04
8	100001 and above	378	0.35	6,52,56,532	73.09
	TOTAL:	1,08,219	100.00	8,92,84,425	100.00

13. Share Transfer System:

As the members are aware, the Company has appointed KFin Technologies 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 are not accepting 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. KFin Technologies Private Limited, at its office at 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 8,46,84,034 Equity Shares (94.85% of paid-up capital) held by 75,838 shareholders (70.08 % of total number of shareholders) have been dematerialised as on 31st March, 2020.

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

Warrants:

During the last Financial Year i.e. 2018-2019, the Company had allotted 64,76,893 Convertible Warrants to Robust Marketing Services Private Limited [RMSPL] a Promoter Company on 16th October, 2018. RMSPL paid a sum of ₹ 50 Crore being 25% of ₹ 200 crore [total value of the issue] being Upfront Warrant Subscription amount in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations. RMSPL was given a right to apply for and get allotted one equity share of the Company of face value of ₹ 10/- each for each Warrant, within a period of 18 months from the date of allotment of Warrants, at a price of ₹ 308.79 /- .

The Securities Issue Committee of the Company on 1st October, 2019 had allotted 10,79,482 fully paid up equity shares to RMSPL, after receiving further payment of ₹ 25 Crore from RMSPL as per the terms of warrants issue. Thus, an amount of ₹ 8.34 crore was adjusted from the initial payment of Upfront Warrant Subscription amount leaving a balance amount of ₹ 41.66 crore yet to be adjusted against issue of equity shares.

RMSPL had to pay the balance sum of ₹ 125 crore at any time on or before 15th April, 2020 as per SEBI ICDR regulations (being 18 months from the date of allotment of warrants) for conversion of the entire warrants into equity shares or part payments for pro-rata allotment of equity shares as done earlier.

On request from the Company, SEBI had granted time of one more month i.e. till 15th May 2020 in order to subscribe to equity shares by conversion of warrants to RMSPL.

Since, the Company did not receive the balance subscription amount of ₹ 125 crore from RMSPL before the extended due date i.e. 15th May 2020, the balance lying in the Company paid as Upfront Warrant Subscription Amount towards 25% of the issue price of the warrants and still not converted by RMSPL into equity amounting to ₹ 41.66 Crore, stands forfeited in terms of Regulation 169 (3) of the aforesaid SEBI (ICDR) Regulations.

Further, the Company had received a communication from the Promoters reiterating their commitment to infuse fund in the Company with a request for exploring alternative options to do so.

The Board of Directors of the Company in its meeting held on 25th May 2020, approved Rights Issue to the existing shareholders of the Company upto an amount of ₹ 180 crore. The Company has informed the stock exchanges accordingly. The Company has appointed BobCapital Markets Ltd as Lead Manager and Khaitan & Co as External General Counsel to the said Rights issue. The Board has constituted a Rights Issue Committtee to look into the other aspects w.r.t. rights issue.

Convertible Securities:

As informed in the last year's Annual Report, 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).

Further, the Securities Issue Committee of the Company at its meeting held on 19th October 2019, allotted 30 (Thirty) Foreign Currency Convertible Bonds (Convertible Securities) having a par value of US$ 500,000 each, being the first tranche, to International Finance Corporation ("IFC"), for an aggregate amount of US$ 15 million (Approx. ₹ 107 Crores).

The Company has informed the Stock Exchanges under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that there has been no deviation or variation in utilisation of the funds raised through issuance of warrants to Robust Marketing Services Private Limited and issuance of Foreign Currency Convertible Bonds to IFC through preferential allotment.

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.

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 2019-20.

The bifurcation of the shares transferred to IEPF during Financial Year 2019-20 is as given below:

Category	Number of holders	No. of shares
Physical	1,099	1,06,825
NSDL	29	2,654
CDSL	14	636
Total	1,142	1,10,115

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. The 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, 2020.

During the year under review, ICRA Limited has assigned the following ratings:

Type of Instruments	Ratings Action
Non-convertible debenture	[ICRA]A+ (Stable) withdrawn
Term Loan	[ICRA]A+(Stable); Reaffirmed
Cash Credit	[ICRA]A+(Stable); Reaffirmed
Non-fund based limits	[ICRA]A1; Reaffirmed

20. Change in the name of RTA

During the year under review, the name of RTA has been changed from Karvy Fintech Private Limited to KFin Technologies Private Limited w.e.f. 5th December, 2019.

21. Annual General Meeting to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. For more details, shareholders are requested to go through the Annual General Meeting Notice.

Further, pursuant to the relevant MCA and SEBI circulars in view of the continuing Covid-19 pandemic, Annual Reports are being sent through e-mail only.

To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFin by clicking on the link https://ris.kfintech.com/email_registration/

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 2019-20.

Pune
Dated : 30th June, 2020

S. C. MEHTA
Chairman & Managing Director

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Deepak Fertilisers and Petrochemicals Corporation Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 8th June, 2020.

2. The report contains details of compliance of conditions of Corporate Governance by Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company"), for the year ended 31 March 2020, as stipulated in regulations 17, 18, 19, 20, 22, 23, 24, 24A, 25, 26, 27, clauses (b) to (i) of regulation 46(2) 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

3. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents.

4. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's responsibility

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

6. 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 the Listing Regulations for the year ended 31st March, 2020.

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special purposes'(Revised 2016) and Guidance Note on Certification of Corporate Governance', both issued by 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.

8. 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 Services Engagements.

Opinion

9. 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 by regulations 17, 18, 19, 20, 22, 23, 24, 24A, 25, 26, 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on use

11. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling 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: 20101190AAAAAZ2445

Place: Pune
Date: 30th June, 2020

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 2020, and the standalone statement of profit and loss (including other comprehensive loss), 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 2020, and profit and other comprehensive loss, 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 which describes that a Search was carried out by the Income Tax Department on the Company in November 2018. Pursuant to notice received in the last quarter of the year 2019-20, the Company has filed revised tax returns for Assessment Years 2013-2014 to 2018-2019. Management does not expect any additional liability to devolve on the Company and no provision has been recognised as at 31 March 2020. Though the Company has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.

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.

DESCRIPTION OF KEY AUDIT MATTERS

Useful lives of Property, Plant and Equipment ("PPE")

(refer note 2.3(c) and note 3 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
During FY 2020, the Dahej Nitric Acid Project was commissioned and property, plant and equipment additions amounting to ₹ 46,527 Lakhs were capitalized. The PPE additions above included used PPE items on which significant refurbishment costs were incurred prior to installation. The carrying value of such used PPE assets as at 31 March 2020 was ₹ 19,672 Lakhs. Evaluation of the useful life of used PPE assets is a complex matter which involved technical assessment and was subject to significant estimation uncertainty. Accordingly, we identified determination of the useful life of used PPE assets as a key audit matter. The Company has appointed an external expert to assess the useful lives of used PPE assets.	Our audit procedures included the following: • Evaluated the design and operating effectiveness of key internal financial controls over estimation of useful lives of used PPE assets; • Compared the list of used PPE assets capitalized during FY 2020 with the assessment shared as per the Company's external expert's report and the PPE additions listing; • Assessed the competence, capabilities and objectivity of external expert engaged by the Company; • Gained an understanding of the work of the expert by evaluating their report; • Used our internal specialist to evaluate the technical assessment and useful life estimation performed by the Company's expert; • Compared the useful lives of used PPE assets to similar used assets which were capitalized in the previous accounting periods; and • Assessed the adequacy of the disclosures made by the Company relating to useful life of the used PPE assets in the standalone financial statements.

Contingencies and Provisions

(refer note 42 and note 47 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 and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the standalone financial statements. These estimates could change over time as new facts emerge and as each matter progresses. Accordingly, we identified Contingencies and Provisions as a key audit matter.	Our audit procedures included the following: • Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; • Obtained the Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2020 and post year-end status of litigations; • Inquired with the Company's external legal counsels, where applicable, to understand the Company's assessment of the litigations and claims; • Evaluated the Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Company's past estimates/judgements; • Performed test checks on the provision made/ contingent liabilities/ other significant litigations /disclosures made in the standalone financial statements; • Involved our experts to gain an understanding and to evaluate disputed direct and indirect tax matters and evaluate positions taken by the Company; and • Assessed the adequacy of the disclosures made by the Company relating to contingencies and provisions in the standalone financial statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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 AND BOARD OF DIRECTORS' 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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.

2. (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 loss), 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 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 standalone 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 2020 on its financial position in its standalone financial statements - Refer note 42 and note 47 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 Lakhs)	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to 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 2020.

   (C) With respect to the matter to be included in the Auditors' Report under Section 197 (16) of the Act, we report that:

   We draw attention to Note 46 to the standalone financial statements for the year ended 31 March 2020 according to which the managerial remuneration paid/ accrued to the Managing Director of the Company (amounting to ₹ 389.21 Lakhs) exceeds the prescribed limits under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 264.77 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

   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 No.: 101190
UDIN: 20101190AAAABA1678

Place: Pune
Date: 30 June 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED – 31 MARCH 2020

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 2020, 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 ₹ 16,538 Lakhs as at 31 March 2020.

(ii) The inventory, except goods in transit and stock with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stock lying with third parties at the year end, written confirmations have been obtained and in respect of good-in-transit, subsequent goods delivery documents have been verified by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(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 Sections 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 delays in Income tax (tax deducted at source and collected at source), Provident fund and Labor welfare fund ranging from 7 days to 31 days. As explained to us, during the year, the Company did not have any dues on account of Cess.

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 2020, 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 as at 31 March 2020, which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)#	Amount paid under protest (₹ in Lakhs)	Financial year to which the amount relates	Forum where the 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	7,196	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	Income Tax Assessing Officer
The Central Excise Act, 1944	Excise duty demands	1,355	20	Financial Year 2007-08 to Financial Year 2010-11 and Financial Year 2015-16	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty demands	893	-	Financial Year 2008-09 to Financial Year 2009-10	Supreme Court
Finance Act, 1994 (Service Tax)	Service tax Demands	183	18	Financial Years 2015-16	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax Demands	1,881	-	Financial Year 2006- 07 to Financial Year 2011- 12	Bombay High Court
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	1,999	155	Financial Years 2004-05 to 2006-2007 and Financial Year 2010-11 to 2013-14	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	775	233	Financial Year 2005-06 to 2009-10	Joint Commissioner of Commercial Taxes (Appeals), Belgavi
The Central Sales Tax Act, 1956	Sales tax demands	912	-	Financial Year 2014-15	Joint Commissioner of Appeals of Sales Tax, Pune
The Central Sales Tax Act, 1956	Sales tax demands	9	1	Financial year 2015-2016	Dy. Commissioner of Sales Tax, Madhya Pradesh
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	887	425	Financial Year 2005-06, Financial Year 2011-12, Financial Year 2011-12	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose 1985	Lease tax on crane hire charges	0.2	-	Financial Year 1990-1991	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	4,663	1,635	Financial Years 2012-2013 to 2016-2017	Maharashtra Sales Tax Tribunal, Mumbai
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	7	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibaug Division, Marine & Preventive Wing Mumbai
Custom Tariff Act, 1975	Custom Valuation rules	418	49		The Directorate of Revenue Intelligence, Kolkata

Amount disclosed above includes interest and penalty, wherever applicable.

(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 financial institutions, government or debenture holders 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 read with Schedule V to the Act by ₹ 264.77 Lakhs. The Company is in the process of obtaining approval from shareholders at the forthcoming annual general meeting for such excess remuneration paid (refer note 46).

(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 based on 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 No.: 101190
UDIN: 20101190AAAABA1678

Place: Pune
Date: 30 June 2020

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 2020

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 2A (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 standalone financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") as of 31 March 2020 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 No.: 101190
UDIN: 20101190AAAABA1678

Place: Pune
Date: 30 June 2020

Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	97,381	69,741
Capital work-in-progress	4	2,346	50,610
Investment property	5	3,146	51
Right of use assets	6	9,205	-
Other intangible assets	7	831	222
Investment in subsidiaries and associates	8	81,601	80,759
Financial assets			
i. Investments	9	69	69
ii. Loans	13	-	45
iii. Other financial assets	16	4,283	2,634
Income tax assets (net)		10,341	7,883
Other non-current assets	17	7,190	10,019
Total non-current assets		**2,16,393**	**2,22,033**
Current assets			
Inventories	18	9,998	13,160
Investment in equity share (held-for-sale)	10	589	2,356
Financial assets			
i. Investments	11	-	291
ii. Trade receivables	12	41,245	43,734
iii. Cash and cash equivalents	14	9,005	4,044
iv. Bank balances other than cash and cash equivalents	15	9,617	2,352
v. Loans	13	1,389	6,075
vi. Other financial assets	16	892	1,458
Other current assets	19	6,290	6,161
Total current assets		**79,025**	**79,631**
Total assets		**2,95,418**	**3,01,664**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	8,928	8,820
Other equity	21	1,54,886	1,51,766
Total equity		**1,63,814**	**1,60,586**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	22	57,676	40,113
ii. Lease liabilities	6	1,291	-
iii. Other financial liabilities	24	307	-
Provisions	25	2,445	1,628
Deferred tax liabilities (net)	27	1,463	418
Total non-current liabilities		**63,182**	**42,159**

Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2020	31 March 2019
Current liabilities			
Financial liabilities			
i. Borrowings	23	17,387	27,288
ii. Lease liabilities	6	633	-
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises		268	132
(b) total outstanding dues of creditors other than micro and small enterprises	26	31,865	52,804
iv. Other financial liabilities	24	8,904	8,356
Other current liabilities	28	2,694	3,933
Provisions	25	6,191	5,926
Current tax liabilities (net)		480	480
Total current liabilities		**68,422**	**98,919**
Total liabilities		**1,31,604**	**1,41,078**
Total equity and liabilities		**2,95,418**	**3,01,664**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the Standalone Financial Statements	3 - 49		

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 June 2020

Place: Pune
Date: 30 June 2020

Statement of Profit and Loss for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2020	31 March 2019
Revenue from operations	29	1,70,775	3,14,888
Other income	30	6,772	2,359
Total income		**1,77,547**	**3,17,247**
EXPENSES			
Cost of materials consumed	31	74,003	88,019
Purchases of stock-in- trade	32	62,071	1,85,392
Changes in inventories of finished goods & stock-in-trade	33	3,737	8,207
Employee benefits expense	34	6,844	6,042
Finance costs	35	8,525	8,018
Depreciation and amortisation expense	36	7,228	4,804
Other expenses (net)	37	12,946	15,651
Total expenses		**1,75,354**	**3,16,133**
Profit before tax		**2,193**	**1,114**
Tax expense			
Current tax		-	314
Deferred tax (credit)/charge		(878)	8
Total tax (reversal)/expense		**(878)**	**322**
Profit for the year		**3,071**	**792**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations - loss		(586)	(575)
Income tax relating to this item		147	201
Total (A)		**(439)**	**(374)**
(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)
Income tax relating to this item		-	18
Total (B)		**-**	**(33)**
Other comprehensive loss for the year (A+B), net of tax liability		**(439)**	**(407)**

Statement of Profit and Loss for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2020	31 March 2019
Total comprehensive income for the year		**2,632**	**385**
Earnings per equity share of ₹ 10 each			
i) Basic (in ₹)		3.46	0.90
ii) Diluted (in ₹)		3.46	0.90
Weighted average number of equity shares of ₹ 10 each		8,87,41,735	8,82,04,943
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the Standalone Financial Statements	3 - 49		

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 June 2020

Place: Pune
Date: 30 June 2020

Standalone Statement of Changes in Equity for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	31 March 2020	31 March 2019
Balance at the beginning of the year	8,820	8,820
Shares issued during the year	108	-
Balance at the end of the year	8,928	8,820

B. OTHER EQUITY

	Share warrants, Reserves and surplus						Items of Other Comprehensive Income (OCI)		Total
	Securities premium	Capital redemption reserve	Share warrants	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	
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 1 April 2019	**10,799**	**150**	**5,000**	**-**	**17,710**	**1,18,656**	**(45)**	**(504)**	**1,51,766**
Profit for the year	-	-	-	-	-	3,071	-	-	3,071
Other comprehensive income	-	-	-	-	-	-	-	(439)	(439)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,071**	**-**	**(439)**	**2,632**
Conversion of share warrant to equity	3,225	-	(833)	-	-	-	-	-	2,392
Issue of foreign currency convertible bonds	-	-	-	1,286	-	-	-	-	1,286
Dividend	-	-	-	-	-	(2,646)	-	-	(2,646)
Tax on dividend	-	-	-	-	-	(544)	-	-	(544)
Balance as at 31 March 2020	**14,024**	**150**	**4,167**	**1,286**	**17,710**	**1,18,537**	**(45)**	**(943)**	**1,54,886**

Note: Refer note 21 for nature and purpose of other equity.

The accompanying notes 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 June 2020

Place: Pune
Date: 30 June 2020

Statement of Standalone Cash Flows for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	2,193	1,114
Adjustments for		
Depreciation and amortisation expense	7,228	4,804
(Profit)/Loss on sale of property, plant and equipment	(3,566)	29
Provision for doubtful trade receivables	318	85
Income on financial guarantee	(294)	-
Gain on sale of investments	(1,112)	(590)
Changes in fair value of financial assets through profit or loss	89	-
Provision for stores and spares	303	-
Provision for capital work in progress	575	-
Unrealised loss on embedded derivative contracts	190	-
Interest income	(561)	(1,282)
Finance costs	8,525	8,018
Unrealised foreign exchange fluctuations loss (net)	547	968
Cash generated from operations before working capital changes	14,435	13,146
Change in trade receivables	2,183	59,790
Change in inventories	2,859	9,562
Change in trade payables	(21,221)	2,621
Change in other financial liabilities	655	429
Change in other financial assets	(1,679)	(1,225)
Change in other non-current assets	1,097	(974)
Change in other current assets	(129)	1,723
Change in provisions	496	105
Change in other current liabilities	(1,239)	(601)
Cash (used in) / generated from operations	(2,543)	84,576
Income taxes paid (net)	(820)	(1,581)
Net cash (used in) / generated from operating activities	(3,363)	82,995
Cash flows from investing activities		
Purchase of additional shares in subsidiary/associate	(3)	-
Purchase of property, plant and equipment, intangible assets (including net movement in Capital work-in-progress)	(5,632)	(26,553)
Proceeds from sale of property, plant and equipment	9,723	69
Purchase of investments	(90,450)	(2,73,325)
Proceeds from sale of investments	90,800	3,02,027
Loans to subsidiaries	(1,315)	(25,000)
Repayment of loans by subsidiaries	6,000	19,000
Repayment of loans by employees and other loans given	20	150

Statement of Standalone Cash Flows for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Proceeds from sale of investment in associate	2,820	-
Fixed deposits placed	(19,724)	(1,791)
Fixed deposits matured	12,426	200
Interest received	1,434	456
Net cash generated from / (used in) investing activities	**6,099**	**(4,767)**
Cash flows from financing activities		
Proceeds from borrowings - non current	11,327	20,713
Proceeds from issue of foreign currency convertible bonds	10,549	-
Proceeds from borrowings - current	75,432	15,789
Repayment of borrowings - current	(85,333)	(1,05,925)
Proceeds of call on share capital	2,500	-
Repayment of lease payables	(611)	-
Share warrant	-	5,000
Interest paid	(8,482)	(10,500)
Dividends paid (including dividend distribution tax)	(3,157)	(6,380)
Net cash generated from / (used in) financing activities	**2,225**	**(81,303)**
Net increase/ (decrease) in cash and cash equivalents	**4,961**	**(3,075)**
Cash and cash equivalents at the beginning of the year (refer note 14)	4,044	7,119
Cash and cash equivalents at end of the year (refer note 14)	**9,005**	**4,044**

The accompanying notes form an integral part of the Standalone 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 June 2020

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 June 2020

NOTES

To the standalone financial statements for the year ended 31 March 2020

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 June 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone 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 Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, 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 liabilities 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.

