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Mundhwa, Pune - 411 036, India.
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DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

04th August, 2021

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE Code: 500645

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

Dear Sir/ Madam,

Subject: Annual Report for the FY 2020-21 including notice of the 41st Annual General Meeting

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we enclose herewith the following documents relating to the 41st Annual General Meeting of the Company scheduled on **Thursday, 26th August, 2021** at **11.00 a.m.** through Video Conferencing/ Other Audio-Visual Means (e-AGM):

1. Notice of the 41st Annual General Meeting;
2. Annual Report; and
3. Business Responsibility Report.

The aforesaid documents are also available on the website of the Company, i.e., www.dfpcl.com/.

You are requested to take the same on your record.

For Deepak Fertilisers
And Petrochemicals Corporation Limited

RITESH CHAUDHRY
Digitally signed by RITESH CHAUDHRY
Date: 2021.08.04 21:50:31 +05'30'

Ritesh Chaudhry
Company Secretary

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

FUTURE READY

Transforming from Commodity to Specialty

Industrial
Chemicals

Crop
Nutrition

Mining
Chemicals

Deepak Fertilisers And
Petrochemicals Corporation Limited

Annual Report 2020-21

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FUTURE READY

Transforming from Commodity to Specialty

Our journey of transformation is unfolding slowly and steadily, undeterred by the challenges on the way. We are committed to India's growth story and are aligning our businesses to be a frontrunner in meeting India's requirement for chemicals and strengthening its stature in the world.

As part of our transformational journey to become a specialty player, we have been building new business models and tailoring our diverse product portfolio on the basis of application, usage and target end-user industries. We are deepening our routes into the market with our value-added crop specific fertilisers and nutrient solutions. Our forward integration of the mining services, including down-the-hole (DTH) and blasting solutions, has been enabling us to serve our customers better and more efficiently. Backed by our rich experience, in-depth sector knowledge and expertise, we are transforming our business to make it Future Ready.

Right from the usage of Artificial Intelligence (AI) to Big Data and Internet of Things (IoT) that would provide us the intelligence of sustainable innovation and market, , we are transforming digitally to remain ahead of the curve. Moreover, through Smart Factory Initiatives in manufacturing, our seamless movement of products has enhanced customer experience.

We are determined and focused to be the nextgen chemicals solutions provider for mission critical sectors of the nation, providing world-class, high quality and need-based value-added products to end-user industries.

We, at Deepak Fertilisers And Petrochemicals Corporation Limited, are cautiously optimistic to scale new highs, chart new territories and build new specialities.

Our goal remains certain to serve and build sustainable futuristic chemistries of the world, from India. We are moving fast, carving out future opportunities and creating solutions out of the most complex situations. We are marching ahead with conviction, agility and determination.

We are Future Ready.

WHO WE ARE

- A diversified chemicals solutions provider with over 40 years of rich legacy
- Most trusted chemicals and fertilisers manufacturer
- Aligned to India's growth story, serving country's critical sectors such as agriculture, pharmaceuticals, mining and infrastructure
- Diversified portfolio to meet ever-emerging needs of consumers
- Sustainable leadership position across all business operations
- Preferred chemical partner, offering value-added and innovative customer-centric products and solutions

At DFPCL, we are engaged in the manufacturing 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). Under our value-added real estate (VARE) business, we have India's first-of-its-kind home lifestyle centre called Creaticity in Pune. Creaticity focuses on a holistic real estate experience with state-of-the-art homes and interiors, along with food & beverage and entertainment.

Headquartered in Pune, Maharashtra, we export our products to more than 27 countries across 6 continents. Our strategically located state-of-the-art manufacturing plants in Taloja (Maharashtra), Srikakulam (Andhra Pradesh), Panipat (Haryana) and Dahej (Gujarat) provide us the required operational flexibility to adapt and serve the ever-changing business environment.

₹5,808 CRORE

CONSOLIDATED REVENUES IN FY 2020-21

₹406 CRORE - CONSOLIDATED HIGHEST-EVER PROFIT

Our Strengths

ONLY MANUFACTURER

OF NP PRILL 24:24:0 FERTILISER AND TAN SOLIDS IN INDIA

2ND LARGEST MANUFACTURER

OF NITRIC ACID IN SOUTH EAST ASIA AND THE LARGEST IN INDIA

LEADING MANUFACTURER

AND MARKETER OF ISO PROPYL ALCOHOL (IPA)

LARGEST MANUFACTURER

OF BENTONITE SULPHUR IN INDIA

MARKET LEADER

IN SPECIALITY AND WATER SOLUBLE FERTILISERS IN INDIA

Key Sectors

Industrial Chemicals

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

Crop Nutrition Business (CNB)