Provisions for Litigations and claims

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. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

Impairment of investment in subsidiaries

The Company reviews its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone Statement of Profit and Loss.

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 versus 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 non-current.

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.

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

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the standalone Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

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 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(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 standalone Statement of Profit and 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 standalone Statement of Profit and Loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 7
License fees	3 to 7

(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) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the standalone Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the standalone Statement of Profit and Loss in the period of de-recognition.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the standalone Balance Sheet.

(h) Foreign currency transactions and balances

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the standalone Statement of Profit and Loss.

(i) 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 standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in standalone 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 standalone 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 standalone 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.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(j) Leases

The Company has adopted Ind AS 116 effective from 1 April 2019 using the modified retrospective approach. For the purpose of preparation of standalone financial statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020. Accordingly, the Company has not restated comparative information. There is no adjustment to the opening balance of retained earning as on 1 April 2019.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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.

(k) 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 and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted 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.

(l) 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 standalone Statement of Profit and Loss.

(m) 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 standalone 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.

(n) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the standalone Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the standalone Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the standalone Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the standalone Statement of Profit and Loss.

(o) 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 standalone Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the standalone Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

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 standalone Statement of Profit and Loss.

(p) 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.

(q) 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.

(r) 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 foreseeable 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.

(s) 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.

(t) 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.

(u) Business combinations

The Company accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(v) 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 contingent 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.

(w) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2019-20, except for implementation of Ind AS 116 as described in point 2.3 (j) of accounting policies.

(x) Recent Indian Accounting Standard (Ind AS) and note on COVID-19

i) Recent accounting pronouncements which are not yet effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications which would be applicable from 1 April 2020.

ii) Note on COVID-19

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of the Company's locations (manufacturing, offices, etc.) are scaled down or shut down in compliance with the directives/orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities.

As per management's current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 3: PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount											
Balance 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
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 1 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
Gross carrying amount											
Balance as at 1 April 2019	14,705	13,792	22,697	30,554	258	2,006	891	1,732	275	1,867	88,777
Additions	-	-	10,391	40,907	-	167	213	308	36	253	52,275
Disposals	-	-	-	(3,260)	(258)	-	-	(102)	(41)	(220)	(3,881)
Reclassified on account of adoption of Ind AS 116	-	(13,792)	-	-	-	-	-	-	-	-	(13,792)
Adjustment (Transfer to Investment property)*	(3,095)	-	-	-	-	-	-	-	-	-	(3,095)
Gross carrying amount as at 31 March 2020	11,610	-	33,088	68,201	-	2,173	1,104	1,938	270	1,900	1,20,284

(All amounts in ₹ Lakhs unless otherwise stated)

	Freehold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Accumulated depreciation											
Balance as at 1 April 2019	-	(450)	(2,177)	(12,805)	(24)	(1,132)	(430)	(990)	(179)	(849)	(19,036)
Depreciation charge for the year (refer footnote 1 below)	-	-	(1,487)	(5,257)	(25)	(164)	(116)	(326)	(22)	(455)	(7,852)
Reclassified on account of adoption of Ind AS 116	-	450	-	-	-	-	-	-	-	-	450
On disposals	-	-	-	3,212	49	-	-	90	39	145	3,535
Accumulated depreciation as at 31 March 2020	-	-	(3,664)	(14,850)	-	(1,296)	(546)	(1,226)	(162)	(1,159)	(22,903)
Net carrying amount as at 31 March 2020	11,610	-	29,424	53,351	-	877	558	712	108	741	97,381

1 Depreciation amounting to ₹ 1,473 Lakhs (31 March 2019 : ₹ 1,014 Lakhs) has been recharged to 100% subsidiary Smartchem Technologies Limited for sharing of common facilities.

* Freehold vacant land parcel located at Yerwada, Pune has been categorised as Investment property as per Ind AS 40, based on Management re-assessment of use of vacant land parcel as at 31 March 2020.

Refer Note 22 footnote for information on Property, plant and equipment provided as security by the Company.

Refer Note 35 for finance cost capitalized.

Refer Note 34 for salary cost capitalized.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 4: CAPITAL WORK-IN-PROGRESS

	31 March 2020	31 March 2019
Projects (Mainly comprising of building and plant & machinery) #	1,725	48,274
Others	621	2,336
Total	**2,346**	**50,610**

Includes borrowing cost ₹ Nil (31 March 2019 ₹ 4,858 Lakhs)

NOTE 5: INVESTMENT PROPERTY

	31 March 2020	31 March 2019
Gross block		
Opening balance	51	51
Reclassification from Property, plant and equipment	3,095	-
Closing balance	3,146	51
Accumulated depreciation		
Opening balance	-	-
Depreciation	-	-
Closing balance	-	-
Balance as on 31 March 2020	**3,146**	**51**

(i) Fair value

	31 March 2020	31 March 2019
Investment properties	8,894	564

a) **Disclosures relating to fair valuation of investment property**

Fair value of the above investment property as at 31 March 2020 is ₹ 8,894 Lakhs (31 March 2019: ₹ 564 Lakhs) based on external valuation.

Fair value Hierarchy

The fair values of investment properties have been determined by an external independent property valuers, 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 vacant land at Yerwada.

(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: LEASES

A. Right of use assets

	Leasehold Building	Leasehold land	Furniture and fixtures	Total
Gross carrying amount				
Balance as at 1 April 2019	2,266	-	-	2,266
Add: Reclassification on account of adoption of Ind AS 116	-	13,342	-	13,342
Add: Additions	-	-	302	302
Less: Disposals	(245)	(5,801)	-	(6,046)
Gross carrying amount as at 31 March 2020	**2,021**	**7,541**	**302**	**9,864**
Accumulated amortization				
Balance as at 1 April 2019	-	-	-	-
Amortisation for the year	(493)	(134)	(32)	(659)
Accumulated depreciation as at 31 March 2020	(493)	(134)	(32)	(659)
Net carrying amount as at 31 March 2020	**1,528**	**7,407**	**270**	**9,205**

B. Lease liabilities

	31 March 2020
Current	633
Non Current	1,291
Total	**1,924**

C. Interest expenses on lease liabilities

	31 March 2020
Interest on lease liabilities	223

D. Expenses on short term leases / low value assets

	31 March 2020
Short term leases	1,403
Low value assets	-

(All amounts in ₹ Lakhs unless otherwise stated)

E. Amounts recognised in the statement of cash flow

	31 March 2020
Total cash outflow for leases	611

F. Maturity analysis – contractual undiscounted cash flows

	31 March 2020
Less than one year	633
One to five years	1,793
More than five years	-
Total undiscounted lease liabilities at 31 March 2020	2,426

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The incremental borrowing rate of 9.65% p.a. has been applied to lease liabilities recognised in the Balance Sheet.

Operating Leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 7: OTHER INTANGIBLE ASSETS

	Computer Software	License Fees	Total
Gross carrying amount as on 1 April 2018	98	329	427
Additions during the year	152	9	161
Gross carrying amount as on 1 April 2019	250	338	588
Additions during the year	583	216	799
Gross carrying amount as on 31 March 2020	833	554	1,387
Accumulated Amortisation			
Accumulated amortisation as at 1 April 2018	64	198	262
Amortisation charge for the year	52	52	104
Accumulated amortisation as at 1 April 2019	116	250	366
Amortisation charge for the year	102	88	190
Closing accumulated amortisation as at 31 March 2020	218	338	556
Net Block as at 31 March 2019	134	88	222
Net Block as at 31 March 2020	615	216	831

NOTE 8: INVESTMENT IN SUBSIDIARIES & ASSOCIATES - NON-CURRENT

	31 March 2020	31 March 2019
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,50,000 (31 March 2019: 1,70,50,000) equity shares of Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 each	81,563	80,724
1,60,000 (31 March 2019: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	20	20
9,998 (31 March 2019: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1
43,350 (31 March 2019: 43,350) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
74,995 (31 March 2019: 49,994) equity shares of Ishanya Brand Services Limited of ₹ 10 each	8	5
Investments in equity shares (unquoted) of Associates (fully paid up)		
49,994 (31 March 2019: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
4,000 (31 March 2019: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of ₹ 10 each#	0	0
Total	81,601	80,759
Aggregate amount of unquoted investments	81,601	80,759

less than ₹ 50,000/-

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 9 : INVESTMENTS

	31 March 2020	31 March 2019
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
88,448 (31 March 2019: 88,448) equity shares of Deepak International Limited of $ 1 each	69	69
Total	69	69

NOTE 10 : INVESTMENTS IN EQUITY SHARES (HELD-FOR-SALE)

	31 March 2020	31 March 2019
Investments in equity shares (unquoted) (fully paid up) carried at lower of cost or net realisable value		
12,70,341 (31 March 2019: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	589	2,356
Total	589	2,356

The Company has signed Share purchase agreement with Contract Farming India A.G. (CFI) on 6 April 2019 to sell shares at ₹ 74 per share for a total consideration of ₹ 3,760 Lakhs. During the year, the Company has transferred 38,11,022 shares to Contract Farming India A.G. (CFI) at consideration of ₹ 74 per share for total consideration of ₹ 2,820 Lakhs.

NOTE 11: CURRENT INVESTMENTS

	31 March 2020	31 March 2019
Quoted		
Investment in Government Securities (carried at fair value through OCI)	-	291
Total	-	291

NOTE 12: TRADE RECEIVABLES

	31 March 2020	31 March 2019
Trade Receivables		
Unsecured, considered good	41,245	43,734
Unsecured, credit Impaired	632	314
Less: Impairment loss allowance	(632)	(314)
Total	41,245	43,734

Movement in allowance for expected credit loss:

	31 March 2020	31 March 2019
Balance at beginning of the year	314	229
Add: Allowance for expected credit loss	318	85
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	632	314

Trade receivables have been offered as security against the working capital facilities provided by the banks (refer note 23).

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 13: LOANS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loans to subsidiaries (Refer Note 43)	1,336	-	6,021	-
Loans to employees	32	-	4	-
Other loans	21	-	50	45
Unsecured, considered doubtful				
Other loans	26	-	60	-
Less: Provision for doubtful loans	(26)	-	(60)	-
Total	**1,389**	**-**	**6,075**	**45**

NOTE 14: CASH & CASH EQUIVALENTS

	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	6,751	2,617
- in EEFC accounts	12	49
Deposits with original maturity upto three months	2,234	22
Cash on hand	8	6
Cheques in hand	-	1,350
Total	**9,005**	**4,044**

NOTE 15: OTHER BANK BALANCES

	31 March 2020	31 March 2019
Earmarked balances with banks		
Unclaimed dividend	767	800
Deposits with maturity upto 12 months from the reporting date	8,850	1,552
Total	**9,617**	**2,352**

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 16: OTHER FINANCIAL ASSETS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Derivatives				
Foreign-exchange forward contracts	29	-	-	-
Foreign-exchange option contracts	341	-	-	-
Interest receivable				
(i) From bank	339	-	498	-
(ii) From others	133	-	847	-
Security deposits	-	2,776	-	2,579
Others				
(i) Amount paid under protest for claims from supplier*	-	1,507	-	-
(ii) Others	50	-	113	55
Total	**892**	**4,283**	**1,458**	**2,634**

* Included in supplier claim (refer note 42)

NOTE 17: OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
Capital advances	163	1,895
Balance with government authorities	7,013	8,084
Prepaid Expenses	14	40
Total	**7,190**	**10,019**

NOTE 18: INVENTORIES

	31 March 2020	31 March 2019
Raw materials ((includes ₹ 355 Lakhs in transit)(31 March 2019 ₹ 3 Lakhs))	2,943	2,128
Finished goods	1,020	1,560
Stock-in-trade ((includes ₹ Nil in transit)(31 March 2019 ₹ 1,741 Lakhs))	2,670	5,867
Stores and spares	3,340	3,347
Packing material	25	258
Total	**9,998**	**13,160**

Inventories have been offered as security against the working capital facilities provided by the banks (refer note 23).

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 19: OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
Advances for supply of goods and services	521	527
Balances with government authorities	4,039	3,907
Prepaid expenses	1,704	1,687
Other receivables	26	40
Total	**6,290**	**6,161**

NOTE 20: SHARE CAPITAL

	31 March 2020	31 March 2019
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	13,505
(31 March 2019: 13,50,50,000 equity shares of ₹ 10/- each)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
8,92,84,425 equity shares of ₹ 10/- each.	8,928	8,820
(31 March 2019: 8,82,04,943 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**8,928**	**8,820**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	8,82,04,943	8,820	8,82,04,943	8,820
Add: Issued during the year (refer note 21(c))	1,079,482	108	-	-
	8,92,84,425	**8,928**	**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 2020		31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,27,06,848	47.83%	4,27,06,848	48.42%

NOTE 21: 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 previous year, the Company has issued 64,76,893 convertible warrants at an issue price of ₹ 308.79 per warrant each to a promoter 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. Out of 64,76,893 warrants issued, 10,79,482 are converted in equity shares during the year.

(d) **Equity portion of non-current borrowings (FCCB):** During the year, the Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards.

(e) **General reserve:** This represents appropriation of profits by the Company to General Reserve and is available for distribution of dividend.

(f) **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) has been 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 2020	31 March 2019
₹ 3 per equity share (31 March 2019 : ₹ 3 per equity share)	2,679	2,646

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 22: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2020	31 March 2019
Secured - at amortised cost				
Term loans from banks				
(i) Bank of Baroda	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.05% to 9.40% per annum	19,350	18,122
(ii) Export Import Bank of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.35% to 9.55% per annum	22,186	21,991
(iii) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of April 2022	9.85% per annum	9,904	-
Unsecured - at amortised cost				
(iv) Foreign currency convertible bonds issued to International Finance Corporation (IFC), USA (refer note (c) below)		5% simple interest per annum and 1.75% compound interest per annum	9,312	-
Total non-current borrowings			60,752	40,113
Less: Current maturities of long-term debt (included in note 24)			3,076	-
Total			57,676	40,113

a) The term loan (i) and (ii) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu 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.

b) The term loan (iii) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

c) The FCCB's will be pari passu with the senior unsecured creditors of the Company. The Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. The FCCBs are convertible into equity shares of the Company at a predetermined price of INR 250 per share at the option of IFC and carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the FCCB's will rank pari passu in all respects with the existing shares of the Company. In the event of non-conversion till the end of the stipulated period, the amount raised through the issue of FCCBs is repayable in full to IFC. The FCCBs carry a coupon rate of 5% simple interest p.a., payable semi annually and 1.75% compound interest p.a., payable on redemption.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 23: CURRENT BORROWINGS

	31 March 2020	31 March 2019
Loans repayable on demand		
From banks		
Secured		
- Buyer's credit	-	1,126
- Short term loans	17,122	23,348
- Cash credit facilities	-	2,441
- Bill discounting	-	373
Unsecured		
From related parties	265	-
Total	17,387	27,288

RECONCILIATION OF BORROWINGS

	31 March 2020	31 March 2019
Non-current borrowings	60,752	40,113
Current borrowings	17,387	27,288
	78,139	67,401
Equity portion of non-current borrowings	(1,286)	-
Deferred tax on equity portion of non-current borrowings	(432)	-
Unrealized forex Loss	481	-
Proceeds from borrowings	97,308	36,502
Repayment of borrowings	(85,333)	(105,925)
Movement of borrowings (net)	**10,738**	**(69,423)**

i) Short term loan from bank is repayable on demand, carries average interest rate of 9.35% (31 March 2019 - 8.57%) 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.

ii) Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year Nil (31 March 2019 - 2.41%) 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.

iii) Cash credit is repayable on demand and carries variable rate of interest. Average interest rate for the year is Nil (31 March 2019 - 8.21%). 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.

iv) Debtors bill discounting is availed at interest rates Nil (31 March 2019 - 8.50% to 14%) and is secured by hypothecation of debtors and stocks.

v) Unsecured loan is availed from related party Deepak Agro Solutions Ltd and is repayable on demand.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 24: OTHER FINANCIAL LIABILITIES

	31 March 2020	31 March 2019
Non-current		
Financial guarantee liability	307	-
Total	**307**	**-**
Current		
Current maturities of non-current borrowings	3,076	-
Interest accrued	269	337
Security deposits	748	577
Capital creditors	1,883	5,425
Foreign-exchange forward contracts payables (net)	-	682
Financial guarantee liability	237	-
Salary payables	2,045	1,247
Others	646	88
Total	**8,904**	**8,356**

NOTE 25: PROVISIONS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	300	925	300	105
Compensated absences	561	1,079	384	1,009
Defined pension benefits	154	14	66	60
Total (A)	**1,015**	**2,018**	**750**	**1,174**
Provisions for tax contingencies (refer note below)	5,176	-	5,176	-
Provision for site restoration (refer note below)	-	427	-	454
Total (B)	**5,176**	**427**	**5,176**	**454**
Total (A+B)	**6,191**	**2,445**	**5,926**	**1,628**

Movement in Provisions for tax contingencies	
As at 1 April 2018	5,854
Additional provisions recognised	-
Excess amounts reversed	(678)
As at 1 April 2019	5,176
Additional provisions recognised	-
Excess amounts reversed	-
As at 31 March 2020	5,176

(All amounts in ₹ Lakhs unless otherwise stated)

The provision is mainly on account of entry tax and MVAT applicable on purchase of natural gas.

Movement in provision for site restoration	
As at 1 April 2018	373
Additional provisions recognised	81
As at 1 April 2019	454
Additional provisions recognised	41
Excess amounts reversed	(68)
As at 31 March 2020	427

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 Company has certain defined contribution plan 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 2020	31 March 2019
Employer's contribution to provident fund	185	196
Employer's contribution to employee's pension scheme	54	55
Employer's contribution to superannuation fund	193	160
Employer's contribution to employee state insurance#	0	1

#less than ₹ 50,000/-

(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 6.40% p.a. (31 March 2019: 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 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2019: 6% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans 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 2019: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	4,344	3,650
Current service cost	308	294
Interest cost	311	258
Actuarial loss	605	574
Benefits paid	(377)	(432)
Present value of obligation at the end of the year	5,191	4,344

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the end of the year	5,191	4,344
Fair value of plan assets at the end of the year	3,966	3,939
Net liabilities recognised in the Balance Sheet	1,225	405

Fair value of plan assets:

Particulars	31 March 2020	31 March 2019
Plan assets at the beginning of the year	3,939	3,820
Expected return on plan assets	284	280
Contribution by employer	372	408
Actual benefit paid	(685)	(500)
Actuarial gain/(loss)	56	(69)
Plan assets at the end of the year	3,966	3,939

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	308	294
Interest cost	311	258
Expense recognised in the Statement of Profit and Loss	619	552

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial loss on Defined benefit obligation	605	574
Actuarial (gain)/loss on plan assets	(56)	69
Amount recognised in the Other Comprehensive Income	549	643

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2020	31 March 2019
Experience Loss on plan liabilities	115	339
Demographic Loss on plan liabilities	38	100
Financial Loss on plan liabilities	451	136
Experience (Gain) / Loss on plan assets	(56)	69

Categories of the fair value of total plan assets:

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	3,966	3,939

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2020		31 March 2020	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(185)	200	149	(140)

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)

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 2020	31 March 2019
Within the next 12 months (next annual reporting period)	1,822	901
Later than 1 year and not later than 5 years	2,830	3,068
Later than 5 year and not later than 9 years	2,783	2,655
Total expected payments	7,435	6,624

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 the service after ten years of service are eligible for certain benefits like medical, fuel, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation done.

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 6.40% p.a. (31 March 2019: 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 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	126	154
Current service cost	32	42
Interest cost	8	11
Actuarial loss	37	(68)
Benefits paid	(35)	(13)
Present value of obligation at the end of the year	168	126

(All amounts in ₹ Lakhs unless otherwise stated)

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	32	42
Interest cost	8	11
Expense recognised in the Statement of Profit and Loss	40	53

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial loss/(gain) on Defined benefit obligation	37	(68)
Amount recognised in the Other Comprehensive Income	37	(68)

Sensitivity analysis :

Particulars	31 March 2020		31 March 2019	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(35)	46	(26)	35

Note 26: TRADE PAYABLES

Particulars	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro and small enterprises	268	132
(b) total outstanding dues of creditors other than micro and small enterprises# *	31,865	52,804
Total	**32,133**	**52,936**

Includes payable to related party ₹ 156 Lakhs (31 March 2019: ₹ Nil)

* Trade payable as stated above includes trade payables related to materials for ₹ 22,056 Lakhs (31 March 2019: ₹ 38,733 Lakhs)

Particulars	31 March 2020	31 March 2019
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	268	132
- Interest due thereon	7	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	711	677
Amount of interest due and payable on delayed payments	12	12
Amount of interest accrued and remaining unpaid as at year end	31	12
The amount of further interest remaining due and payable even in the succeeding year	-	-

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.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 27: DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

Particulars	31 March 2020	31 March 2019
(a) Deferred tax assets	(2,546)	(3,358)
(b) Deferred tax liabilities	4,009	3,776
Deferred tax liabilities (net)	**1,463**	**418**

Movements in deferred tax liabilities:

Movements during the year ended 31 March 2020:

	1 April 2019	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2020
Property, plant and equipment, investment property and intangibles assets	3,776	(258)	-	3,518
Business losses comprising Unabsorbed tax depreciation	-	(1,176)	-	(1,176)
Financial assets at fair value through profit or loss	(157)	44	(147)	(260)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,222)	112	-	(1,110)
MAT credit	(1,718)	1,718	-	-
Foreign Currency Convertible Bonds	-	459	-	459
Others	(261)	293	-	32
Deferred tax liabilities (net)	**418**	**1,192**	**(147)**	**1,463**

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)
Deferred tax liabilities (net)	**629**	**8**	**(219)**	**418**

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 28: OTHER CURRENT LIABILITIES

	31 March 2020	31 March 2019
Advances from customers	717	612
Unclaimed dividend [#]	767	800
Statutory dues payable	1,201	2,299
Other payables	9	222
Total	**2,694**	**3,933**

[#] ₹ 90 Lakhs (31 March 2019 ₹ 71 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 2019 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

NOTE 29: REVENUE FROM OPERATIONS

	31 March 2020	31 March 2019
Sale of products		
- Finished goods	97,812	113,746
- Traded goods	70,666	198,934
Power generated from windmills	745	818
Revenue from realty operation	1,498	971
Other operating revenues	54	419
Total	**1,70,775**	**3,14,888**

Contracts with customers

Particulars	31 March 2020	31 March 2019
Revenue recognised from contracts with customers	1,70,775	3,14,888
Disaggregation of revenue		
Based on type of goods		
- Sale of industrial chemicals	97,812	113,746
- Sale of traded products -		
(i) Industrial chemicals	70,001	197,750
(ii) Value added real estate (VARE) - Sale of furniture	665	1,184
- Revenue from power generated from windmills	745	818
- Revenue from realty operation	1,498	971
- Other operating revenues	54	419
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers as at 31 March 2020	632	314

(All amounts in ₹ Lakhs unless otherwise stated)

Details of contract balances:

	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance of receivables	43,734	1,03,630
Closing balance of receivables	41,245	43,734

Significant changes in the contract liability balances during the year ended are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Contract liabilities at the beginning of the year	**612**	**2,497**
Revenue recognised that was included in the contract liability balance at the beginning of the year	612	2,497
Increase due to cash received, excluding amounts recognised as revenue during the year	717	612
Contract liabilities at the end of the year	**717**	**612**

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 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:

	31 March 2020	31 March 2019
Contract price	1,76,042	3,22,594
Less:		
Amount recognised as Discounts / shortages	5,267	7,706
Revenue recognised in the statement of profit and loss	**1,70,775**	**3,14,888**

(All amounts in ₹ Lakhs unless otherwise stated)

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 30: OTHER INCOME

	31 March 2020	31 March 2019
Interest income	561	1,282
Net gain on sale of investments #	1,112	590
Gain on sale of land and property, plant and equipment #	3,566	-
Other non-operating income	1,533	487
Total	**6,772**	**2,359**

Other income includes profit on sale of plot of industrial leasehold land at Dahej, Gujarat as part of the strategy to divest non-core assets amounting to ₹ 3,544 Lakhs and profit on sale of investment in an associate amounting to ₹ 1,053 Lakhs.

NOTE 31: COST OF MATERIALS CONSUMED

	31 March 2020	31 March 2019
Raw materials as at the beginning of the year	2,128	1,277
Add: Purchases during the year	74,818	88,870
Less: Raw material as at the end of the year	2,943	2,128
Total	**74,003**	**88,019**

NOTE 32: PURCHASE OF STOCK-IN-TRADE

	31 March 2020	31 March 2019
Purchases of stock-in- trade	62,071	185,392
Total	**62,071**	**185,392**

NOTE 33: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2020	31 March 2019
Opening balance		
Finished goods	1,560	641
Stock-in-trade	5,867	14,993
Total opening balance	**7,427**	**15,634**
Closing balance		
Finished goods	1,020	1,560
Stock-in-trade	2,670	5,867
Total closing balance	**3,690**	**7,427**
Total	**3,737**	**8,207**

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 34: EMPLOYEE BENEFIT EXPENSES

	31 March 2020	31 March 2019
Salaries, wages and bonus * #	5,732	4,992
Contribution to provident fund & other funds	848	787
Staff welfare expenses	264	263
Total	6,844	6,042

(*) Net of recharges of ₹ 6,401 Lakhs (31 March 2019 : ₹ 5,701 Lakhs) to subsidiary company - Smartchem Technologies Limited.

(#) Salary of ₹ 163 Lakhs (31 March 2019 : ₹ Nil) capitalised in property, plant and equipment during the year.

NOTE 35: FINANCE COSTS

	31 March 2020	31 March 2019
Interest and finance charges #	8,637	10,500
Less: Interest capitalised	(112)	(2,482)
Total	8,525	8,018

#Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ Nil (31 March 2019: ₹ 212 Lakhs).

NOTE 36: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2020	31 March 2019
Depreciation on property, plant and equipment *	6,379	4,700
Amortisation of right of use assets	659	-
Amortisation on intangible assets	190	104
Total	7,228	4,804

(*) Net of recharges of ₹ 1,473 Lakhs (31 March 2019 : ₹ 1,014 Lakhs) to a subsidiary company - Smartchem Technologies Limited.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 37: OTHER EXPENSES (NET)

	31 March 2020	31 March 2019
Consumption of stores and spares	2,407	1,176
Power, fuel and water*	886	579
Repairs to :		
- Building	165	182
- Plant and machinery	1,749	1,462
- Others	535	539
Rent	270	260
Insurance	522	423
Rates, taxes and duties #	204	372
Travelling and conveyance	123	192
Legal and professional fees	588	1,582
Payments to auditors (note 37(a) below)	41	43
Directors' fees	40	50
Carriage outward (net)	1,462	4,401
Loss on disposal of property, plant and equipment	-	29
Commission on sales	42	43
Sales and promotion expenses	365	391
Utility services	293	306
Communication expenses	59	57
Corporate social responsibility expenditure (note 37(b) below)	62	58
Foreign exchange fluctuations loss (net)	1,350	1,636
Provision for doubtful debts, advances and other receivable (net)	318	85
Miscellaneous expenses@	1,465	1,785
Total	**12,946**	**15,651**

Other expenses are net of recharges of ₹ 3,909 Lakhs (31 March 2019 : ₹ 4,037 Lakhs) to subsidiary company - Smartchem Technologies Limited.

* net of reversal of MSEB electricity duty provision ₹1,923 Lakhs (31 March 2019 : ₹ 1,642 Lakhs)

net of reversal of local body tax of ₹ 949 Lakhs (31 March 2019 : net of reversal of provision for penalty on entry tax ₹ 1,063 Lakhs)

@ Miscellaneous expenses include ₹ 575 Lakhs of Provision for capital work in progress.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2020	31 March 2019
Payment to auditors		
As auditor:		
Audit fee	32	31
Certification fees in the capacity of statutory auditors	6	8
In other capacities		
Re-imbursement of expenses	3	5
Total	**41**	**43**

NOTE 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2020	31 March 2019
Contributions to Ishanya Foundation	40	41
Others	22	17
Total	**62**	**58**
Amount required to be spent as per Section 135 of the Act	222	332
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	62	58

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2020			31 March 2019		
	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						
- Investments in equity shares	-	69	-	-	69	-
- Debt & Government securities	-	-	-	-	291	-
Trade receivables	-	-	41,245	-	-	43,734
Cash and cash equivalents	-	-	9,005	-	-	4,044
Other bank balances	-	-	9,617	-	-	2,352
Loans	-	-	1,389	-	-	6,120
Other financial assets	-	-				
- Security deposits	-	-	2,776	-	-	2,579
- Interest receivable	-	-	472	-	-	1,345
- Derivative financial asset, not designated as hedges	370	-	-	-	-	-
- Others	-	-	1,557	-	-	168
Total financial assets	**370**	**69**	**66,061**	**-**	**360**	**60,342**
Financial liabilities						
Borrowings	-	-	75,063	-	-	67,401
Lease Liabilities	-	-	1,924	-	-	-
Trade payables	-	-	32,133	-	-	52,936
Other financial liabilities						
- Current maturities of long term debt	-	-	3,076	-	-	-
- Derivative financial liabilities, not designated as hedges	-	-	-	682	-	-
- Capital creditors	-	-	1,883	-	-	5,425
- Security deposits	-	-	748	-	-	577
- Interest accrued	-	-	269	-	-	337
- Embedded derivative	190	-	-	-	-	-
- Financial guarantee liability	544	-	-	-	-	-
- Others	-	-	2,501	-	-	1,335
Total financial liabilities	**734**	**-**	**1,17,597**	**682**	**-**	**1,28,011**

(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. 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 2020				31 March 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVOCI								
Equity instruments	-	-	69	69	-	-	69	69
Debts & Government Securities	-	-	-	-	291	-	-	291
Derivatives								
Foreign exchange forward contracts/options	-	370	-	370	-	-	-	-
Total financial assets	**-**	**370**	**69**	**439**	**291**	**-**	**69**	**360**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	-	-	-	-	682	-	682
Embedded derivative	-	190	-	190	-	-	-	-
Financial guarantee liability	-	544	-	544	-	-	-	-
Total financial liabilities	**-**	**734**	**-**	**734**	**-**	**682**	**-**	**682**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2020 and 31 March 2019.

(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 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.

(All amounts in ₹ Lakhs unless otherwise stated)

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 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 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 and investments.

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 credit worthiness 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, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is ₹ 506 Lakhs (31 March 2019: ₹ 1,346 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2020 or 31 March 2019.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2020	31 March 2019
Balance at the beginning of the year	314	229
Add: Allowance for expected credit loss	318	85
Less: Reversed / utilized during the year	-	-
Balance at the end of the year	632	314

(All amounts in ₹ Lakhs unless otherwise stated)

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 expected credit loss has been provided on these 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 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 department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury team. 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 2020	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	75,063	20,463	31,454	23,146	75,063
Lease liabilities	1,924	633	1,291	-	1,924
Trade payables	24,097	24,097	-	-	24,097
Other financial liabilities	9,090	8,783	307	-	9,090
Total non-derivative liabilities	**1,10,174**	**53,976**	**33,052**	**23,146**	**1,10,174**
Derivatives financial liabilities					
Interest accrued	121	121	-	-	121
Trade payables	8,036	8,036	-	-	8,036
Total derivative liabilities	**8,157**	**8,157**	**-**	**-**	**8,157**

31 March 2019	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 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**

(All amounts in ₹ Lakhs unless otherwise stated)

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 exposed to risk are USD, AED 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. 44.

FOREIGN CURRENCY BALANCES OUTSTANDING

	AED in Lakhs	USD in Lakhs	EURO in Lakhs
Assets			
Exports Receivables			
31 March 2020	-	9	-
31 March 2019	-	3	-
Liabilities			
Trade Payables			
31 March 2020	-	127	-
31 March 2019	44	368	6
Net (payable)/receivable in FC Lakhs			
31 March 2020	-	(118)	-
31 March 2019	(44)	(365)	(6)

(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 2020	31 March 2019
USD sensitivity		
₹/USD - appreciated by 1% (31 March 2019 -1%)	89	252
₹/USD - depreciated by 1% (31 March 2019 -1%)	(89)	(252)
EUR sensitivity		
₹/EUR - appreciated by 1% (31 March 2019 -1%)	-	5
₹/EUR - depreciated by 1% (31 March 2019 -1%)	-	(5)

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 interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31 March 2020	31 March 2019
Variable rate borrowings	60,752	42,555
Fixed rate borrowings	17,387	24,846
Total borrowings	**78,139**	**67,401**

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings.

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 2020 would decrease / increase by ₹ 304 Lakhs (for the year ended 31 March 2019: decrease / increase by ₹ 213 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.

(All amounts in ₹ Lakhs unless otherwise stated)

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).

The gearing ratios were as follows:

	31 March 2020	31 March 2019
Net debt	59,517	61,005
Total equity	1,63,814	1,60,586
Net debt to equity ratio	**0.36**	**0.38**

(b) Dividends

	31 March 2020	31 March 2019
(i) Equity shares		
Final dividend for the year ended 31 March 2019 of ₹ 3 per fully paid equity share (31 March 2018 of ₹ 6 per fully paid equity share)	2,646	5,292
(ii) Dividend not recognised at the end of the reporting period		
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 2019 : ₹ 3 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,679	2,646

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (A) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

A Significant influence over the entity

1 Nova Synthetic Limited

B Entity with joint control

1 Yerrowda Investments Limited

C Subsidiaries

Direct

1 Smartchem Technologies Limited (STL)

2 Deepak Mining Services Private Limited (DMSPL)

3 Deepak Nitrochem Pty Limited

4 SCM Fertichem Limited

5 Ishanya Brand Services Limited (with effect from 23 March 2020)

Indirect

1 Platinum Blasting Services Pty Limited [PBS] (Subsidiary of STL)

2 Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited)

3 Australian Mining Explosives Pty Ltd (Subsidiary of PBS)

4 Complete Mining Solution Private Limited (formerly known as RungePincockMinarco India Private Limited) (Subsidiary of DMSPL)

5 Mahadhan Farm Technologies Private Limited (Subsidiary of STL with effect from 01st October 2019)

D Associates

1 Ishanya Realty Corporation Limited

2 Mumbai Modern Terminal Market Complex Private Limited

3 Desai Fruits Venture Private Limited (formerly known as Desai Fruits and Vegetables Private Limited) (for the period upto 18 July 2019)

4 Ishanya Brand Services Limited (for the period upto 22 March 2020)

E Key management personnel

(a) Executive directors

1 Mr. Sailesh Mehta

(b) Non-executive directors

1 Mrs. Parul Mehta

2 Mr. Madhumilan Shinde

(c) Non-executive Independent directors

1 Mr. Berjis Desai

2 Mr. Ashok Purwaha

3 Mr. Mahesh Chhabria

4 Mr. Pranay Vakil

5 Mr. Anil Singhvi (upto 19 April 2019)

6 Mr. Alok Perti (from 22 April 2019)

7 Dr. Amit Biswas (from 22 April 2019)

8 Mr. Partha Bhattacharyya

9 Mr. Bhuwan C Tripathi (from 13 February 2020)

(d) Company Secretary

1 Mr. K Subharaman

(e) Chief Finance Officer

1 Mr. Amitabh Bhargava

(f) Relatives of key management personnel

1 Mr. Yeshil Mehta

2 Ms. Rajvee Mehta

F Other related parties

1 Ishanya Foundation

2 Deepak Foundation

3 Robust Marketing Services Private Limited

5 Deepak Nitrite Limited

6 Deepak Phenolics Limited

7 Deepak Agro Solution Limited

The above list includes the Companies with whom the Company has entered into the transactions during the year.