- Agriculture

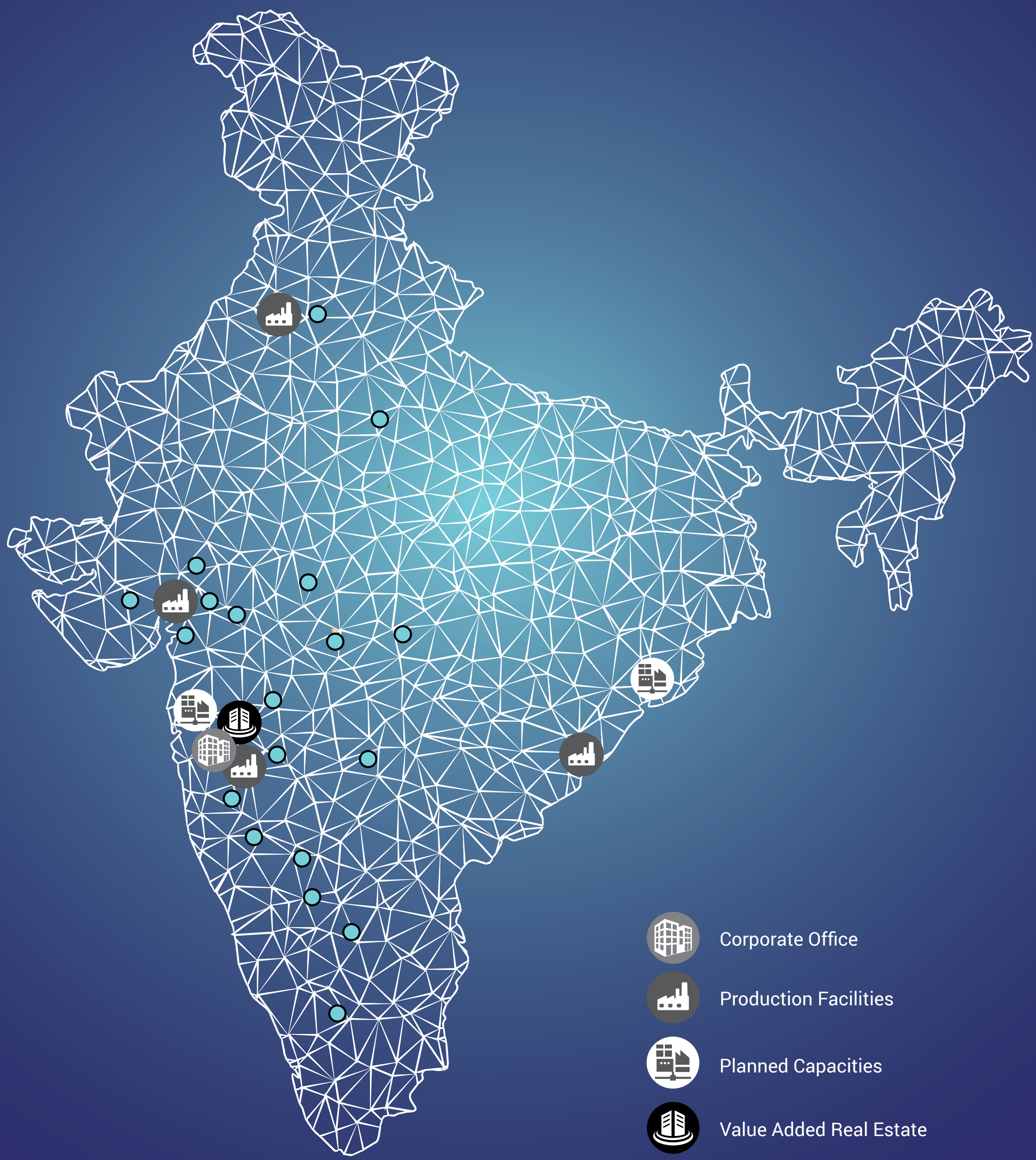
Technical Ammonium Nitrate (TAN)

- Mining
- Infrastructure
- Explosives
- Pharmaceuticals

VARE

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

Core Products and Manufacturing Capacities (MT)



13,62,160
MTPA

CROP NUTRITION BUSINESS (CNB)

Nitro Phosphate Fertiliser, NPK Fertiliser and Bentonite Sulphur

- Nitro Phosphate Fertiliser - Installed (Taloja) - **3,25,000**
- Nitrogen Phosphorous Potassium Fertiliser - Installed (Taloja) - **6,00,000**
- Capacity under Debottlenecking (Taloja) - **2,00,000**
- Bentonite Sulphur - Installed (Taloja & Panipat) - **60,720**

4,86,900
MTPA

INDUSTRIAL CHEMICALS (IC)

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

- Concentrated Nitric Acid - Installed (Taloja & Dahej) – **2,31,000**
- Diluted Nitric Acid - Installed (Taloja, Dahej & Srikakulam) - **8,88,960**
- Iso Propyl Alcohol - Installed (Taloja) – **70,200**
- Methanol - Installed (Taloja) – **1,00,000**
- Liquid CO_2 - Installed (Taloja) - **72,000**

9,85,720
MTPA

TECHNICAL AMMONIUM NITRATE (TAN)

Low Density Ammonium Nitrate, High Density Ammonium Nitrate and Ammonium Nitrate Melt

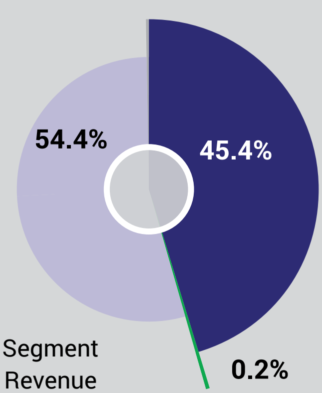
- Technical Ammonium Nitrate - Installed (Taloja) - **4,44,000**
- Technical Ammonium Nitrate -
- Installed (Srikakulam) - **42,900**
- Planned Additional Capacity (Odisha) - **3,76,000**

AMMONIA

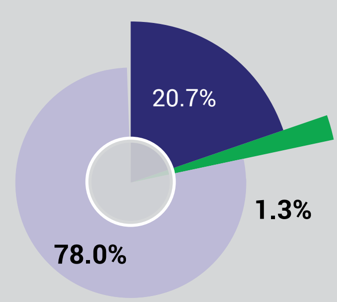
- Installed (Taloja) - **1,28,700**
- Planned Additional Capacity (Taloja) - **5,00,000**

SEGMENTAL CONTRIBUTION FY2021

CNB
Industrial Chemicals (including TAN)
VARE & Others



Segment Revenue



Segment Result*

** Segment Results represents profit / (loss) before tax and finance costs from each segment as per consolidated segment reporting*

Business Initiatives

INDUSTRIAL CHEMICALS:

- IC business is focusing on the pharma sector and converting standard grade IPA consumers to pharma grade to garner higher market share.
- IPA LR grade available in smaller pack sizes and soon will be making various Pharmacopeia grade available in smaller pack sizes as well.
- Developing purification method of crude diisopropyl ether (DIPE) which is produced as a by-product in IPA manufacturing process.
- Crossed 90% capacity utilisation at Dahej Nitric Acid complex during the 2nd year of commissioning and initiatives have been taken for further efficiency improvements and capacity utilisation.
- Back-to-back contracts with Methanol customers for three months sales at a fixed and firm price to protect our margins and avoid market fluctuations
- Forayed into the hand sanitisers, disinfectants and wipes segment with its IPA-based product brand called Cororid.