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (B) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2020							31 March 2019						
		Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total	Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total
1	**Sale of goods**														
	Smartchem Technologies Limited	-	58,140	-	-	-	-	58,140	-	43,388	-	-	-	-	43,388
	Deepak Nitrite Limited	-	-	-	-	-	6,953	6,953	-	-	-	-	-	8,901	8,901
	Deepak Phenolics Limited	-	-	-	-	-	21	21	-	-	-	-	-	-	-
	Ishanya Brand Services Ltd	-	438	-	-	-	-	438	-	-	-	-	-	-	-
2	**Rendering of services/ reimbursement of expenses**														
	Smartchem Technologies Limited	-	13,736	-	-	-	-	13,736	-	12,889	-	-	-	-	12,889
	Performance Chemiserve Private Limited	-	340	-	-	-	-	340	-	244	-	-	-	-	244
	SCM Fertichem Limited	-	53	-	-	-	-	53	-	4	-	-	-	-	4
	Ishanya Foundation	-	-	-	-	-	4	4	-	-	-	-	-	4	4
	Ishanya Brand Services Ltd	-	171	-	-	-	-	171	-	-	-	-	-	-	-
3	**Interest income on loan given**														
	Deepak Mining Services Private Limited	-	1	-	-	-	-	1	-	1	-	-	-	-	1
	Smartchem Technologies Limited	-	98	-	-	-	-	98	-	1,013	-	-	-	-	1,013
	SCM Fertichem Limited	-	11	-	-	-	-	11							
4	**Interest expense on loan taken**														
	Deepak Agro Solution Ltd		-	-	-	-	(14)	(14)		-	-	-	-	-	-
5	**Purchase of goods**														
	Smartchem Technologies Limited	-	(14,564)	-	-	-	-	(14,564)	-	(20,803)	-	-	-	-	(20,803)
6	**Receiving of services/ reimbursement of expenses**														
	Yerrowda Investments Limited	(86)	-	-	-	-	-	(86)	(31)	-	-	-	-	-	(31)
	Performance Chemiserve Private Limited	-	(239)	-	-	-	-	(239)	-	(244)	-	-	-	-	(244)
	M P Shinde	-	-	-	(8)	-	-	(8)	-	-	-	(15)	-	-	(15)
	Ishanya Foundation	-	-	-	-	-	(1)	(1)	-	-	-	-	-	(1)	(1)
	Crawford Bailey & Co.	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (B) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2020							31 March 2019						
		Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total	Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total
7	**Asset Sale**														
	Smartchem Technologies Limited	-	686	-	-	-	-	686	-	-	-	-	-	-	-
	Deepak Nitrite Limited	-	-	-	-	-	9,925	9,925	-	-	-	-	-	-	-
	SCM Fertichem Limited	-	461	-	-	-	-	461	-	-	-	-	-	-	-
8	**Donation given**														
	Ishanya Foundation	-	-	-	-	-	(40)	(40)	-	-	-	-	-	(41)	(41)
9	**Remuneration (including perquisites)***														
	Mr. Sailesh Mehta	-	-	-	(415)	-	-	(415)	-	-	-	(398)	-	-	(398)
	Mr. Amitabh Bhargava	-	-	-	(316)	-	-	(316)	-	-	-	(189)	-	-	(189)
	Mr. K Subharaman	-	-	-	(71)	-	-	(71)	-	-	-	(70)	-	-	(70)
	Ms. Rajvee Mehta	-	-	-	-	(26)	-	(26)	-	-	-	-	(14)	-	(14)
10	**Lease rental expenses**														
	Deepak Nitrite Ltd.	-	-	-	-	-	(7)	(7)	-	-	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	-	-	(76)	(76)	-	-	-	-	-	(66)	(66)
11	**Deposits for Renting of Premises**														
	Mr. Sailesh Mehta	-	-	-	-	-	-	-	-	-	-	(1,300)	-	-	(1,300)
12	**Subscription to Share Warrants**														
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000
13	**Allotment of Equity Shares**														
	Robust Marketing Services Private Limited	-	-	-	-	-	3,333	3,333	-	-	-	-	-	-	-
14	**Loan or Advances Taken**														
	Deepak Agro Solution limited	-	-	-	-	-	265	265	-	-	-	-	-	-	-
15	**Loan or Advances Given**														
	Smartchem Technologies Limited	-	(815)	-	-	-	-	(815)	-	(25,000)	-	-	-	-	(25,000)
	SCM Fertichem Limited	-	(500)	-	-	-	-	(500)	-	-	-	-	-	-	-

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (B) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2020							31 March 2019						
		Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total	Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total
16	**Loans received back**														
	Smartchem Technologies Limited	-	6,000	-	-	-	-	6,000	-	19,000	-	-	-	-	19,000
17	**Purchase of equity shares Ishanya Brand Services Limited**														
	S C Mehta	-	-	-	(3)	-	-	(3)	-	-	-	-	-	-	-
18	**Advance paid for Equity Share of Ishanya Brand Services Limited**														
	Parul Mehta	-	-	-	(3)	-	-	(3)	-	-	-	-	-	-	-
	Yeshil Mehta	-	-	-	-	(0)	-	(0)	-	-	-	-	-	-	-
	Rajvee Mehta	-	-	-	-	(0)	-	(0)	-	-	-	-	-	-	-
19	**Leasehold improvements (CWIP) to Key management personnel**	-	-	-	541	-	-	541	-	-	-	78	-	-	78
20	**Amount outstanding**														
	Trade payables														
	M P Shinde	-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)
	Performance Chemiserve Private Limited	-	137	-	-	-	-	137	-	(96)	-	-	-	-	(96)
	SCM Fertichem Limited	-	19	-	-	-	-	19	-	-	-	-	-	-	-
	Yerrowda Investments Limited	-	-	-	-	-	-	-	(21)	-	-	-	-	-	(21)
	Trade receivables														
	Smartchem Technologies Limited	-	15,775	-	-	-	-	15,775	-	19,045	-	-	-	-	19,045
	Deepak Nitrite Ltd.	-	-	-	-	-	877	877	-	-	-	-	-	1,391	1,391
	Platinum Blasting Services Pty Limited	-	-	-	-	-	-	-	-	10	-	-	-	-	10
	SCM Fertichem	-		-	-	-	-	-	-	20	-	-	-	-	20
	Yerrowda Investments Limited	65	-	-	-	-	-	65	-	-	-	-	-	-	-
	Deepak Mining Services	-	22	-	-	-	-	22	-	20	-	-	-	-	20
	Ishanya Brand Services Ltd	-	349	-	-	-	-	349	-	-	-	-	-	-	-

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (B) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2020							31 March 2019						
		Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total	Entity With Joint control	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties	Total
	Deepak Phenolics Ltd.	-	-	-	-	-	25	25	-	-	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	-	-	3	-							
	Interest Receivable														
	Smartchem Technologies Limited	-	98	-	-	-	-	98	-	912	-	-	-	-	912
	SCM Fertichem Limited	-	11	-	-	-	-	-							
	Interest Payable														
	Deepak Agro Solution Ltd.	-	-	-	-	-	(12)	(12)	-	-	-	-	-	-	-
	Deposits for renting of premises														
	Mr. Sailesh Mehta	-	-	-	1,500	-	-	1,500	-	-	-	1,500	-	-	1,500
	Robust Marketing Services Private Limited	-	-	-	-	-	650	650	-	-	-	-	-	650	650
	Loans recoverable														
	Deepak Mining Services	-	21	-	-	-	-	21	-	21	-	-	-	-	21
	Smartchem Technologies Limited	-	815	-	-	-	-	815	-	6,000	-	-	-	-	6,000
	SCM Fertichem Limited	-	500	-	-	-	-	500	-	-	-	-	-	-	-
	Loan Payable														
	Deepak Agro Solution Ltd	-	-	-	-	-	(265)	(265)	-	-	-	-	-	-	-
	Money received against share warrant														
	Robust Marketing Services Private Limited	-	-	-	-	-	(4,167)	(4,167)	-	-	-	-	-	(5,000)	(5,000)

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis

*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 40 Lakhs (31 March 2019 : ₹ 50 Lakhs)

Note :The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 22 point no (b))

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2020	31 March 2019
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	31,976	13,126
Income Tax Demands (Also refer note 47 for Search and Seizure)	7,223	7,493
Excise/Service Tax/Custom Demands	4,798	5,694
Sales Tax/ VAT Demands	4,661	4,758
Local Body Tax	1,543	595
Penalty on Entry Tax	1,551	1,551
Total	**51,752**	**33,217**
B. Commitments		
Related to Projects	5,621	14,495
Related to Realty	601	439
Total	**6,222**	**14,934**

NOTE 43: 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 2020	31 March 2019
Smartchem Technologies Limited	9.20%	The loan have been granted to the subsidiary for working capital requirements. The loans are repayable on demand.	815	6,000
Deepak Mining and Services Pvt. Ltd.	6.42%		21	21
SCM Fertichem Ltd.	9.20%		500	-

The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	Purpose	31 March 2020		31 March 2019	
		Foreign currency (Lakhs)	Amount	Foreign currency (Lakhs)	Amount
Platinum Blasting Services Pty. Ltd. (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	Business	AUD 93.5	4,327	AUD 93.5	4,585
Smartchem Technologies Limited (wholly owned subsidiary)	Business	-	76,052	-	76,052

Notes to the standalone financial statements for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 44: FOREIGN CURRENCY BALANCES OUTSTANDING

Name of the party	31 March 2020		31 March 2019	
	Amount in foreign currency Lakhs	Equivalent Amount in INR Lakhs	Amount in foreign currency Lakhs	Equivalent Amount in INR Lakhs
Hedged Position*				
Creditors (in USD)	106	8,036	285	19,683
Interest on borrowing (USD)	2	121	-	-
Buyers Credit (in USD)	-	-	16	1,126
Total	**108**	**8,157**	**301**	**20,809**
Un-hedged Position				
Creditors (in USD)	21	1,601	67	4,612
Creditors (in EURO) #	0	26	6	464
Creditors (in AED)	-	-	44	825
Borrowings and interest (USD)	151	11,445	-	-
Exports Receivables (in USD)	9	661	3	205
Bank Balance (in USD)	0	12	-	-
Total	**181**	**13,745**	**120**	**6,106**

less than ₹ 50,000/-

*The above transactions are hedged by following derivative contracts:

Name of the party	31 March 2020		31 March 2019	
	Amount in FC Lakhs	Equivalent Amount in INR Lakhs	Amount in FC Lakhs	Equivalent Amount in INR Lakhs
Forward Contracts -USD	15	1,148	115	7,934
Options Contracts - USD	93	7,009	186	12,875
Total	**108**	**8,157**	**301**	**20,809**

The Company has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the hedge accounting requirements.

Unhedged Foreign Currency exposure is as under:

Particulars	31 March 2020	31 March 2019
Payables and borrowings (including interest)	13,072	5,901
Receivables and bank balances	673	205

NOTE 45: INCOME TAXES

A. Components of Income Tax Expenses

Particulars	31 March 2020	31 March 2019
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current tax on profits for the year	-	314
Total (A)	**-**	**314**
Deferred tax		
Deferred tax charge/(credit)	(878)	8
Total (B)	**(878)**	**8**
Total (A+B)	**(878)**	**322**
II. Tax on Other Comprehensive Income		
Deferred Tax		
Loss on remeasurement of net defined benefit plans	(147)	(201)
Loss on debt instruments through other comprehensive income	-	(18)
Total	**(147)**	**(219)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2020 and 31 March 2019:

Particulars	31 March 2020	31 March 2019
Accounting profit before tax	2,193	1,114
At India's statutory income tax rate of 25.17% (31 March 2019: 34.944%) (A)	**552**	**389**
Effects of income not subject to tax		
- Power Generation	-	(182)
Effects of non-deductible business expenses	383	239
Effect of adopting new tax rates from Taxation Laws (Amendment) Act (refer note below)	(520)	-
Long term capital profit not subjected to income tax	(1,157)	-
Others	(136)	(124)
Total (B)	**(1,430)**	**(67)**
Income Tax expense reported in the statement of profit or loss (A+B)	**(878)**	**322**

During the year, the Company decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the current financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate and the Company had reversed deferred tax liabilities amounting to ₹ 520 lakhs.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 46

During the current year, the managerial remuneration (based only on fixed component of salary) paid by the Company to its Chairman and Managing Director is in excess of the limits laid down under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 264.77 Lakhs. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

NOTE 47

A Search and Seizure Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018 under Sections 132 and 133A of the Income Tax Act, 1961. During the current year, the Company received notice under Section 153A of the Income Tax Act, 1961 and has filed revised Income tax returns for Assessment Years 2013-2014 to 2018-2019 in response to the notice. The Company has also not till date received any demand notice in relation to the Search and Seizure. Management is of the view that the Operation will not have any significant impact on the Company's financial position and performance as at and for the year ended 31 March 2020 and hence no provision has been recognised as at 31 March 2020.

NOTE 48

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

NOTE 49

Entry tax liabilities have been classified as provisions (refer Note 25). Consequently, previous year comparative amounts of entry tax liabilities of ₹ 5,176 Lakhs which were classified under other current liabilities have been regrouped under provision.

Notes 3 to 49 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 June 2020

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 June 2020

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 its joint operations, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive loss), 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 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 2020, of its consolidated profit and other comprehensive loss, 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, its associates and joint operations in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion on the consolidated financial statements.

EMPHASIS OF MATTER

We draw attention to the following:

- Note 45 to the consolidated financial statements, from the report of the other auditor in relation to Smartchem Technologies Limited, which more fully explains that the Department of Fertilisers has released the fertiliser subsidy of ₹ 31,052 Lakhs on issue of bank guarantee of an equivalent amount; and
- Note 47 to the consolidated financial statements which describes that a Search was carried out by the Income Tax Department on the Holding Company and a Subsidiary Company in November 2018. Pursuant to notice received in the last quarter of the year 2019-20, the Holding Company and a Subsidiary Company has filed revised tax returns for Assessment Years 2013-2014 to 2018-2019. The Holding Company's Management does not expect any additional liability to devolve on the Group and no provision has been recognised as at 31 March 2020. Though the Holding Company and the Subsidiary Company have not received any demand notices till date, the uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not modified in respect of these matters.

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.

DESCRIPTION OF KEY AUDIT MATTERS

Useful lives of Property, Plant and Equipment ("PPE")

(refer note 2.3(c) and note 3 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
During FY 2020, the Dahej Nitric Acid Project was commissioned and property, plant and equipment additions amounting to ₹ 46,527 Lakhs were capitalized. The PPE additions above included used PPE items on which significant refurbishment costs were incurred prior to installation. The carrying value of such used PPE assets as at 31 March 2020 was ₹ 19,672 Lakhs. Evaluation of the useful life of used PPE assets is a complex matter which involved technical assessment and was subject to significant estimation uncertainty. Accordingly, we identified determination of the useful life of used PPE assets as a key audit matter. The Holding Company has appointed an external expert to assess the useful lives of used PPE assets.	Our audit procedures included the following: • Evaluated the design and operating effectiveness of key internal financial controls over estimation of useful lives of used PPE assets; • Compared the list of used PPE assets capitalized during FY 2020 with the assessment shared as per the Holding Company's external expert's report and the PPE additions listing; • Assessed the competence, capabilities and objectivity of external expert engaged by the Holding Company; • Gained an understanding of the work of the expert by evaluating their report; • Used our internal specialist to evaluate the technical assessment and useful life estimation performed by the Holding Company's expert; • Compared the useful lives of used PPE assets to similar used assets which were capitalized in the previous accounting periods; and • Assessed the adequacy of the disclosures made by the Group relating to useful life of the used PPE assets in the consolidated financial statements.

Contingencies and Provisions

(refer note 42 and note 47 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 and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Group's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Group applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the consolidated financial statements. These estimates could change over time as new facts emerge and as each matter progresses. Accordingly, we identified Contingencies and Provisions as a key audit matter.	Our audit procedures included the following: • Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; • Obtained the Group's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2020 and post year-end status of litigations; • Inquired with the Group's external legal counsels, where applicable, to understand the Group's assessment of the litigations and claims; • Evaluated the Group's assessments by understanding precedents set in similar cases and assessed the reliability of the Group's past estimates/judgements; • Performed test checks on the provision made/ contingent liabilities/ other significant litigations /disclosures made in the consolidated financial statements; • Involved our experts to gain an understanding and to evaluate disputed direct and indirect tax matters and evaluate positions taken by the Group; and • Assessed the adequacy of the disclosures made by the Group relating to contingencies and provisions in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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 consolidated 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 and based on the work done/ audit report of other auditors, 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES 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 Management and 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 Management and 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 the respective Board of Directors 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

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

- Conclude on the appropriateness of Management and Board of Directors 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 and its 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. 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 two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 669,815 Lakhs as at 31 March 2020, total revenues (before consolidation adjustments) of ₹ 315,309 Lakhs and net cash flows amounting to ₹ 2,597 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

(b) The financial statements of 8 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 14,995 Lakhs as at 31 March 2020, total revenues (before consolidation adjustments) of ₹ 24,805 Lakhs and net cash outflows amounting to ₹ 670 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 17 Lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of two associates whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's 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 associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

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 and the financial statements certified by the Holding Company's Management.