CROP NUTRITION BUSINESS:

- Tied up with Samunnati, a specialised Agri Value Chain enabler, to offer crop based advisory and access to affordable loans to farmers under FPOs (Farmer Producer Organisations).
- Existing NP / NPK capacity is being debottlenecked from 9,25,000 MTPA to 11,25,000 MTPA
- Successfully moved 100% NPK production from plain grade to differentiated NPK (SMARTEK), volume growth of 198% YoY. Smartek sales reached 438,000 MT for FY20-21.
- Largest manufacturer of Bentonite Sulphur and a market leader in speciality and water-soluble fertilisers in India.
- New launches include ‘Smartek 14.28.00’, ‘Superfast Bensulf’, ‘Grape Crop Specific Package’ (3 Grades) and ‘Tomato Crop Specific package’ (2 Grades).
- Development works for three more specific grades are at an advanced stage with respective field trails planned for FY21-22.
- Actively engaged with 65 lakh farmers by the end of FY2020-21. Around 18,000 online webinars with farmers and close to 1000 online meetings were conducted to reach out to over 15,000 channel partners. Around 16000 on field demos for our differentiated product and Crop combination.
- More than 3.5 lakh+ followers on Facebook, more than 27K subscribers on YouTube, more than 44,000 downloads of Mahadhan app.

TECHNICAL AMMONIUM NITRATE:

- TAN plant at Gopalpur, Odisha (East Coast) is expected to commission by Q4 FY24 with a capacity of 376 KTPA
- Initiated debottlenecking to increase the TAN capacity at Taloja by 25% with minimum investment
- TAN business launched AN Care Portal, a major milestone in the company's journey towards becoming one-stop solution provider to the Mining and Infrastructure industries for their blasting requirements
- Investment in curing project for enhancing the quality of LDAN products to world-class standards
- Actively worked with customers for deployment of technology of using waste oil from the Mines and reprocessing it for use with Low Density AN to manufacture ANFO for blasting applications
- Forward integration for finished products required by the Mining and Infrastructure industries
- Deployment of specially designed Bulk Mixing and Delivery (BMD) trucks to deliver ANFO and High Energy Emulsion blend bulk explosives directly into the blast hole in mines
- Identification of mine and quarry productivity improvement projects to optimise their drilling, blasting and downstream costs

---

- Mechanical completion of Ammonia Plant at Taloja, Maharashtra, expected by Q4 FY23. To have 500 KTPA capacity and lead to zero dependence of the company on imports or domestic third-party ammonia suppliers

VALUE ADDED REAL ESTATE:

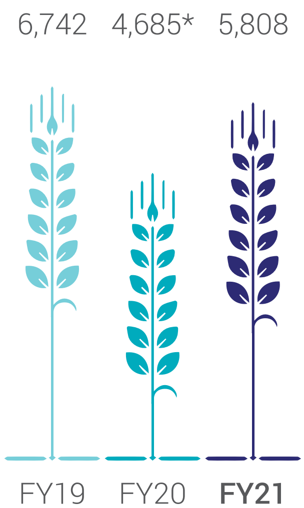
- Launched a specialty vertical marketplace www.creaticityonline.com with nearly half a million visitors within first few months only in Pune
- Organised a the first-of-its-kind home conclave bringing industry leaders and stakeholders together during the pandemic times
- Launched an innovative concept "Creaticity On Wheels" as a reach-out initiative during the pandemic times
- Over 95% retention of occupants despite tough market conditions
- Unveiled a unique ebook titled #futureofhomes to share the collective wisdom of nearly 30 industry captains from the furniture and home category

CONSOLIDATED FINANCIAL HIGHLIGHTS

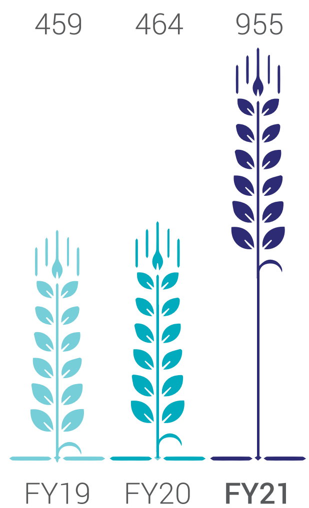
	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Revenue from Operations (₹ in Crores)	4,378	6,062	6,742	4,685	5,808
EBITDA (₹ in Crores)	473	545	459	464	955
EBITDA margin (%)	10.81	8.99	6.81	9.91	16.45
PAT (₹ in Crores)	155	164	73	89	406
PAT margin (%)	3.53	2.71	1.09	1.90	7.00
Earnings per share (₹)	17.53	18.44	8.01	9.58	41.47
Total Assets (₹ in Crores)	5,048	6,991	7,118	6,931	7,143
Net Worth (₹ in Crores)	2,016	2,046	2,098	2,181	2,703
Gross debt to equity (x)	1.00	1.73	1.45	1.34	0.93
Book Value Per Share (₹)	228.59	231.99	237.85	244.26	263.21

18 | Deepak Fertilisers And Petrochemicals Corporation Limited

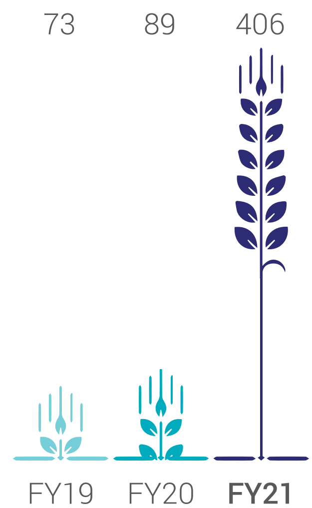
Revenue from Operations (₹ cr)



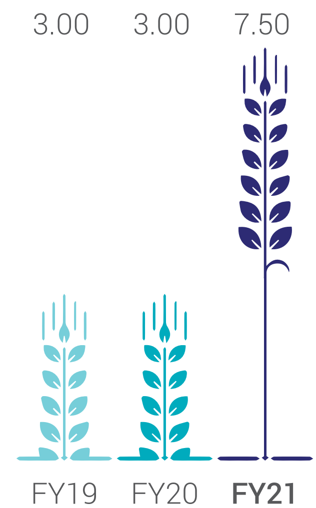
Operating EBITDA (₹ cr)



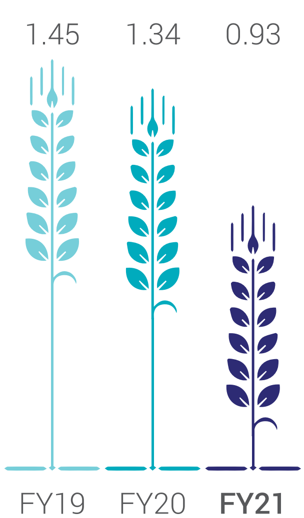
Profit after Tax (₹ cr)



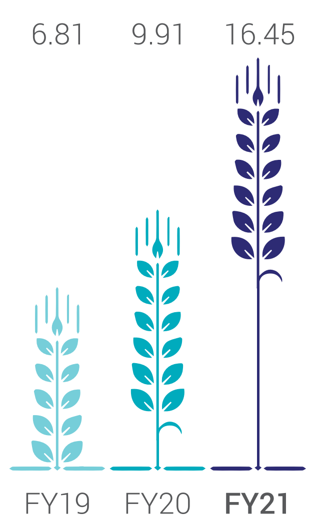
Dividend (₹/share)



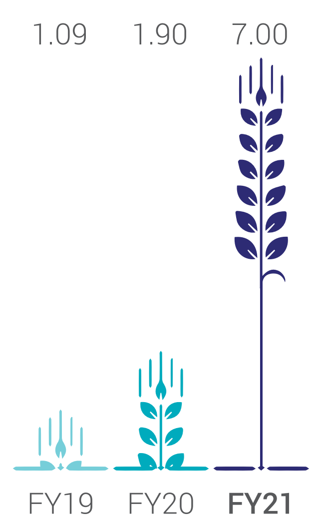
Gross debt to equity (x)



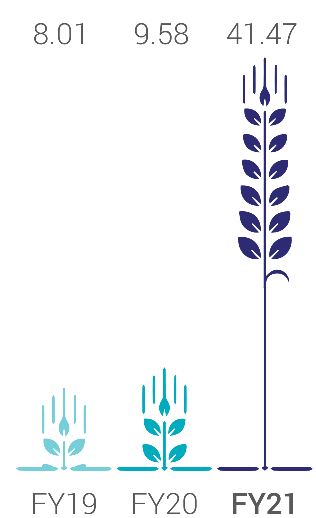
EBITDA margin (%)



PAT margin (%)

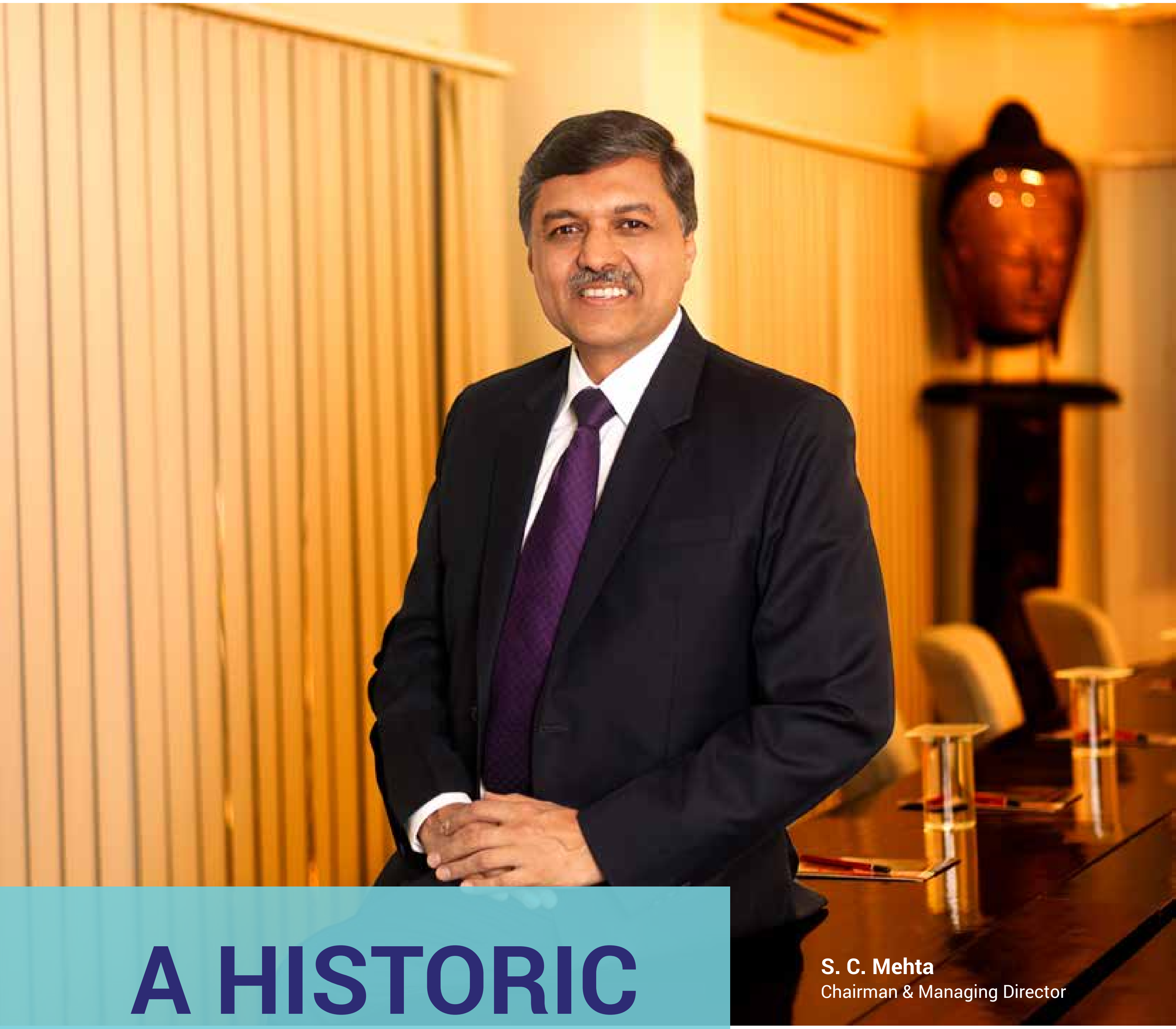


EPS (₹)



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

Message from Chairman & Managing Director



S. C. Mehta
Chairman & Managing Director

A HISTORIC YEAR

Dear Shareholders,

In an environment of severe uncertainty and volatility all-round the Globe today, how does one even make attempts to become Future Ready?

At DFPCL, in order to become Future Ready, the path that we have chosen to embark on has been chiseled from deeply listening to the core needs of our end consumers and working backwards to provide for sustained deliveries.

Define yourself by your clients, not your competitors.

~ Ginni Rometty

At the outset, it was obvious that there is no Future if the Present itself is shaky. The previous year and the year that recently closed, found us keeping a focus on operations optimisation across Manufacturing, Logistics and the Marketplace. Despite all the challenges of the past few years, including the COVID-19 crisis, I am happy to share with all of you that we closed 2020-21 with strong deliveries on optimisation. We recorded historic financial performance:

- 24% improvement in Top-line
- 357% jump in Profits
- ₹ 840 Crore reduction in Debt

With this solidity for the ongoing operations, firmly delivered, we have then put our thinking hats together to visualise the path forward, for the Future.