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 and associates 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 loss), 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 31 March 2020 and 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 2020 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 and associates, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint operations. Refer Note 42 and 47 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 2020.

iii. The following are the instances of delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2020:

Year	Type of dividend	Dividend unpaid (INR in Lakhs)	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 the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

We draw attention to note 46 to the consolidated financial statements for the year ended 31 March 2020 according to which the managerial remuneration paid/ accrued to the Managing Director of the Holding Company (amounting to ₹ 389.21 Lakhs) exceeds the prescribed limits under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 264.77 Lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

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 No.: 101190
UDIN: 20101190AAAABB3064

Place: Pune
Date: 30 June 2020

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 2020

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 the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its 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, its 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 2020, 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 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 consolidated 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 MATTERS

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 seven subsidiary companies, two associate companies and one 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 No.: 101190
UDIN: 20101190AAAABB3064

Place: Pune
Date: 30 June 2020

Consolidated Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,42,615	2,16,883
Capital work-in-progress	4	1,30,956	1,37,022
Investment property	5	3,607	511
Right of use of assets	5(a)	18,980	-
Goodwill on consolidation	5(b)	4,093	2,632
Other intangible assets	6	1,887	864
Investment in equity accounted investees	7	5	10
Financial assets			
i. Investments	8	72	72
ii. Loans	12	-	45
iii. Other financial assets	15	4,730	3,103
Deferred tax assets (net)	26	4,589	7,353
Income tax assets (net)		12,112	9,090
Other non-current assets	16	28,924	40,680
Total non-current assets		**4,52,570**	**4,18,265**
Current assets			
Inventories	17	68,369	82,790
Investment in equity shares (held-for-sale)	9	149	614
Financial assets			
i. Investments	10	1,011	24,544
ii. Trade receivables	11	1,27,580	1,39,626
iii. Cash and cash equivalents	13	15,757	8,874
iv. Bank balances other than cash and cash equivalents	14	10,169	2,749
v. Loans	12	118	129
vi. Other financial assets	15	2,527	984
Other current assets	18	14,873	33,186
Total current assets		**2,40,553**	**2,93,496**
Total assets		**6,93,123**	**7,11,761**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8,928	8,820
Other equity	20	2,09,150	2,00,965
Equity attributable to owners of the Company		**2,18,078**	**2,09,785**
Non controlling interest		4,313	4,377
Total equity		**2,22,391**	**2,14,162**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	2,08,425	1,77,092
ii. Lease liabilities	5(a)	6,784	-
iii. Other financial liabilities	23	170	-
Provisions	24	5,687	4,631
Total non-current liabilities		**2,21,066**	**1,81,723**

Consolidated Balance Sheet as at 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Note No.	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
i. Borrowings	22	71,930	1,17,591
ii. Lease liabilities	5(a)	1,944	-
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises		762	307
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,28,687	1,48,092
iv. Other financial liabilities	23	33,722	35,986
Other current liabilities	27	4,476	6,296
Provisions	24	7,421	6,932
Current tax liabilities (net)		724	672
Total current liabilities		**2,49,666**	**3,15,876**
Total liabilities		**4,70,732**	**4,97,599**
Total equity and liabilities		**6,93,123**	**7,11,761**
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 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 June 2020

Place: Pune
Date: 30 June 2020

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	28	4,68,538	6,74,206
Other income	29	9,545	5,430
Total income		**4,78,083**	**6,79,636**
Expenses			
Cost of materials consumed	30	2,61,470	2,83,536
Purchases of stock-in-trade	31	55,471	2,51,930
Changes in inventories of finished goods and stock-in-trade	32	14,017	(6,403)
Employee benefits expense	33	30,617	27,766
Finance costs	34	24,293	22,933
Depreciation and amortisation expense	35	21,353	17,146
Other expenses (net)	36	60,537	71,444
Total expenses		**4,67,758**	**6,68,352**
Profit before share of (loss) of equity accounted investees and income tax		**10,325**	**11,284**
Share of (loss) of equity accounted investees		(17)	(305)
Profit before tax		**10,308**	**10,979**
Tax expense			
Current tax		381	1,351
Deferred tax		1,026	2,281
Total tax expense		**1,407**	**3,632**
Profit for the year		**8,901**	**7,347**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(1,121)	(520)
Income tax relating to this item		334	182
Total (A)		**(787)**	**(338)**
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(191)	(190)
Changes in fair value of investment through OCI		-	(51)
Income tax relating to this item		-	18
Total (B)		**(191)**	**(223)**
Other comprehensive loss for the year (A+B), net of tax liability		**(978)**	**(561)**
Total comprehensive income for the year		**7,923**	**6,786**
Profit for the year attributable to:			
- Owners of the Company		8,726	7,067
- Non controlling interests		175	280
Other comprehensive loss (net of tax) attributable to:			
- Owners of the Company		(911)	(519)
- Non controlling interests		(67)	(42)

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Total comprehensive income for the year attributable to:			
- Owners of the Company		7,815	6,548
- Non controlling interests		108	238
Earnings per equity share of ₹10 each			
i) Basic (in ₹)		9.83	8.01
ii) Diluted (in ₹)		9.83	8.01
Weighted average number of equity shares of ₹ 10 each		8,87,41,735	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 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 June 2020

Place: Pune
Date: 30 June 2020

Consolidated Statement of Changes in Equity for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2020	31 March 2019
Balance at the beginning of the year	8,820	8,820
Changes in equity share capital during the year	108	-
Balance as at the end of the year	8,928	8,820

B. Other Equity

	Share warrants, reserves and surplus						Items of Other Comprehensive Income				Total
	Securities premium	Capital redemption reserve	Share warrants	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	Total attributable to Owners of the Company	Non Controlling Interest	
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 share	-	-	-	-	-	-	-	-	-	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
Dividend paid	-	-	-	-	-	(6,338)	-	-	(6,338)	-	(6,338)
Balance as at 1 April 2019	10,536	1,950	5,000	-	17,922	1,66,593	(45)	(991)	2,00,965	4,377	2,05,342
Profit for the year	-	-	-	-	-	8,726	-	-	8,726	175	8,901
Other comprehensive income	-	-	-	-	-	-	-	(911)	(911)	(67)	(978)
Total comprehensive income for the year	-	-	-	-	-	8,726	-	(911)	7,815	108	7,923
Issue of share capital	-	-	-	-	-	-	-	-	-	24	24
Adjustment from adoption of Ind AS 116	-	-	-	-	-	(134)	-	-	(134)	(72)	(206)
Conversion of share warrants to equity shares	3,225	-	(833)	-	-	-	-	-	2,392	-	2,392
Movement of NCI on account additional share purchase of Complete Mining Solution Private Limited	-	-	-	-	-	16	-	-	16	(16)	-
Equity portion of foreign currency convertible bonds	-	-	-	1,286	-	-	-	-	1,286	-	1,286
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	(108)	(108)
Dividend paid including tax on dividend	-	-	-	-	-	(3,190)	-	-	(3,190)	-	(3,190)
Balance as at 31 March 2020	13,761	1,950	4,167	1,286	17,922	1,72,011	(45)	(1,902)	2,09,150	4,313	2,13,463

Note: Refer note 20 for nature and purpose of other equity.

Movement in non controlling interest

	31 March 2020	31 March 2019
Balance at the beginning of the year	4,377	4,033
Add: profit for the year	108	238
Add: issue of shares during the year	24	-
Add: exchange difference on account of issue of shares	-	106
Less: adjustment from adoption of Ind AS 116	(72)	-
Less: minority movement	(16)	-
Less: dividend paid	(108)	-
Balance as at the end of the year	4,313	4,377

The accompanying notes form an integral part of the consolidated 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 June 2020

Place: Pune
Date: 30 June 2020

Consolidated Statement of Cash Flows for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	10,308	10,979
Adjustments for		
Depreciation and amortisation expense	21,353	17,146
(Profit)/Loss on sale of property, plant and equipment (net)	(3,516)	70
Provision for doubtful trade receivables	801	175
Gain on sale of investments	(2,907)	(2,121)
Changes in fair value of financial assets at fair value through profit or loss	89	(145)
Provision for stores and spares	303	-
Provision for capital work in progress	575	-
Unrealised loss on embedded derivative contracts	908	-
Share of loss of associates	17	305
Dividend income	-	(122)
Interest income	(1,048)	(970)
Finance costs	24,293	22,933
Foreign exchange fluctuations loss (net)	1,504	134
Cash generated from operations before working capital changes	**52,680**	**48,384**
Change in trade receivables	10,988	56,736
Change in inventories	14,118	(5,941)
Change in trade payables	(21,978)	57,501
Change in other financial liabilities	1,310	(16,232)
Change in other financial assets	(1,579)	(1,033)
Change in other non-current assets	(12,918)	(1,653)
Change in other current assets	18,313	(3,921)
Change in provisions	424	72
Change in other current liabilities	(1,820)	190
Cash generated from operations	**59,538**	**134,103**
Income taxes paid (net)	(1,711)	(3,102)
Net cash generated from operating activities	**57,827**	**131,001**
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	(1,396)	-
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(44,897)	(72,284)
Proceeds from sale of property, plant and equipment	9,812	74
Purchase of investments in mutual funds	(226,753)	(584,367)
Proceeds from sale of investments in mutual funds	250,826	599,553
Repayment of loans by employees and other loans given	30	279
Proceeds from issue of shares to non controlling interest	24	64
Proceeds from sale of investment in associate	2,820	-
Fixed deposits placed	(30,622)	(20,087)
Fixed deposits matured	23,169	18,185
Dividends received from Mutual Funds	-	122
Interest received	1,409	894
Net cash (used in) investing activities	**(15,578)**	**(57,567)**

Consolidated Statement of Cash Flows for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from financing activities		
Proceeds from borrowings - non-currentt	23,528	32,455
Repayment of borrowings - non-current	(8,239)	-
Proceeds from issue of foreign currency convertible bonds	10,549	-
Proceeds from issue of compulsory convertible debentures	10,500	-
Proceeds from borrowings - current	3,14,676	(82,453)
Repayment of borrowings - current	(3,60,337)	-
Share warrants issued	-	5,000
Payment of lease payables	(1,900)	-
Proceeds of call on share capital	2,500	-
Interest paid	(23,391)	(22,647)
Dividends paid (including dividend distribution tax)	(3,157)	(6,099)
Dividends paid to non-controlling interests	(108)	-
Net cash (used in) from financing activities	**(35,379)**	**(73,744)**
Net increase / (decrease) in cash and cash equivalents	6,870	(310)
Cash and cash equivalents acquired on business combinations	13	-
Cash and cash equivalents at the beginning of the year (refer note 13)	8,874	9,184
Cash and cash equivalents at end of the year (refer note 13)	**15,757**	**8,874**

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 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
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DIN: 00166049

K. Subharaman
EVP-Legal and Company Secretary
Membership No: FCS: 4361

Place: Pune
Date: 30 June 2020

Place: Pune
Date: 30 June 2020

NOTES

To the consolidated financial statements for the year ended 31 March 2020

1. CORPORATE INFORMATION

Deepak Fertlisers And Petrochemicals Corporation Limited ("the Holding Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding 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 chemicals and value added real estate.

These consolidated financial statements of the Group as at and for the year ended on 31 March 2020 comprise the Holding Company and its subsidiaries (together referred to as "the Group") were approved for issue in accordance with the resolution of the Board of Directors on June 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated 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 Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, 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 construes value less than ₹ 50,000.

2.2A Significant accounting estimates, assumptions and judgements

The preparation of the consolidated 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 liabilities 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.

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.

Provisions for Litigations and claims

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. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

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.

Impairment of non-financial assets (including PPE, CWIP and intangible 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.

2.2B 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 consolidated 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 Technologies Limited (STL)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%
4	Complete Mining Solution Private Limited (formerly known as Runge PincockMinarco India Private Limited) (Subsidiary of DMSPL)	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of STL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of STL]	India	84.64%
9	Ishanya Brand Services Limited (with effect from 23 March 2020)	India	74.99% (49.99% till 22nd March 2020)
10	Mahadhan Farm Technologies Private Limited (with effect from 1 October 2019) (Subsidiary of STL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

2.3 Summary of significant accounting policies

(a) Current versus 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 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 Group classifies all other liabilities as non-current.

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 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 Group 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.

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.

Dividend income from investments in shares is recognised when the owner’s right to receive the payment is established.

(c) Property, plant and equipment

An item of property, plant and equipment (‘PPE’) is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

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 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(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 consolidated Statement of Profit and 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 consolidated Statement of Profit and 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 intangible assets	Estimated useful life (in years)
Computer software	3 to 7
License fees	3 to 7
Technical knowhow/ engineering fees	3 to 7

(e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

(f) 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.

(g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of de-recognition.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

(i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment in which the Group operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss.

Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

(j) 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 consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated 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 consolidated 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 consolidated 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.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(k) Leases

The Group has adopted Ind AS 116 effective from 1 April 2019 using the modified retrospective approach. For the purpose of preparation of consolidated financial statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31 March 2020. Accordingly, the Group has not restated comparative information and there is no adjustment to opening retained earnings as at 1 April 2019, except overseas subsidiary wherein cumulative impact of applying Ind AS 116 has been recognized in equity as an adjustment to the opening balance of retained earnings for the current period.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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.

(l) 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 and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted 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.

(m) 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 consolidated Statement of Profit and Loss.

(n) 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 consolidated 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.

(o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

b) In case of non-accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

(p) 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.

<u>Cash flow hedges that qualify for hedge accounting:</u> 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 consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

<u>Derivatives that are not designated as hedges:</u> 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 consolidated Statement of Profit and Loss.

(q) 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.

(r) 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.

(s) 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 foreseeable 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 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.

(t) 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.

(u) 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

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.

(v) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree's indentifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer's previously held equity instrument in the acquire (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(w) 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 contingent 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.

(x) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2019-20, except for implementation of Ind AS 116 as described in point 2.3 (k) of accounting policies.

(y) Recent Indian Accounting Standard (Ind AS) and note on COVID-19

i) Recent accounting pronouncements which are not yet effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications which would be applicable from 1 April 2020.

ii) Note on COVID-19

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of the Group's locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives/ orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities. International businesses are operating under local guidelines for social distancing and high hygiene standards.

As per management's current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these consolidated financial statements.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 3: PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
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	-	2,736	7,482	258	142	76	868	180	1,227	19,165
Disposals	-	-	-	(21)	(189)	-	-	(6)	(60)	-	(417)	(693)
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**
Accumulated depreciation												
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)	(1,372)	(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**
Gross carrying amount												
As at 1 April 2019	24,642	16,648	-	42,743	1,74,559	258	4,833	1,168	2,873	634	2,999	2,71,357
Additions	5,574	-	101	11,106	46,014	210	169	221	366	38	475	64,274
Disposals	-	-	(10)	-	(3,274)	(258)	-	-	(227)	(41)	(397)	(4,207)
Reclassified on account of adoption of Ind AS 116	-	(16,554)	-	-	-	-	-	-	-	-	-	(16,554)
Adjustment (Transfer to Investment property)*	(3,096)	-	-	-	-	-	-	-	-	-	-	(3,096)
Gross carrying amount as at 31 March 2020	**27,120**	**94**	**91**	**53,849**	**2,17,299**	**210**	**5,002**	**1,389**	**3,012**	**631**	**3,077**	**3,11,774**

(All amounts in ₹ Lakhs unless otherwise stated)

	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Accumulated depreciation												
Opening accumulated depreciation	-	(554)	-	(4,589)	(43,551)	(24)	(1,941)	(566)	(1,611)	(266)	(1,372)	(54,474)
Depreciation charge for the year	-	-	(14)	(2,361)	(14,557)	(45)	(434)	(154)	(583)	(72)	(672)	(18,892)
On disposals	-	-	3	-	3,184	52	-	-	213	39	192	3,683
Reclassified on account of adoption of Ind AS 116	-	521	-	-	-	-	-	-	-	-	-	521
Exchange differences	-	-	-	-	(4)	-	-	-	7	-	-	3
Accumulated depreciation as at 31 March 2020	-	(33)	(11)	(6,950)	(54,928)	(17)	(2,375)	(720)	(1,974)	(299)	(1,852)	(69,159)
Net carrying amount as on 31 March 2020	**27,120**	**61**	**80**	**46,899**	**1,62,371**	**193**	**2,627**	**669**	**1,038**	**332**	**1,225**	**2,42,615**

* Freehold vacant land parcel located at Yerwada, Pune has been categorized as Investment property as per Ind AS 40, based on Management re-assessment of use of vacant land parcel as at 31 March 2020.

Refer Note 21 footnote for information on Property, plant and equipment provided as security by the Group.

Refer Note 34 for finance cost capitalized.

Refer Note 33 for salary cost capitalized.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 4: CAPITAL WORK-IN-PROGRESS

	31 March 2020	31 March 2019
Projects (Mainly comprising of building and plant and machinery)* #	1,27,196	1,30,371
Others	3,760	6,651
Total	**1,30,956**	**1,37,022**

* Includes salary cost of ₹ 533 Lakhs.

Includes borrowing cost of ₹ 9,562 Lakhs (31st March 2019 ₹ 11,576 Lakhs)

NOTE 5: INVESTMENT PROPERTY

	31 March 2020	31 March 2019
Gross carrying amount		
Opening gross carrying amount	511	511
Reclassified from property, plant and equipment	3,096	-
Closing gross carrying amount	3,607	511
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	**3,607**	**511**

(i) Fair value

	31 March 2020	31 March 2019
Investment property	9,484	1,154

a) **Disclosures relating to fair valuation of investment property**

Fair value of the above investment property is ₹ 9,484 Lakhs (31 March 2019: ₹ 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, Nashik and vacant land at Yerwada, Pune.

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 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.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 5 (a): LEASES

A. Right of use assets

Particulars	Land and Building	Furniture & fixtures	Leasehold Land	Other Equipment	Total
Gross carrying amount					
Balance as at 1 April 2019	5,351	-	-	3,966	9,317
Add: Reclassification on account of adoption of Ind AS 116	-	-	16,033	-	16,033
Add: Additions during the year	-	302	168	-	470
Less: Disposals	-	-	(5,115)	-	(5,115)
Gross carrying amount as at 31 March 2020	**5,351**	**302**	**11,086**	**3,966**	**20,705**
Accumulated amortization					
Balance as at 1 April 2019	-	-	-	-	-
Amortization for the year	(952)	(32)	(176)	(565)	(1,725)
Accumulated depreciation as at 31 March 2020	(952)	(32)	(176)	(565)	(1,725)
Balance as at 31 March 2020	**4,399**	**270**	**10,910**	**3,401**	**18,980**

B. Lease liabilities

	31 March 2020
Current	1,944
Non-current	6,784
Total	**8,728**

C. Interest expenses on lease liabilities

	31 March 2020
Interest on lease liabilities	793

D. Expenses on short term leases / low value assets

	31 March 2020
Short term lease	2,731
Low value assets	-

E. Amounts recognised in the statement of cash flow

	31 March 2020
Total cash outflow for leases	1,900

F. Maturity analysis – contractual undiscounted cash flows

	31 March 2020
Less than one year	1,991
One to five years	8,440
More than five years	1,025
Total undiscounted lease liabilities at 31 March, 2020	**11,455**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

(All amounts in ₹ Lakhs unless otherwise stated)

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The incremental borrowing rate from 9.55% p.a. to 9.65% p.a. has been applied to lease liabilities recognised in the Balance Sheet.

Operating Leases

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

NOTE 5(b): GOODWILL ON CONSOLIDATION

	31 March 2020	31 March 2019
Opening balance	2,632	2,666
Goodwill on acquisition of Mahadhan Farm Technologies Private Limited	1,541	-
Adjustment for foreign exchange (Platinum Blasting Services Pty Limited)	(80)	(34)
Total	4,093	2,632

NOTE 6: OTHER INTANGIBLE ASSETS

	Computer Software	Technical Know How/Engineering fees	License Fees	Total
Cost as on 1 April 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
Additions during the year	1,480	-	316	1,796
Disposals/ Adjustments	(37)	(4)	-	(41)
Gross carrying amount as on 31 March 2020	2,326	328	1,642	4,296
Accumulated Amortisation				
Opening as on 1 April 2018	174	96	784	1,054
Amortisation charge for the year	107	32	484	623
Closing accumulated amortisation as at 31 March 2019	281	128	1,268	1,677
Amortisation charge for the year	602	34	100	736
Disposals	(4)	-	-	(4)
Closing accumulated amortisation as at 31 March 2020	879	162	1,368	2,409
Net Block as at 31 March 2019	602	204	58	864
Net Block as at 31 March 2020	1,447	166	274	1,887

Notes to the consolidated financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 7: INVESTMENT IN EQUITY ACCOUNTED INVESTEES

	31 March 2020	31 March 2019
Investments in equity shares (unquoted) of Associates (fully paid up)		
49,994 (31 March 2019: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
74,995 (31 March 2019: 49,994) equity shares of Ishanya Brand Services Limited of ₹10 each*	-	5
4,000 (31 March 2019: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of ₹ 10 each#	0	0
Total (equity instruments)	**5**	**10**

*with effect from 23rd March 2020 Ishanya Brand Services Limited is a subsidiary.

#less than ₹ 50,000/-

NOTE 8 : INVESTMENTS

	31 March 2020	31 March 2019
Investments in equity shares of (quoted) (fully paid up)		
4,715 (31 March 2019: 4,715) equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	3
Investments in equity shares of (unquoted) (fully paid up)		
88,448 (31 March 2019: 88,448) equity shares of Deepak International Limited of AUD 1 each	69	69
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 2020	31 March 2019
Investment in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
12,70,341 (31 March 2019: 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	149	614
Total	**149**	**614**

The Company has signed Share purchase agreement with Contract Farming India A.G.(CFI) on 6 April 2019 to sell shares at ₹ 74 per share for a total consideration of ₹ 3,760 Lakhs. During the year, the Company has transferred 38,11,022 shares to Contract Farming India A.G. (CFI) at consideration of ₹ 74 per share for total consideration of ₹ 2,820 Lakhs.

NOTE 10: CURRENT INVESTMENTS

	31 March 2020	31 March 2019
Quoted		
Investment in Government Securities (carried at fair value through OCI)	-	291
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	1,011	24,253
Total	**1,011**	**24,544**

NOTE 11: TRADE RECEIVABLES

	31 March 2020	31 March 2019
Trade Receivables		
Unsecured, considered good	1,27,580	1,39,626
Unsecured, credit Impaired	2,310	1,509
Less: Impairment loss allowance	(2,310)	(1,509)
Total	**1,27,580**	**1,39,626**

(All amounts in ₹ Lakhs unless otherwise stated)

Movement in allowance for expected credit loss:

	31 March 2020	31 March 2019
Balance at beginning of the year	1,509	1,344
Add: Allowance for expected credit loss	1,192	175
Less: Reversed / utilized during the year	(391)	(10)
Balance as at the end of the year	**2,310**	**1,509**

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer note 22).

NOTE 12: LOANS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to employees	98	-	34	-
Other loans	20	-	95	45
Unsecured and considered doubtful				
Other loans	26	-	60	-
Less: Provision for doubtful loans	(26)	-	(60)	-
Total	118	-	129	45

NOTE 13: CASH & CASH EQUIVALENTS

	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	12,415	6,778
- in EEFC accounts	12	49
Deposits with original maturity upto three months	3,316	552
Cash on hand	14	12
Cheques in hand	-	1,483
Total	15,757	8,874

NOTE 14: OTHER BANK BALANCES

	31 March 2020	31 March 2019
Earmarked balances with banks		
Unclaimed dividend	767	800
Deposits with maturity upto 12 months from the reporting date	9,402	1,949
Total	10,169	2,749

NOTE 15: OTHER FINANCIAL ASSETS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
(i) Derivatives not designated as hedges				
Foreign-exchange forward contracts	29	-	-	
Foreign currency options	2,016	-	8	-
(ii) Others				
Interest receivable	406	-	766	-
Deposit with banks with maturity after 12 months from the reporting date	-	76	-	76
Security deposits	26	3,140	-	2,966
Amount paid under protest for claims from supplier*	-	1,507	-	-
Others	50	7	210	61
Total	2,527	4,730	984	3,103

* Included in supplier claim (Refer note 42).

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 16: OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
Capital advances	7,202	31,876
Balance with government authorities	21,707	8,764
Prepaid Expenses	15	40
Total	**28,924**	**40,680**

NOTE 17: INVENTORIES

	31 March 2020	31 March 2019
Raw materials ((includes ₹ 6,094 Lakhs in transit) (31 March 2019 ₹ 1,948 Lakhs))	22,861	25,895
Finished goods	21,650	29,842
Stock-in-trade ((includes ₹ Nil in transit) (31 March 2019 ₹ 1,741 Lakhs))	7,739	13,564
Stores and spares ((includes ₹16 Lakhs in transit) (31 March 2019 ₹ 178 Lakhs))	14,224	11,595
Packing material	1,895	1,894
Total	**68,369**	**82,790**

Inventories have been offered as security against the working capital facilities provided by the banks (Refer note 22).

NOTE 18: OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
Advances for supply of goods and services	1,696	4,159
Balances with government authorities	10,467	25,110
Prepaid expenses	2,582	2,041
Other receivables	128	1,876
Total	**14,873**	**33,186**

NOTE 19: SHARE CAPITAL

	31 March 2020	31 March 2019
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	13,505
(31 March 2019: 13,50,50,000 equity shares of ₹ 10/- each)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
8,92,84,425 equity shares of ₹ 10/- each.	8,928	8,820
(31 March 2019: 8,82,04,943 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**8,928**	**8,820**

(All amounts in ₹ Lakhs unless otherwise stated)

(i) Reconciliation of the number of Equity Shares

	31 March 2020		31 March 2019	
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 (Refer note 20(c))	10,79,482	108	-	-
	8,92,84,425	**8,928**	**8,82,04,943**	**8,820**

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 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 2020		31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,27,06,848	47.83%	4,27,06,848	48.42%

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) **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 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. Out of 64,76,893 warrants issued, 10,79,482 are converted in equity shares during the year.

(d) **Equity portion of non-current borrowings (FCCB):** During the year, the Holding Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Holding Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards.

(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.

	31 March 2020	31 March 2019
₹ 3 per equity share (31 March 2019 : ₹ 3 per equity share)	2,679	2,646

(g) **Other comprehensive income :** This represents equity instruments carried at fair value through OCI and remeasurement of employee benefits (gratuity & post retirement benefit).

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 21: NON-CURRENT BORROWINGS

	Terms of repayment	Coupon/ Interest rate	31 March 2020	31 March 2019
Secured - at amortized cost				
Term loans				
(i) State Bank of India (refer note 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	10.25% per annum	25,405	32,111
(ii) Export Import Bank of India (Loan 1) (refer note 1)		9.60% to 9.80% per annum	5,716	7,144
(iii) Export Import Bank of India (Loan 2) (refer note 2)	Repayable in 28 quarterly instalments starting from June 2020 onwards.	9.55% to 9.75% per annum	28,662	28,767
(iv) Bank of Baroda (refer note 3)	Repayable in quarterly instalment starting from March 2023	10.27% per annum	66,735	74,733
(v) Export Import Bank of India (Loan 3) (refer note 3)	Repayable in quarterly instalment starting from March 2023	9.97% per annum	18,346	-
(vi) Bank of Baroda (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.05% to 9.40% per annum	19,350	18,122
(vii) Export Import Bank of India (Loan 4) (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	9.35% to 9.55% per annum	22,186	21,991
(viii) Bank of Baroda (refer note 5)	Repayable in quarterly instalments starting from October 2020 and end date of April 2022	9.85% per annum	9,904	-
(ix) Term Loan - State Bank of India, Sydney (refer note 6)	Repayable from calendar year 2018 to 2022	4.55% per annum	4,605	2,752
Unsecured				
(i) Foreign currency convertible bonds - International Finance Corporation (IFC), USA (refer note 7)		5% simple interest per annum and 1.75% compound interest per annum	9,312	-
(ii) Compulsory convertible debentures - International Finance Corporation (IFC), USA (refer note 8)		8% interest per annum (IRR - 15.25%)	10,638	-
Total			**2,20,859**	**1,85,620**
Less: Current maturities of long-term debt (included in note 23)			12,434	8,528
Total			**2,08,425**	**1,77,092**

1) The term loans from State Bank of India and Export Import Bank of India (Loan 1) have been availed for financing NPK project. The term loans are secured by pari passu first charge to be created on the entire property, plant and equipment pertaining to Nitro phosphate plant (NPK project), being all present and future immovable and movable property, plant and equipment 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 (Loan 2) is secured by hypothecation of movable property, plant and equipment i.e Plant

(All amounts in ₹ Lakhs unless otherwise stated)

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 property, plant and equipment located at Plot K7, K8 MIDC Taloja.

3) The term loan from Bank of Baroda and Export Import Bank of India (Loan 3) 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 Dahej. The term loans are secured by pari passu charge on the land & building and hypothecation of all the present & future immovable property, plant and equipment and intangible assets pertaining to Nitric Acid project at Dahej.

5) The term loan has been availed to shore up the net working capital of the Group. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

6) The term loan availed from State Bank of India, Sydney is secured by pari passu first charge on the movable and immovable property, plant and equipment of the subsidiary, second charge on current assets of subsidiary. This loan is in foreign currency.

7) The FCCB's will be pari-passu with the senior unsecured creditors of the Holding Company. The Holding Company has received tranche 1 subscription amount $15,000,000 during this financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Holding Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. The FCCBs are convertible into equity shares of the Holding Company at a predetermined price of INR 250 per share at the option of IFC and carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the FCCB's will rank paripassu in all respects with the existing shares of the Holding Company. In the event of non-conversion till the end of the stipulated period, the amount raised through the issue of FCCBs is repayable in full to IFC. The FCCBs carry a coupon rate of 5% simple interest p.a., payable semi annually and 1.75% compound interest p.a., payable on redemption.

8) The Subsidiary Company (Smartchem technologies limited) has received tranche 1 subscription amount of INR 1,050,000,000 during this financial year. Compulsory Convertible Debentures ("CCD's") issued by the Subsidiary Company to International Finance Corporations ("IFC") have been shown as liability as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. IFC have the right to voluntary convert the CCD's, Also, the IFC CCDs shall compulsorily convert into common equity shares at the end of 10 years from the date of investment, IFC shall be entitled to receive such number of common equity shares as per conversion formula, the fair value of which will provide IFC with an IRR of [15] % on its investment, the IFC investment carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the CCD's will rank pari passu in all respects with the existing shares of the Subsidiary Company.The CCD's carry a coupon rate of 8% simple interest p.a., payable semi annually and XIRR of 15.25%.

NOTE 22: CURRENT BORROWINGS

	31 March 2020	31 March 2019
Loans repayable on demand - at amortized cost		
Secured		
- Buyer's credit	-	1,609
- Short term loan	70,255	1,10,816
- Cash credit facilities	1,410	4,793
- Bill discounting	-	373
Unsecured		
- From related parties	265	-
Total	**71,930**	**1,17,591**

(All amounts in ₹ Lakhs unless otherwise stated)

RECONCILIATION OF BORROWINGS

	31 March 2020	31 March 2019
Non-current borrowings	2,20,859	1,85,620
Current borrowings	71,930	117,591
	2,92,789	**3,03,211**
Equity portion of non-current borrowings	(1,286)	-
Deferred tax on equity portion of non-current borrowings	(432)	-
Unrealized forex Loss	481	-
Interest accrued on Compulsory convertible debentures	138	-
Proceeds from borrowings	3,59,253	1,56,968
Repayment of borrowings	(3,68,576)	(2,06,966)
Movement of borrowings (net)	**(10,422)**	**(49,998)**

i) Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year was NIL (31 March 2019 - 3.46%) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

ii) Short term loan from bank is repayable on demand, carries average interest rate of 9.19 % (31 March 2019 - 8.93%) and is secured by a first charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

iii) Cash credit is repayable on demand and carries variable rate of interest. Average interest rate for the year is 9.50% (31 March 2019 - 8.89%). 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.

iv) Debtors bill discounting is availed at interest rates ranging between NIL (31 March 2019 - 8.50% to 14.00%) and is secured by hypothecation of debtors and stocks.

v) Commercial paper borrowings carries variable interest rate. Average rate for the year is NIL (31 March 2019 - 7.94%).

vi) Unsecured loan is availed from related party Deepak Agro Solutions Ltd. and is repayable on demand.

NOTE 23: OTHER FINANCIAL LIABILITIES

	31 March 2020	31 March 2019
Non-current		
Derivative not designated as hedge	170	-
Total	**170**	**-**
Current		
Current maturities of non-current borrowings	12,434	8,528
Interest accrued	2,004	879
Security deposits	5,872	5,308
Capital creditors	8,141	17,506
Due to related parties	19	-
Derivative not designated as hedge	-	-
Foreign-exchange forward contracts payables(net)	22	1,356
Salary payables	3,978	2,183
Others	1,252	226
Total	**33,722**	**35,986**

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 24: PROVISIONS

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	1,017	3,200	858	2,219
Compensated absences	986	2,028	760	1,869
Defined pension benefits	242	32	138	89
Total (A)	**2,245**	**5,260**	**1,756**	**4,177**
Provision for tax contingencies (refer note below)	5,176	-	5,176	-
Provision for site restoration (refer note below)	-	427	-	454
Total (B)	**5,176**	**427**	**5,176**	**454**
Total (A+B)	**7,421**	**5,687**	**6,932**	**4,631**

Movement in provision for tax contingencies

As at 1 April 2018	**5,854**
Additional provisions recognised	-
Excess amounts reversed	(678)
As at 1 April 2019	**5,176**
Additional provisions recognised	-
Excess amounts reversed	-
As at 31 March 2020	**5,176**

The provision is mainly on account of entry tax and MVAT applicable on purchase of natural gas.

Movement in provision for site restoration

As at 1 April 2018	**373**
Additional provisions recognised	81
As at 1 April 2019	454
Additional provisions recognised	41
Unused amounts reversed	(68)
As at 31 March 2020	**427**

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 2020	31 March 2019
Employer's contribution to provident fund	773	690
Employer's contribution to employee's pension scheme	233	235
Employer's contribution to superannuation fund	1,057	554
Employer's contribution to employee state insurance	8	13

(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 6.40% p.a. (31 March 2019: 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 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2019: 6% 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 Group. The details of investment 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 2019: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	7,309	6,399
Current service cost	528	515
Interest cost	521	449
Actuarial loss	1,154	612
Benefits paid	(716)	(666)
Present value of obligation at the end of the year	8,796	7,309

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the end of the year	8,796	7,309
Fair value of plan assets at the end of the year	4,579	4,232
Net liabilities recognised in the balance sheet	4,217	3,077

Fair value of Plan assets :

Particulars	31 March 2020	31 March 2019
Plan assets at the beginning of the year	4,232	3,820
Interest income	33	-
Expected return on plan assets	274	229
Contribution by employer	669	684
Actual benefits paid	(685)	(501)
Actuarial gain	56	-
Plan assets at the end of the year	4,579	4,232

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	528	515
Interest cost	489	449
Expense recognised in the Statement of Profit and Loss	1,017	964

(All amounts in ₹ Lakhs unless otherwise stated)

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial loss on defined benefit obligation	1,154	612
Actuarial (gain)/loss on plan assets	(47)	62
Amount recognised in the Other Comprehensive Income	1,107	674

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2020	31 March 2019
Experience Loss on plan liabilities	231	167
Demographic Loss on plan liabilities	74	195
Financial Loss on plan liabilities	848	252
Experience (Gain) / Loss on plan assets	(47)	62

Categories of the fair value of total plan assets:

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	4,579	4,232

Sensitivity analysis :

Particulars	31 March 2020		31 March 2020	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation (decrease)/ increase	(343)	372	283	(266)

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	(308)	334	268	(252)

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 2020	31 March 2019
Within the next 12 months (next annual reporting period)	2,539	1,459
Later than 1 year and not later than 5 years	5,155	4,943
Later than 5 year and not later than 9 years	5,349	5,047
Total expected payments	**13,043**	**11,449**

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 actuarial valuation.

(All amounts in ₹ Lakhs unless otherwise stated)

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 6.40% p.a. (31 March 2019: 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 2019: 60 years) and mortality table is as per IALM (2012-14) (31 March 2019: IALM (2012-14)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	228	288
Current service cost	57	90
Interest cost	15	21
Actuarial loss	13	(154)
Benefits paid	(39)	(17)
Present value of obligation at the end of the year	274	228

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2020	31 March 2019
Current service cost	57	90
Interest cost	15	21
Expense recognised in the Statement of Profit and Loss	72	111

Amount recognised in the other comprehensive income:

Particulars	31 March 2020	31 March 2019
Remeasurements Cost / (Credit)	14	(154)
Amount recognised in the Other Comprehensive Income	14	(154)

Sensitivity analysis :

Particulars	31 March 2020		31 March 2019	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(58)	79	(48)	65

NOTE 25: TRADE PAYABLES

	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro and small enterprises	762	307
(b) total outstanding dues of creditors other than micro and small enterprises	1,28,687	1,48,092
Total	**1,29,449**	**1,48,399**

(All amounts in ₹ Lakhs unless otherwise stated)

The amount of principal and interest outstanding during the year of micro and small enterprise is given below :

	31 March 2020	31 March 2019
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	762	307
- Interest due thereon	7	4
The amount of interest paid by the Group 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	2,441	1,843
Amount of interest due and payable on delayed payments	53	38
Amount of interest accrued and remaining unpaid as at year end	98	38
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.