MANTHAN:

To establish the premise of building for the Future, we looked back to our strengths that could be leveraged for the purpose. Two strong and solid pillars emerged:

- Our 40 years of strongly established experiences right from Raw Material Sourcing-Manufacturing-Logistics-Channel-Customers

- A beautiful alignment of our Mining, Chemicals and Fertiliser businesses India's Growth Story emerging from country's basic needs of Power, Cement, Infrastructure, Pharma, Specialty Chemicals and quality Fruits & Vegetables for its growing and affluent mid-income population.

The distilled imperatives that emerged from our introspective *Manthan* to become Future Ready were:

[A] ***Get Your Size Right***

With size, we saw the huge merits of capturing all the efficiencies in Raw Material Procurement, Manufacturing Efficiencies, Channel and Market Optimisation in our products and sectors of operation, wherein we have enjoyed over 40 years of proven capabilities. In capacity enhancements in the existing product lines would enable us in mitigating risk and attracting good returns.

[B] ***Build a backbone of best-in-class Digital Systems and Processes***

Sustained high performance deliveries are only possible with a backbone of strong, best-in-class systems and processes built on the digital prowess that is now available. Capturing granular real-time data, whether under Smart Manufacturing or Big Data at the market end, its insightful analysis for trends, and then looping it into a virtuous cycle of continuous improvement, would alone deliver top-end performance in all the facets of operations, day-in and day-out.

[C] ***Backward Integration for Value Creation***

Backward integration would help enhance and capture value in our total manufacturing chain and as a consequence, also enable us to mitigate price volatility risks in our key raw materials. This would also help hugely mitigate the Supply Chain bottlenecks and Logistics costs for the key imported raw materials. Thus, the foundations of the downstream established over the last four decades would be further strengthened.

[D] *Beyond products, deliver holistic Value to the End Consumers*

The current discount pricing or competition pricing based on Commodity Product marketplace remains perennial open to the vagaries of global competition. The only way to combat this in a sustainable manner is to move towards technologically superior and value-priced differentiated holistic solution delivery business models focused on the targeted end consumers. This would give us long-term brand-based consumer stickiness and sustained premium pricing.

I believe that people make their own luck by great preparation and good strategy

~ Jack Canfield

Over the last few years, we have put together our heads, hearts and spirit to solely focus on delivering these four imperatives to our best. Here is a peep into the distance travelled and the journey ahead in each of our business lines.

THE CROP NUTRITION BUSINESS

As may be recalled, in order to ***GET OUR SIZE RIGHT,*** we had taken up a Capex to triple our NPK fertiliser capacities to help enhance our operational muscle power as well as attain a respectable market share in the fast growing fruits and vegetable segment in Maharashtra, Gujarat and Karnataka. As a first step towards providing **differentiated** NPK fertilisers, we came up with a **technologically** superior coating that enhances the nutrient uptake and provides a unique boost to crop yields.

In FY2020-21, we moved 100% of our NPK capacity to Smartek, the differentiated NPK adding a 198% year-on-year growth. We also launched “Super-fast Bensulf” our unique Specialty Fertiliser product, which too was well received by the farmers.

Unleashing the **Digital Powers**, the year saw an introduction of an end-to-end IT enabled Sales and Operations Planning(S&OP) system connecting Demand Planning right up to Raw Material sourcing along with the required Product mix Manufacturing coordination. Our total operations migrated from SAP to SAP (Hana) with Dashboard-based Decision Support Systems.

To overcome the COVID-19 impact, we utilised various social media platforms and conducted over 18,000 webinars and connected with over 2.22 lakh farmers to walk them through our unique Product Value Propositions. Through our Mahadhan App and other efforts, we connected with over 10 lakh farmers.

With the strategically directed efforts right from product differentiation to farmer-focused marketing drive, our Fertiliser segment grew by 38%. Validating the preference of value over price, our customer base notched up to over two and a half million farmers giving us a market share of close to 20% in our core markets.

Going forward, the current year, will see our leap into more intense Crop Specific Nutrients providing a **Holistic Value Proposition** specifically targeted to the focused farmer segments with a proven promise of not just yield boost but also measurable quality enhancements in the size, color, juiciness, and shelf life of their produce, etc.

The Future Readiness initiatives continue on a fast-track drive.

THE MINING SECTOR

Here too, in pursuance of our ***GET OUR SIZE RIGHT*** initiative, we are in the process of taking up an addition of a global scale Technical Ammonium Nitrate (TAN) capacity which will propel us in the league of the top three Global players in TAN segment.

Riding on India's growth story and its related growth in the Coal-Power, Limestone-Cement and Infrastructure sectors, our TAN business enjoys strong and sustained tailwinds for its continued attractive financial performance. The recently announced landmark Mines and Minerals (Development and Regulation) Amendment Act will provide a strategic new growth trajectory to our TAN business.

Our transformative journey of **End Consumer Value Proposition of Holistic Solutions** has commenced by way of high-performance ANFO explosives and Down-The-Hole (DTH), last mile delivery systems, in line with the best-in-class and technologically superior product range for the Mining sector. Our focused initiatives to help deliver distinct improvements in the Mine Productivity in India promises to move our product offering to a total solutions proposition in the coming years ahead.

THE SPECIALITY CHEMICAL SECTOR

Our new Acid complex capex that was taken up a few years back, to ***GET OUR SIZE RIGHT*** has not only started its strong additions to the profitability of the total Acid business, it has also taken us to being among the 2nd largest Industrial Acid manufacturer in the South East Asia and the largest in India. The shift of global specialty chemicals value chain from China to India promises further positive boost to the Nitric Acid Business growth.

End Segment based product and services differentiation continues to provide premiums to the Nitric Acid offering. Our pursuit from **Commodity to Specialty** also triggered our forays of our IsoPropyl Alcohol (IPA) into the much needed Hand Sanitiser market segment in addition to our differentiated IPA, especially for the Pharma Sector.