NOTE 26: DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:	31 March 2020	31 March 2019
(a) Deferred tax assets	(58,954)	(59,103)
(b) Deferred tax liabilities	54,365	51,750
Net deferred tax assets	**(4,589)**	**(7,353)**

Movements during the year ended 31 March 2020:

	1 April 2019	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2020
Property, plant and equipment, investment property and intangibles assets	51,750	2,615	-	54,365
Financial assets at fair value through profit or loss	(308)	(26)	(334)	(668)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(2,221)	(79)	-	(2,300)
MAT credit	(4,979)	1,553	-	(3,426)
Unabsorbed depreciation loss	(30,505)	(2,249)	-	(32,754)
Deferred tax on consolidation adjustment	(20,728)	1,644	-	(19,084)
Others	(362)	(360)	-	(722)
Net deferred tax assets	**(7,353)**	**3,098**	**(334)**	**(4,589)**

(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	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)
Unabsorbed depreciation loss	(26,936)	(3,569)	-	(30,505)
Deferred tax on consolidation adjustment	(22,650)	1,922	-	(20,728)
Others	(362)	-	-	(362)
Net deferred tax assets	**(9,434)**	**2,281**	**(200)**	**(7,353)**

NOTE 27: OTHER CURRENT LIABILITIES

	31 March 2020	31 March 2019
Advances from customers	1,582	821
Unclaimed dividend[#]	767	800
Statutory dues payable	2,113	4,413
Other payables	14	262
Total	**4,476**	**6,296**

[#] ₹ 90 Lakhs (31 March 2019 : ₹ 71 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 2019 : ₹ 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 2020	31 March 2019
Sale of products		
- Finished goods	3,84,753	4,07,552
- Traded goods	81,387	2,64,201
Power generated from windmills	745	818
Revenue from realty operation	1,396	971
Other operating revenues	257	664
Total	**4,68,538**	**6,74,206**

Contracts with customers

Particulars	31 March 2020	31 March 2019
Revenue recognised from contracts with customers	4,68,538	6,74,206
Disaggregation of revenue		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	2,26,200	2,54,647
(ii) Sale of fertilisers	1,58,553	1,52,905
Sale of traded goods -		
(i) Industrial Chemicals	48,155	1,88,642
(ii) Fertilisers	32,467	74,375
(iii) Value added real estate (VARE) - Sale of furniture	765	1,184
- Revenue from power generated from windmills	745	818
- Income from realty operation	1,396	971
- Other operating revenues	257	664
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers as at 31 March 2019	2,310	1,509

Details of contract balances:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance of receivables	1,39,626	1,96,537
Closing balance of receivables	1,27,580	1,39,626

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contract liabilities at the beginning of the year	821	2,896
Revenue recognised that was included in the contract liability balance at the beginning of the year	821	2,896
Increase due to cash received, excluding amounts recognised as revenue during the year	1,582	821
Contract liabilities at the end of the year	1,582	821

There is no significant change in the contract asset and contract liabilities.

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	31 March 2020	31 March 2019
Contract price	4,97,709	7,00,259
Less:		
Amount recognised as Discounts / shortages	29,171	26,053
Revenue recognised in statement of profit and loss	**4,68,538**	**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.

NOTE 29: OTHER INCOME

	31 March 2020	31 March 2019
Dividend income from Mutual Fund	-	122
Interest income	1,048	970
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	-	145
Net gain on sale of investments[#]	2,907	2,121
Gain on on disposal of property, plant and equipment[#]	3,566	-
Other non-operating income	2,024	2,072
Total	**9,545**	**5,430**

[#] Other income includes profit on sale of plot of industrial leasehold land at Dahej, Gujarat as part of the strategy to divest non-core assets amounting to ₹ 3,544 lakhs and profit on sale of investment in an associate amounting to ₹ 2,372 lakhs.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 30: COST OF MATERIALS CONSUMED

	31 March 2020	31 March 2019
Raw materials as at the beginning of the year	25,895	25,895
Add: Purchases during the year	2,58,436	2,83,536
Less: Raw material as at the end of the year	22,861	25,895
Total	**2,61,470**	**2,83,536**

NOTE 31: PURCHASE OF STOCK-IN-TRADE

	31 March 2020	31 March 2019
Purchases of stock-in- trade	55,471	251,930
Total	**55,471**	**251,930**

NOTE 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2020	31 March 2019
Opening balance		
Finished goods	29,842	16,356
Stock-in-trade	13,564	20,647
Total opening balance	**43,406**	**37,003**
Closing balance		
Finished goods	21,650	29,842
Stock-in-trade	7,739	13,564
Total closing balance	**29,389**	**43,406**
(Increase)/ decrease in excise duty on stock of finished goods	14,017	(6,403)
Cost of Trial Run	-	-
Total changes in inventories of stock-in-trade and finished goods	**14,017**	**(6,403)**

NOTE 33: EMPLOYEE BENEFITS EXPENSES

	31 March 2020	31 March 2019
Salaries, wages and bonus* #	26,473	24,151
Contribution to provident fund & other funds	3,092	2,476
Staff welfare expenses	1,052	1,139
Total	**30,617**	**27,766**

(#)Salary of ₹ 163 Lakhs (31 March 2019: ₹ Nil) capitalised in property, plant and equipment during the year.

NOTE 34: FINANCE COSTS

	31 March 2020	31 March 2019
Interest and finance charges* #	33,967	34,509
Less: Interest capitalised	(9,674)	(11,576)
Total	**24,293**	**22,933**

(*) Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ Nil (31 March 2019 ₹ 792 Lakhs).

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2020	31 March 2019
Depreciation on property, plant and equipment	18,891	16,523
Amortisation on right of use asset	1,725	-
Amortisation on intangible assets	737	623
Total	**21,353**	**17,146**

NOTE 36: OTHER EXPENSES (NET)

	31 March 2020	31 March 2019
Consumption of stores and spares	7,274	6,340
Power, fuel and water*	6,188	5,805
Repairs to :		
- Building	670	937
- Plant and machinery	5,960	6,608
- Others	1,309	1,037
Rent	1,922	2,500
Insurance	1,748	1,097
Rates, taxes and duties#	1,658	1,139
Travelling and conveyance	1,128	1,194
Legal and professional fees	3,390	6,444
Payments to auditors (note 37(a) below)	81	82
Directors' sitting fees	69	87
Carriage outward (net)	16,736	24,807
Loss on disposal of property, plant and equipment	50	70
Commission on sales	381	537
Sales and promotion expenses	1,386	1,656
Donations	-	250
Utility services	1,294	1,076
Communication expenses	307	285
Corporate social responsibility expenditure (note 37(b) below)	67	103
Foreign exchange fluctuations loss (net)	4,270	2,628
Miscellaneous expenses@	4,649	6,762
Total	**60,537**	**71,444**

* net of reversal of MSEB electricity duty provision of ₹ 2,552 Lakhs (31 March 2019 : 2,061 Lakhs)
# net of reversal of provision of local body tax ₹ 949 Lakhs (net of reversal of provision for penalty on entry tax 31 March 2019 : 1,063 Lakhs)
@ Miscellaneous expenses include ₹ 575 Lakhs of Provision for capital work in progress.

Notes to the consolidated financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2020	31 March 2019
Payment to auditors		
As auditor:		
Audit fee	59	61
Tax audit fee	6	3
Certification fees in the capacity of statutory auditors	11	10
In other capacities		
Taxation matters	1	1
Re-imbursement of expenses	4	7
Total	**81**	**82**

NOTE 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2020	31 March 2019
Contributions to Ishanya Foundation	40	61
Others	27	42
Total	**67**	**103**
Amount required to be spent as per Section 135 of the Act	289	388
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	67	103

NOTE 38: FAIR VALUE MEASUREMENTS

(I) Financial instruments by category

	31 March 2020			31 March 2019		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Investments in equity shares	3	69	-	3	69	-
- Mutual funds	1,011	-	-	24,253	-	-
- Debt and Government securities	-	-	-	-	291	-
Trade receivables	-	-	1,27,580	-	-	1,39,626
Cash and cash equivalents	-	-	15,757	-	-	8,874
Other bank balances	-	-	10,169	-	-	2,749
Loans	-	-	118	-	-	174
Other financial assets						
- Derivative financial assets, not designated as hedges	2,045	-	-	8	-	-
- Security deposits	-	-	3,166	-	-	2,966
- Interest receivable	-	-	406	-	-	766
- Others	-	-	1,641	-	-	347
Total financial assets	**3,059**	**69**	**1,58,837**	**24,264**	**360**	**1,55,502**

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2020			31 March 2019		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
Financial liabilities						
Borrowings	-	-	2,92,789	-	-	3,03,211
Lease Liabilities	-	-	8,728	-	-	-
Trade payables	-	-	1,29,449	-	-	1,48,399
Other financial liabilities						
- Derivative financial liabilities, not designated as hedges	22	-	-	1,356	-	-
- Capital creditors	-	-	8,141	-	-	17,506
- Security deposits	-	-	5,872	-	-	5,308
- Interest accrued	-	-	2,004	-	-	879
- Derivative not designated as hedge	908	-	-	-	-	-
- Others	-	-	4,511	-	-	2,409
Total financial liabilities	**930**	**-**	**4,51,494**	**1,356**	**-**	**4,77,712**

(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 2020				31 March 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Equity instruments	3	-	69	72	3	-	69	72
Mutual funds	1,011	-	-	1,011	24,253	-	-	24,253
Financial Investments at FVOCI								
Debts & Government Securities	-	-	-	-	291	-	-	291
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	2,045	-	2,045	-	8	-	8
Total financial assets	**1,014**	**2,045**	**69**	**3,128**	**24,547**	**8**	**69**	**24,624**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	22	-	22	-	1,356	-	1,356
Embedded derivative	-	908	-	908	-	-	-	-
Total financial liabilities	**-**	**930**	**-**	**930**	**-**	**1,356**	**-**	**1,356**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2020 and 31 March 2019.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The Group 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.

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 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 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 Group'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 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'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 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), ₹1,009 Lakhs (31 March 2019: ₹ 4,770 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2020 or 31 March 2019.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2020	31 March 2019
Balance at the beginning of the year	1,509	1,334
Add: Provided during the year (net of reversal)	1,192	175
Less: Amount written off	(391)	-
Balance at the end of the year	2,310	1,509

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, Group believes these to be high quality assets with negligible credit risk. The Group 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 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 2020	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,92,789	87,422	1,19,270	86,097	2,92,789
Lease Liabilities	8,728	1,944	6,784	-	8,728
Trade payables	72,101	72,101	-	-	72,101
Interest accrued	1,883	1,883	-	-	1,883
Security deposits	5,872	5,872	-	-	5,872
Embedded derivative	360	190	170	-	360
Capital creditors	5,266	5,266	-	-	5,266
Foreign exchange forward contracts	22	22	-	-	22
Other financial liabilities	5,059	5,059	-	-	5,059
Total non-derivative liabilities	3,92,080	1,79,759	1,26,224	86,097	3,92,080
Derivatives financial liabilities					
Interest accrued	121	121	-	-	121
Capital creditors	2,875	2,875	-	-	2,875
Trade payables	57,348	57,348	-	-	57,348
Total derivative liabilities	60,344	60,344	-	-	60,344

(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2019	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives					
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 contract used for hedging	1,356	1,356	-	-	1,356
- Borrowings	1,609	1,609	-	-	1,609
- Trade payables	60,766	60,766	-	-	60,766
Total derivative liabilities	**63,731**	**63,731**	**-**	**-**	**63,731**

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 Group. 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 43.

FOREIGN CURRENCY BALANCES OUTSTANDING

	AED in Lakhs	USD in Lakhs	EUR in Lakhs
Assets			
Exports Receivable			
31 March 2020	-	12	-
31 March 2019	-	17	-
Liabilities			
Trade Payable			
31 March 2020	-	984	1
31 March 2019	270	985	6
Net (payable)/receivable in Foreign Currency Lakhs			
31 March 2020	-	(973)	(1)
31 March 2019	(270)	(968)	(6)

(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 2020	31 March 2019
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2019-1%)	736	669
₹/USD -depreciated by 1% (31 March 2019-1%)	(736)	(669)
AED sensitivity		
₹/AED -appreciated by 1% (31 March 2019-1%)	-	51
₹/AED -depreciated by 1% (31 March 2019-1%)	-	(51)
EUR sensitivity		
₹/EUR-appreciated by 1% (31 March 2019-1%)	1	5
₹/EUR-depreciated by 1% (31 March 2019-1%)	(1)	(5)

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's fixed and floating rate borrowings:

	31 March 2020	31 March 2019
Variable rate borrowings	1,25,158	1,15,296
Fixed rate borrowings	1,67,631	1,87,915
Total borrowings	**2,92,789**	**3,03,211**

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings.

(ii) 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's profit for the year ended 31 March 2020 would decrease / increase by ₹ 626 Lakhs (for the year ended 31 March 2019: decrease / increase by ₹ 576 Lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

NOTE 40 : CAPITAL MANAGEMENT

(a) Risk Management

The Group'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.

(All amounts in ₹ Lakhs unless otherwise stated)

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 2020	31 March 2019
Net debt	2,66,863	2,91,588
Total equity	2,22,391	2,14,162
Net debt to equity ratio	**1.20**	**1.36**

(b) Dividends

Particulars	31 March 2020	31 March 2019
(i) Equity shares		
Final dividend for the year ended 31 March 2019 of ₹ 3 per fully paid equity share (31 March 2018 of ₹ 6 per fully paid equity share)	2,646	5,292
(ii) Dividend not recognised at the end of the reporting period	**2,646**	**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 2019 : ₹ 3 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,679	2,646

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 41 (A) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

A Significant influence over the entity

1 Nova Synthetic Limited

B Entity with joint control

1 Yerrowda Investments Limited

C Associates

1 Ishanya Brand Services Limited (for the period upto 22 March 2020)

2 Ishanya Realty Corporation Limited

3 Mumbai Modern Terminal Complex Private Limited

4 Desai Fruits Venture Private Limited (formerly known as Desai Fruits and Vegetables Private Limited) (for the period upto 18 July 2019)

D Key management personnel

(a) Executive directors

Mr. Sailesh Mehta

Mr. Yeshil Mehta

(b) Non-executive directors

Ms. Parul Mehta

Mr. Madhumilan Shinde

Dr. Tapan Chatterjee

Mr. Ashok Shah

Mr. Rahgunath Kelkar

Mr. Amitabh Bhargava

Mr. K Subharaman

(c) Non-executive Independent directors

Mr. Berjis Desai

Mr. Ashok Purwaha

Mr. Mahesh Chhabria

Mr. Pranay Vakil

Mr. Anil Singhvi (upto 19 April 2019)

Mr. Alok Perti (from 22 April 2019)

Dr. Amit Biswas (from 22 April 2019)

Mr. Partha Bhattacharyya

Mr. Bhuwan Tripathi (from13 February 2020)

Mr. Sewak Wadhwa

Mr. Urmilkumar Jhaveri

Mr. R. Sriraman

(d) Company Secretary

Mr K Subharaman

Mr. Pankaj Gupta

(e) Chief Finance Officer

Mr. Amitabh Bhargava

(f) Relatives of key management personnel

Ms. Rajvee Mehta

E Other related parties

1 Ishanya Foundation

2 Robust Marketing Services Private Limited

3 Mahadhan Farm Technologies Private Limited (subsidiary with effect from 1 October 2019)

4 Deepak Nitrite Limited

5 Deepak Phenolics Limited

6 Deepak Agro Solution Ltd

The above list includes the Companies with whom the Company has entered into the transactions during the year.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE : 41(B) CONSOLIDATED RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2020					31 March 2029				
		Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
1	**Sale of goods**										
	Mahadhan Farm Technologies Private Limited*	-	-	-	548	548	-	-	-	1,303	1,303
	Deepak Nitrite Limited	-	-	-	7,105	7,105	-	-	-	8,970	8,970
	Deepak Phenolics Limited	-	-	-	21	21	-	-	-	-	-
2	**Rendering of services/reimbursement of expenses**										
	Ishanya Foundation	-	-	-	4	4	-	-	-	4	4
3	**Purchase of goods and services**										
	Mahadhan Farm Technologies Limited*	-	-	-	(1,017)	(1,017)	-	-	-	(1,902)	(1,902)
4	**Interest expense on loan taken**										
	Deepak Agro Solution Ltd	-	-	-	(14)	(14)	-	-	-	-	-
5	**Receiving of services/reimbursement of expenses**										
	Yerrowda Investments Limited	(86)	-	-	-	(86)	(31)	-	-	-	(31)
	Crawford Bailey & Co	-	-	-	-	-	-	-	-	(9)	(9)
	Mr. M P Shinde	-	(15)	-	-	(15)	-	(18)	-	-	(18)
	Ishanya Foundation	-	-	-	(1)	(1)	-	-	-	(1)	(1)
6	**Asset Sale**										
	Deepak Nitrite Limited	-	-	-	9,925	9,925	-	-	-	-	-
7	**Donation given**										
	Ishanya Foundation	-	-	-	(40)	(40)	-	-	-	(41)	(41)
8	**Remuneration (including perquisites)****										
	Mr Sailesh Mehta	-	(415)	-	-	(415)	-	(398)	-	-	(398)
	Mr.Yeshil Mehta	-	(102)	-	-	(102)	-	(81)	-	-	(81)
	Mr. Amitabh Bhargava	-	(316)	-	-	(316)	-	(189)	-	-	(189)
	Mr. Debashish Banerjee	-	-	-	-	-	-	(3)	-	-	(3)
	Mr. K Subharaman	-	(71)	-	-	(71)	-	(70)	-	-	(70)
	Mr. Mandar Velankar	-	-	-	-	-	-	(3)	-	-	(3)
	Mr. Pankaj Gupta	-	(44)	-	-	(44)	-	(40)	-	-	(40)
	Ms. Rajvee Sailesh Mehta	-	-	(26)	-	(26)	-	-	(14)	-	(14)
9	**Lease rental expenses**										
	Deepak Nitrite Ltd.	-	-	-	(7)	(7)	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	(76)	(76)	-	-	-	(66)	(66)
10	**Deposits for Renting of Premises**										
	Mr Sailesh Chimanlal Mehta	-	-	-	-	-	-	(1,300)	-	-	(1,300)