The Year gone by also brought in effective steps on our critical initiative of ***Backward Integration to capture the Value-Chain*** in terms of a global scale Ammonia Plant. With the needs to replace over half a million tons of imported Ammonia demand arising out of the raw material needs for our Fertiliser, Mining and Chemicals businesses, this Capex promises to bring over ₹ 25,000 Crore Import Substitution over the next 10 years to become a shining example of the Prime Ministers' *Atmanirbhar Bharat* dream. During the year, we also saw completion of all the required Land Acquisition, Environment Approvals, receipts of over 95% of the required Equipments and the EPC contractor moving to site for a fast-paced construction delivery.

Riding on the long-term softening LNG prices and a saving of over $70 per metric ton just on the logistics costs of the imported Ammonia, the captive needed Project promises an attractive returns even on standalone basis besides mitigating the supply risks of critical raw material supplies for the downstream sectors.

With our four pronged drive of getting our size right, creating a strong back-bone of best-in-class Digital systems, critical backward integration in the value chain and the drive towards holistic value to the end consumer, we have set in motion a **Future Ready** strategy.

The years ahead, promise to unfold an exciting fruition.

S. C. Mehta
Chairman & Managing Director

For more information click the following links:
https://youtu.be/xCctptKoce8
https://www.youtube.com/watch?v=5kVI0eLB1ic

Q&A with the Chief Financial Officer

Amitabh Bhargava
Chief Financial Officer

Q&A SESSION

What have been the key factors behind the historic performance of the Company in FY2020-21?

FY2020-21 has been one of the best years for us in terms of business performance. Our Operating Revenues for the year were up 24%, and Net Profit grew by more than 4.5 times to ₹ 406 Crore in FY2020-21. EBITDA has doubled with the margins at 16.45%. We significantly reduced our Debt during the year with Net Debt/Equity reduced from 1.20x to 0.65x, while Net Debt/EBIDTA reduced from 5.74x to 1.91x (as on March 31st, 2021).

The delivery of profitable growth has been consistent across both our Chemicals and Fertiliser businesses with former contributing 81% to the overall operating profits share. The strong financial performance is reflective of the various measures that we have taken over the last couple of years like value proposition yield, focus on quality, focus on service levels at the field level, improvement of operational efficiency, better working capital management, debottlenecking of manufacturing sites, technological advancement and above all the move from a commodity player to specialty. In FY2020-21, our Cash Generation from Operations stood at healthy levels of ₹ 1,248 Crore.

We did face challenges particularly in H1 FY2021 due to COVID-19, resulting into lower capacity utilisation, although this situation is gradually improving with the recovery of the economy.

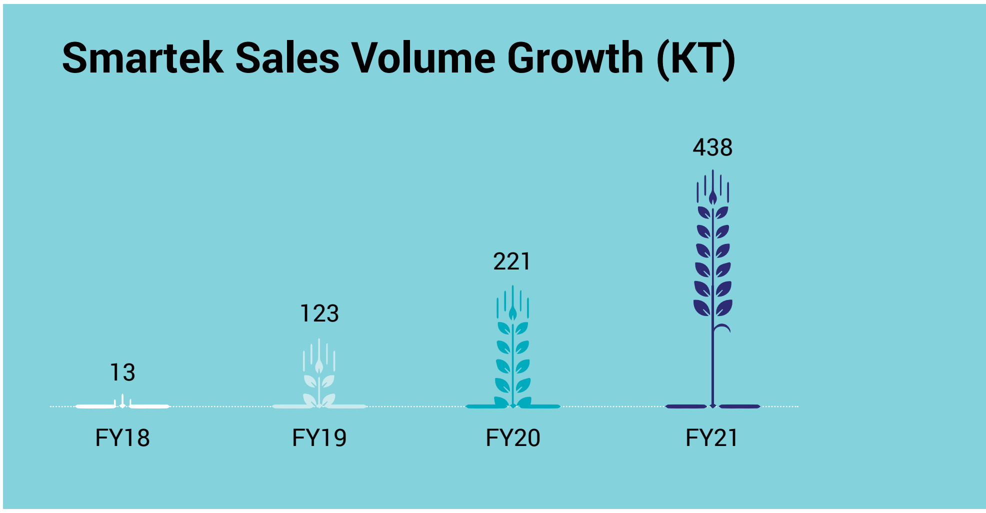
What is your take on the rising raw material prices and its possible impact on margins?

Industry is experiencing increase in raw material prices, which may impact the profitability margins to some extent. However, at DFPCL, we have experienced that any adverse movement in key raw material prices are generally absorbed by the market over time. In case of some of our products, cost increase gets passed through based on existing cost plus pricing structure. In case of bulk fertilisers, Government of India has supported the fertiliser manufacturers by increasing subsidy rates of Phosphorous"P" Nutrient by ~204%.

We are also witnessing counterforces in the marketplace in the form of strong demand for our products. Our diversified product portfolio alongside new products and services improve our ability to competitively price our finished products and sustain margins. Headroom in capacity utilisation provides us an opportunity to reduce fixed costs of production per ton.

DFPCL is in the process of transformation from a commodity to specialty player. Would you share some insights in this regard?

We have taken strategic steps across our business segments. Let me walk you through each of our business segments and the steps taken or in the process towards becoming a specialty player.



Fertilisers

In line with our strategy, we have successfully moved our 100% NPK production from plain grade to differentiated NPK (SMARTEK), resulting in a volume growth of 198% YoY. Moreover, the results of our efforts are reflected in the strong repeat customer base that we have garnered during the year for SMARTEK. Therefore, with higher satisfaction and validation on pricing, value proposition yield, focus on quality, and service levels at the field level, our business model is getting validated with an improved bottom line.

We have also established unique structure of marketing team to focus on liquidation (sale to farmer) of material which helped us to achieve the YoY volume growth of 35% in Bulk (Nitro Phosphate and NPK SMARTEK together) and 26% in Specialty in FY21. We follow "Seeing is Believing" concept, and therefore conducted ~16,000 on-farm demonstrations of our products during the year. We also conducted 18,000 digital webinars explaining to 2.22 Lakh farmers about our product value proposition. In addition around 10 Lakh farmers were contacted directly by our marketing team through social media platforms. In a bid to keep the market momentum, we plan to launch two-three new products every year, and have a strong and differentiated product pipeline in various stages of development.

Industrial Chemicals:

As far as Acids are concerned, we are in the process of segmenting the market depending on the concentration of Acids, their application and different end-user segments.

Likewise, in IPA, we have tried bringing in differentiation to pharma grade IPA and the IPA for other end usage. As a part of commodity to specialty journey and forward integration to IPA, we have forayed into hand sanitiser and disinfectant category in April 2020 to deal with COVID-19 situation. We have undertaken a differentiated product strategy, wherein we are developing "IPA based" strong product range with 16 SKUs in hand sanitisers, disinfectants and wipes. We have 5 new SKUs in the pipeline to cater to various segments, such as B2C, B2B and B2G.

Technical Ammonium Nitrate (TAN):

Our strategic downstream tie-ups to provide value-added products, deeper associations with the growing private coal mining segment and down-the-hole (DTH) last-mile delivery systems have commenced in the right earnest. The introduction of cost-effective and high-performance ANFO explosives as a substitute for conventional emulsion explosives is expected to further support our TAN business.

Given that you have had a fantastic FY21, how do you see the future panning out in terms of growth? Is this performance sustainable?

In the last 3-4 years, we have undertaken NPK expansion and Dahej Acid Complex has started delivering operationally and financially. We have witnessed strong growth in NPK SMARTEK. This is indeed a strong evidence of yield and quality improvement experienced by farmers who have used our product. This should help volume and margin growth in the CNB segment. Moreover, the headroom in capacity utilisation is capable of catering to this volume growth. Through, our in-house R&D and product development, value-added and crop specific products are being lined up to provide a better product experience to farmers.

In the Q1 and part of Q2 FY2020-21 posed operational challenges for our customers, resulting in lower volumes in TAN and Acid. We also faced maintenance challenges due to COVID-19 situation, resulting in lower capacity utilisation. This situation is now improving with recovery of the economy, which is another driver for growth.

The shift of global specialty chemical intermediates value chains from China to India is boosting demand for Nitric Acid and prices in India. Likewise, the increase in coal and limestone mining and infrastructure will boost TAN demand. We are working on new TAN products and services to improve customer experience.

On the IPA manufacturing segment side, the demand is still strong although prices may not remain at the same level as last year. IPA manufacturing only contributed approximately 15-16% to the gross margins at consolidated levels in FY21.

Can you provide some insights with respect to Investor Relations strategy being undertaken from a capital market perspective, especially during COVID-19 pandemic?

As we continue to navigate through the challenges faced post the outbreak of COVID-19, I would like to share my perspective on how we proactively implemented the Investor Relations (IR) program to ensure all stakeholders were updated on the latest business and strategic developments of DFPCL.

Despite the uncertainty faced in the business environment post the lockdown and subsequent restrictions imposed since the outbreak of COVID-19 in March 2020, we managed to stay resilient and outperform in difficult circumstances.

Investor Relations is undoubtedly a function of finance, communication, marketing and regulatory compliance designed to regularly update stakeholders about the business, ongoing developments and overall outlook.

During the year, we undertook various initiatives to raise the equity profile of DFPCL. We continued to remain very proactive in reaching out to the investors/shareholders and established an effective two-way communication between the Company and the capital market participants. An increased focus was given towards correct and timely messaging to the investor community.

Through our large database of opinion-makers, important business updates were proactively communicated through various modes of communication. We have embraced digital in our processes and are making use of various digital platforms to communicate with our stakeholders effectively to provide timely updates to various stakeholders. Moreover, we also proactively provided requisite clarifications to counter 'Unfounded Rumours' and 'Positive Newsflows' to stock exchanges to protect the shareholder's interest.

AWARDS & RECOGNITION

Mrs. Mehta receives Mahatma Award for 'Social Good' - 2020

Mrs. Parul Mehta, Managing Trustee, Ishanya Foundation, received the Mahatma Award for 'Social Good' in 2020 for 'Poverty Eradication'. The award has been given in appreciation of her excellent work, which is making an enormous social impact and has inspired many.

This Mahatma award is conferred upon only those who demonstrate excellence, the highest standards of ethical conduct, integrity as well as civic and social responsibility.

Mrs. Mehta stands out as one of the most impactful leaders and change-makers. She has been an exemplary leader who has showcased and upheld a tradition of responsible behaviour in these difficult times even while the world is reeling under the grip of COVID-19 pandemic.

The Mahatma Award is supported by the Aditya Birla Group to honour the winners every year and the award ceremony is hosted annually by Liveweek Group, a social impact company in different parts of the world.

'Indian Achievers Award 2020' for Business Leadership won by Creaticity in recognition of notable achievement of championing home furniture retail during the pandemic time through the Home & Home+Conclave.

'Chemicals & Petrochemicals Supply Chain Innovation Award' in the Logistics Category, organised by NASSCOM and Alden, co-sponsored by the Singapore Institute of Material Management & Council for Supply Chain Management.

'Overall Excellence in Logistics and Supply Chain' conducted by the Confederation of Indian Industry (CII).

'Certificate of Appreciation' received from National Safety Council of India (NSCI) during 'Safety Awards 2020 Competition' for Manufacturing Sector Group B (Manufacturing Chemicals & Chemicals Products, Manufacture of Pharmaceuticals, Medicinal Chemical and Botanical products) by our JNPT plot.

CORPORATE SOCIAL RESPONSIBILITY

DFPCL has always been and remains deeply committed to social development as part of its ethos. Over the years, the Company has been engaged relentlessly in societal uplift (rural and urban) through Ishanya Foundation (IsFon) in Pune and Taloja in Maharashtra and Deepak Foundation in Vadodara, Gujarat. It has been contributing significantly in India's economic growth and development by promoting inclusive growth through its various development initiatives and community outreach efforts.

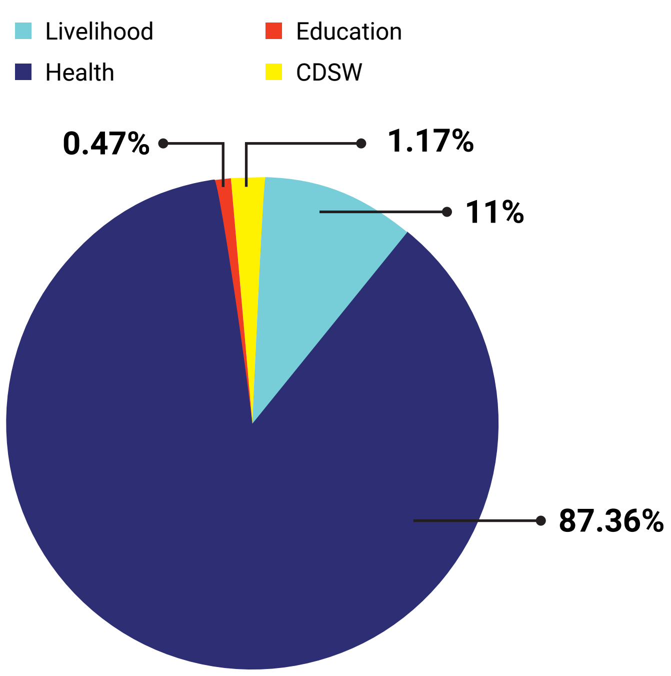
The Company's four-decade community intervention has been directed at the bottom of the economic and social pyramid, especially in rural and urban Maharashtra and Gujarat. The interventions comprise livelihood & women empowerment, farmer upliftment, health, education, art & culture, community development and social welfare.