Notes to the consolidated financial statements for the year ended 31st March 2020

(All amounts in ₹ Lakhs unless otherwise stated)

		31 March 2020					31 March 2029				
Sr. No.	Nature of Transactions	Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with joint control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
11	**Allotment of Equity Shares**										
	Robust Marketing Services Private Limited	-	-	-	3,333	3,333	-	-	-	-	-
12	**Loan or Advances Taken**										
	Deepak Agro Solution limited	-	-	-	265	265	-	-	-	-	-
13	**Purchase of equity shares of Mahadhan Farm Technologies Limited and Ishanya Brand Services Limited**										
	Mr. Sailesh Mehta	-	(1,385)	-	-	(1,385)	-	-	-	-	-
	Ms.Parul Mehta	-	(1)	-	-	(1)	-	-	-	-	-
14	**Advance paid for Equity Share of Ishanya Brand Services Limited**										
	Ms. Parul Mehta	-	(3)	-	-	(3)	-	-	-	-	-
	Mr. Yeshil Mehta	-	-	(0)	-	(0)	-	-	-	-	-
	Ms. Rajvee Mehta	-	-	(0)	-	(0)	-	-	-	-	-
15	**Leasehold improvements (CWIP) to Key management personnel**	-	541	-	-	541	-	78	-	-	78
15	**Amount outstanding**										
	Trade payables										
	Yerrowda Investments Limited	-	-	-	-	-	(21)	(1)	-	-	(1)
	Mr. M P Shinde	-	-	-	-	-	-		-	-	
	Deposit Receivables										
	Mr Sailesh Mehta	-	1,500	-	-	1,500	-	1,500	-	-	1,500
	Robust Marketing Services Private Limited	-	-	-	650	650	-	-	-	650	650
	Trade receivables										
	Deepak Nitrite Ltd.	-	-	-	910	910	-	-	-	1,397	1,397
	Robust Marketing Services Private Limited	-	-	-	3	3	-	-	-	-	-
	Yerrowda Investments Limited	65	-		-	65	-	-	-	-	-
	Deepak Phenolics Ltd.	-	-	-	25	25	-	-	-	-	-
	Interest Payable										
	Deepak Agro Solution Ltd.	-	-	-	(12)	(12)	-	-	-	-	-
	Loan Payable										
	Deepak Agro Solution Ltd	-	-	-	(265)	(265)	-	-	-	-	-
	Money received against share warrant										
	Robust Marketing Services Private Limited	-	-	-	(4,167)	(4,167)	-	-	-	(5,000)	(5,000)

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis

* Mahadhan Farm Technologies Private Limited (subsidiary with effect from 1 October 2019)

**Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 69 Lakhs (31 March 2019 : ₹ 79 Lakhs)

Note :Corporate Guarantee received from M/s Yerrowda Investments Limited (YIL) (Refer note 21 point no. 5)

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2020	31 March 2019
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	37,645	16,606
Income Tax Demands (Also refer note 47 for Search and Seizure)	7,244	7,514
Excise/Service Tax/Custom Demands#	4,798	5,694
Sales Tax/ VAT Demands	6,589	6,608
Local Body Tax	2,176	1,193
Penalty on Entry Tax	1,551	1,551
Total	**60,003**	**39,166**
B. Capital Commitments		
Related to Projects	48,256	76,146
Related to Realty	2,639	4,353
Total	**50,895**	**80,499**

includes ₹1,881 Lakhs (31 March 2019 : ₹1,881 Lakhs) which pertains to service tax liabilities.

NOTE 43: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2020		31 March 2019	
	Amount in Foreign Currency Lakhs*	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs*	Equivalent Amount (in Lakhs)
Hedged Position				
Creditors (in USD)	796	60,223	879	60,766
Interest on borrowing (USD)	2	121	-	-
Buyers Credit (in USD)	-	-	23	1,609
Un-hedged Position				
Creditors (in USD)	35	2,660	83	5,743
Creditors (in AED)	-	-	270	5,071
Creditors (in EURO)	1	109	6	464
Interest accrued ((in EURO)	2	171	-	-
Borrowings and interest (USD)	151	11,445	-	-
Exports receivables (in USD)	12	871	17	1,176
Bank Balance (in USD)	0	12	-	-

*The above transactions are hedged by following derivative contracts.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	53	4,024	173	11,944
Options Contracts - USD	745	56,320	729	50,431
Total	**798**	**60,344**	**902**	**62,375**

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under Ind AS 109 since these contracts do not meet the hedge accounting requirements.

Unhedged Foreign Currency exposure is as under

Particulars	31 March 2020	31 March 2019
Payables and borrowings (including interest)	14,385	11,278
Receivables and bank balances	883	1,176

NOTE 44: INCOME TAXES

A. Components of Income Tax Expenses	31 March 2020	31 March 2019
I. Tax expense recognised in the statement of profit and loss		
Current tax		
Current tax on profits for the year	381	1,351
Total (A)	**381**	**1,351**
Deferred tax	1,026	2,281
Total (B)	**1,026**	**2,281**
Total (A+B)	**1,407**	**3,632**
II. Tax on Other Comprehensive Income		
Deferred tax		
Loss on remeasurement of net defined benefit plans	334	182
Loss on debt instruments through other comprehensive income	-	18
Total	**334**	**200**

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2020 and 31 March 2019

Particulars	31 March 2020	31 March 2019
Accounting Profit before share of (loss) of equity accounted investees and income tax	10,325	11,284
At India's statutory income tax rate of 25.17% (31 March 2019: 34.944%) (A)	**2,599**	**3,943**
Effects of income not subject to tax		
- Profit from power generation division	-	(182)
- Dividend income	-	(36)
Effects of non-deductible business expenses	392	261
Effect of adopting new tax rates from Taxation Laws (Amendment) Act (refer note below)	(520)	-
Long term capital profit not subjected to income tax	(1,157)	-
Reversal of earlier year tax provision	(103)	79
Others	196	(433)
Total (B)	**(1,192)**	**(311)**
Income Tax expense reported in the statement of profit or loss (A+B)	**1,407**	**3,632**

During the year, the Group except Smartchem technologies limited (wholly owned subsidiary) decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 from the current financial year, and the Company had reversed deferred tax liabilities amounting to ₹ 520 Lakhs. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate.

NOTE 45

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 Government of India, 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 46

During the current year, the managerial remuneration (based only on fixed component of salary) paid by the Holding Company to its Chairman and Managing Director is in excess of the limits laid down under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 264.77 Lakhs. The Holding Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

NOTE 47

A Search and Seizure Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018 under section 132 and 133A of the Income Tax Act, 1961. During the current year, the Holding Company and Subsidiary Company received notices under Section 153A of the Income Tax Act, 1961 and have filed revised Income tax returns for Assessment Years 2013-2014 to 2018-2019 in response to the notices. The Holding Company and Subsidiary Company have also not till date received any demand notices in relation to the Search and Seizure. The Group is of the view that the Operation will not have any significant impact on the Group's financial position and performance as at and for the year ended 31 March 2020 and hence no provision has been recognised as at 31 March 2020.

NOTE 48

Statutory dues payable of ₹ 5,176 Lakhs have been classified as provisions (refer Note 24). Consequently, previous year comparative amounts of statutory dues payables of ₹ 5,176 Lakhs which were classified under other current liabilities have been regrouped under provisions.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 49 : CONSOLIDATED SEGMENT REPORTING

Sr. No.	Particulars	Chemicals	Fertilisers	Realty	Others	Common	Total
1	Revenue						
	a) External Sales						
	Manufactured	2,26,308	1,58,445	1,396	745	-	3,86,894
	Previous Year	*2,54,711*	*1,52,839*	*971*	*818*	*-*	*4,09,339*
	Traded	48,155	32,467	765	-	-	81,387
	Previous Year	*1,88,643*	*74,375*	*1,184*	*-*	*-*	*2,64,202*
	b) Inter-segment sales	-	-	-	-	-	-
	Previous Year	*-*	*-*	*-*	*-*	*-*	*-*
	c) Other operating income	54	203	-	-	-	257
	Previous Year	*599*	*66*	*-*	*-*	*-*	*665*
	d) Unallocated Corporate other income	-	-	-	-	9,545	9,545
	Previous Year	*-*	*-*	*-*	*-*	*5,430*	*5,430*
	Total Revenue	2,74,517	1,91,115	2,161	745	9,545	4,78,083
	Previous Year	*4,43,953*	*2,27,280*	*2,155*	*818*	*5,430*	*6,79,636*
2	Segment Result	41,358	3,344	(1,428)	353	9,545	53,172
	Previous Year	*51,725*	*(3,886)*	*(1,572)*	*421*	*5,430*	*52,118*
3	Interest	-	-	-	-	24,293	24,293
	Previous Year	*-*	*-*	*-*	*-*	*22,933*	*22,933*
3	Unallocated Corporate expenses	-	-	-	-	18,554	18,554
	Previous Year	*-*	*-*	*-*	*-*	*17,901*	*17,901*
4	Profit before share of (loss) of equity accounted investees and income tax	-	-	-	-	-	10,325
	Previous Year	*-*	*-*	*-*	*-*	*-*	*11,284*
5	Other Information						
	a) Segment Assets	3,84,462	2,03,873	23,065	1,663	80,060	6,93,123
	Previous Year	*3,36,640*	*2,28,313*	*21,884*	*1,960*	*1,22,964*	*7,11,761*
	b) Segment Liabilities	2,62,886	1,80,133	3,268	3	24,442	4,70,732
	Previous Year	*2,74,867*	*2,01,311*	*2,406*	*3*	*19,012*	*4,97,599*
	c) Capital Expenditure incurred during the year	52,844	3,266	833	-	2,633	59,576
	Previous Year	*35,406*	*10,932*	*-*	*-*	*3,815*	*50,153*
	d) Depreciation/ Amortisation	10,839	5,217	1,093	225	3,979	21,353
	Previous Year	*8,355*	*4,839*	*1,053*	*225*	*2,674*	*17,146*

Segment information

1 Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, Dilute nitric acid, Concentrated nitric acid, CO_2, Technical ammonium nitrate, Iso-propyl alcohol, Propane, Bulk and Speciality Chemical.
b) Bulk Fertilisers	Nitro phosphate, Mutriate of potash, Diammonium phosphateAP, Ammonium Sulphate, Mixtures, Single super phosphate, 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.

(All amounts in ₹ Lakhs unless otherwise stated)

NOTE 50 : GROUP INFORMATIONS

Particulars of subsidiaries, joint control and associates which have been considered in the preparation of the Consolidated Financial Statements:

	Country of incorporation	Nature of business	% Equity interest	
			31 March 2020	31 March 2019
Subsidiaries				
Direct				
Smartchem Technologies Limited	India	Manufacturing and Trading	100.00	100.00
Deepak Mining Services Private Limited	India	Services	100.00	100.00
Deepak Nitrochem Pty Limited	Australia	Services	100.00	100.00
SCM Fertichem Limited	India	Farm and Trading	100.00	100.00
Ishanya Brand Services Limited	India	Trading	74.99	49.99
Indirect				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	85.64	85.64
Australian Mining Explosives Pty Ltd	Australia	Services	65.00	65.00
Complete Mining Solution Private Limited	India	Services	100.00	51.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	-
Entity with joint control				
Yerrowda Investments Limited	India	Realty	85.00	85.00
Promoter Group				
Nova Synthetic Limited	India		47.83	48.42

Notes 3 to 50 form an integral part of the Consolidated 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 June 2020

Place: Pune
Date: 30 June 2020

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

Alok Perti
Independent Director

Dr. Amit Biswas
Independent Director

Bhuwan Tripathi
Independent Director
(w.e.f. 13th February, 2020)

Renu Challu
Woman Independent Director
(w.e.f. 13th May, 2020)

Sujal Shah
Independent Director
(w.e.f. 30th June, 2020)

Mahesh Chhabria
Independent Director
(Upto 31st July, 2020)

Company Secretary And Compliance Officer

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

MANAGEMENT TEAM

Amitabh Bhargava
President – Finance & CFO

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

Tarun Sinha
President – Technical Ammonium Nitrate

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Limited
IDFC First Bank Limited
Axis Bank Limited
ICICI 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

www.dfpcl.com

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L24121MH1979PLC021360
2. Name of the Company: Deepak Fertilisers And Petrochemicals Corporation Limited
3. Registered and Corporate Address:

   Sai Hira, Survey No. 93,

   Mundhwa, Pune - 411 036,

   Maharashtra
4. Website: www.dfpcl.com
5. E-mail: investorgrievance@dfpcl.com
6. Financial Year Period: 2019 -2020
7. Sector(s) that company is engaged in (industrial activity code-wise): Industrial Chemicals (NIC Code 46691)
8. List three key products/services that the Company manufactures/ provides (as in balance sheet):
   1. Iso Propyl Alcohol (IPA)
   2. Nitric Acid
   3. Methanol
9. Total number of locations where business activity is undertaken by the Company:

   a) Number of locations: 3

      i. Registered and Corporate Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036

      ii. MIDC Industrial Area, Taloja, Maharashtra

      iii. Plot No. D - II / 7A, Dahej GIDC Industrial Estate,

      Village Rahiyad, Taluka Vagra,

      District Bharuch – 392 130, Gujarat.
10. Markets served by the Company (Local / State / National / International):

    National and International

Section B: Financial Details of the Company

1. **Paid up Capital:** ₹ 89.28 Crore
2. **Total Turnover:** ₹ 1,707.75 Crore
3. **Total Profit after Taxes:** ₹ 30.71 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   Please refer to the CSR Report
5. **List of activities in which expenditure in 4 above has been incurred:**

   Please refer to the CSR Report

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes.
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

   Yes, the Material Subsidiary Company viz. Smartchem Technologies Limited has commenced participating in Business Responsibility activities of the Company.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   Business responsibility related activities are limited to its own business of the Company.

Section D: Business Responsibility Information

1. (a) Details of Director / Directors responsible for the implementation of Business Responsibility Policy:
   - DIN: 00128204
   - Name: Shri S. C. Mehta
   - Designation: Chairman and Managing Director

   (b) Details of Business Responsibility Head:
   - DIN: Not Applicable
   - Name: Shri Amitabh Bhargava
   - Designation: Chief Financial Officer
   - Phone: 020 - 66458000
   - Email Id: amitabh.bhargava@dfpcl.com
2. Principle wise BR policies: Included in this report
3. Governance related to BR: Included in this report

Section E: Principle wise Performance: Included in this report:

Preface:

As per the Amended Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and circulars issued by SEBI, annual report of top 1000 listed entities based on market capitalization calculated as on March 31 of every year shall contain, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective.

The business responsibility reporting requirement is in line with "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" notified by Ministry of Corporate Affairs, Government of India, in July 2011.

Principle wise BR Policies

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

DFPCL is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct ("Code") for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on periodical basis. No Complaints linked to the Code of Conduct adherence were received in the reporting year.

This Policy is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to encourage the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

DFPCL has put in place a Whistle Blower Policy, which lays down the process to report any unethical behaviour or violation of the Code of Conduct. Employees can report to the Management any instances of unethical behaviour, or suspected fraud or violation of the Code of Conduct or ethics policy. Adequate measures are in place to ensure safeguards against victimisation for employees who report any unethical behaviour.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

DFPCL believes that aligning business actions with sustainability goals ensures a long-term growth for the Company. DFPCL is committed to make use of environment friendly and cost-effective technology/process to reduce energy intensity, toxicity and waste. It also always strives to make the products which are safe for use. Energy consumption is constantly monitored at the plants with a view to achieve overall reduction in its use. The processes are also reviewed and modified so as to reduce the requirement of water from time to time.

Principle 3:

Businesses should promote the well-being of all employees

DFPCL is committed to professional development and growth of employees through selecting the right candidate for right job, monitoring performance for optimum utilization of their potential, providing growth opportunities and inculcating the culture of mutual faith and accountability. DFPCL is also committed to the holistic growth of employees by motivating them to perform at the peak of their potential by imparting necessary guidance and training at all levels and providing them with opportunities for enhancing their knowledge and honing their skills.

The policies and procedures in the Company are aligned to meet employees' well-being, diversity, non-discrimination, safety and health so as to have a healthy, cordial and harmonious relationships and value enhancement at all levels.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

DFPCL remain deeply concerned about the healthy engagement with its various stakeholders like employees, suppliers, stockists, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities. The Company continues its engagement with them through various mechanisms such as supplier/vendor meets, customer/employee satisfaction surveys, investor forums, consultations with local communities etc. The Company endevours to encourage there is no discrimination against socially disadvantaged sections in the workplace. The Company makes best efforts to balance between needs of multiple stakeholders in the best possible manner.

Principle 5:

Businesses should respect and promote human rights

DFPCL believes that human rights are fundamental, inherent, universal, indivisible and interdependent in nature and hence, continuously strive to balance the employees' basic human rights as a part of its holistic concern for all its stakeholders.

Principle 6:

Businesses should respect, protect, and make efforts to restore the environment:

DFPCL is committed to safety and preservation of environment and also believes in conservation of natural resources and minimizing hazardous impact on the ecological environment. The Company always believes in using natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies.

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

DFPCL believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc. on the policies framed by the competent authorities. The Company may either itself or through various association/forums/chambers make such representations etc. before the competent authorities. The Company's engagement with the relevant association/forums/chambers etc. is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Principle 8:

Businesses should support inclusive growth and equitable development

DFPCL's philosophy for delineating its responsibility as a corporate citizen is covered through its CSR policy which encompasses guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large.

The Company has in place a Corporate Social Responsibility Policy framed as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and is carrying out various CSR Activities in accordance with the Schedule VII of the Companies Act, 2013.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customers are one of the most important stakeholders. The foundation of the Company is based on the trust, satisfaction and loyalty of our consumers across the world. The Company continuously strives to make available its products that are safe and competitively priced for the benefits of its customers / end users. The Company actively interacts with its customers through a variety of platforms such as dealers meet.