21,371	17,861	3,510
Total families supported	Rural families touched	Urban families touched

Ishanya Foundation (IsFon)

IsFon has been driven by the conviction that 'If you give a man a fish, you feed him for a day, but if you teach a man to fish and you feed him for a lifetime.' IsFon has been creating a self-sufficient society by working pro-actively with a single-minded devotion towards promoting inclusiveness and creating opportunities for employability to individuals through the development of employable skills that generate sustainable livelihoods, enhance 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 e-Yellow Ribbon NGO Fair and Entrepreneurship Development. IsFon's rural initiatives comprise Wadi Project, Dairy Development Project, Vocational Skill Development, Community Development & Social Welfare (CDSW), Aarogyam, Gyanam and activities carried out during the pandemic.

Sector-wise family coverage 2020-21



Urban Initiatives

Vocational Skills Development Project (VSDP)

IsFon conducts a variety of job-oriented vocational and soft skill training courses. Leveraging formal and informal learning VSDP enhances social equality, inclusion and sustainable development. Furthermore, IsFon also provides placement assistance leading to sustainable livelihoods. IsFon also conducts soft skill training and conversational English sessions to enhance employability. Each student is provided one-on-one mentorship by volunteers.

VSDP courses, 2020-21

- Professional Beautician Course and Art of Mehendi with Spoken English: 20 beneficiaries
- Certificate Course in Information Technology (CCIT): 31 beneficiaries
- Post Basic B.Sc. Nursing - in collaboration with Symbiosis College of Nursing: 09 beneficiaries
- B.Sc. Nursing with St. Andrews College of Nursing: 01 beneficiary
- Diploma in Laboratory Technician Course with Suburban College of Nursing: 01 beneficiary
- Basic Plumbing Course with Dnyanada Institute of Piping Flow Technology: 21 beneficiaries
- Soft Skills, Mock Interview and Typing facilitated by IsFon: 17 beneficiaries
- Placed: 49

Spoken English class being conducted for aspirants at Ishanya Foundation

Success story

Mr.Abhijit Shinde, BE Mechanical Earning ₹ 32,575/-per month

Abhijit Shinde aged 23 years stays at Yerwada. His mother is associated with IsFon under the Income Generation Program. She is the only earning member in her family. Abhijit did his Diploma after passing 10th Std with flying colours. He got very good marks in Diploma and was confused about whether he should take up a job to support his mother since he could not afford to take up B.E.

IsFon suggested to him to apply for B.E and he got admission at Trinity College of Engineering due to his excellent grades in Diploma through merit. IsFon sponsored his fees and now after completing BE (Mechanical) he is employed at Eaton India Innovation Centre with a salary of ₹ 32,575/-.

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 accesso ries, which are then checked for quality and usability
- When cleared, they are resold by Muskaan Parees at nominal prices
- Purchaser beneficiaries covered were 1,147 nos. and Muskaan sale was ₹ 63,760/-

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 gifting products. These products are then sold through Bharatrath Store, Maitri Shop, Daily Fresh and also on an online platform creaticityonline.com.

Income generated by the sale of products is ₹ 4,51,931/- and income generated by ladies is ₹ 1,96,156/-.

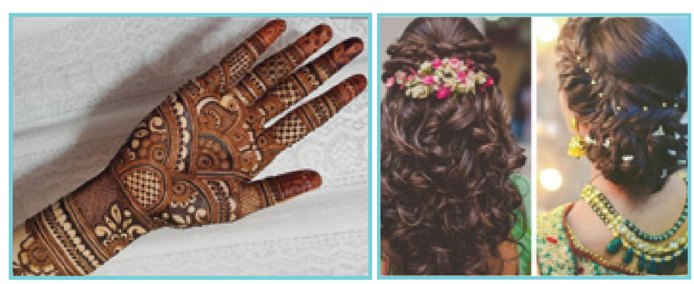
Entrepreneurship Development (Urban & Rural)

The programme seeks to enhance skills and knowledge to empower entrepreneurs to run small businesses through initiatives like sponsorship of high-end sewing machines, parlour chairs, two-in-one steamers, weighing machines, packing machines, handcarts to small vegetable and fruit vendors. Under this initiative 30 urban and 34 rural beneficiaries were covered.

Success story

Mrs. Shubhangi Pujari, Professional Beautician Earning ₹ 20,000/-per month

Mrs. Shubhangi Pujari has done the 'Professional Beautician Practice & Healthcare and Art of Mehendi (Basic) with spoken English course' from IsFon. Her husband's income was ₹ 12,000/- per month, barely sufficient for her family of four. On completion of course and with support of IsFon she has started her own parlour in a rented place and now earns ₹ 20,000/- per month.



e-Yellow Ribbon NGO & Artisan Fair (e-YRNF)

This pre-Diwali event showcases folklore, cultural traditions and skilled craftsmanship of NGOs, artisans and self-help groups covering farmers and farm produce organisations. This year due to the pandemic, they were finding it difficult to sell their produce. IsFon helped them with an online platform to list, showcase and market their products online. The platform empowers beneficiaries with a wide networking platform to learn, share, generate new ideas and enhance marketing awareness.

Paticipants benefited were 23 and the total sale was ₹ 85,881/-.

Rural initiatives

Wadi Project

Under this initiative the beneficiaries, mostly farming families are given access to integrated farming tools and techniques for intensive land development. Aspirants for this project are selected with due diligence based on set criteria. 419 farmers were covered under the initiative.

Support given on 0.5 acre land:

- Establish mango orchard - Kesar variety in form of Grafts
- Fertiliser
- Pesticides
- Farm tools
- Vegetable seeds
- Water pumps & pipes
- IPM & INM techniques
- Development of eroded wasteland through soil and water conservation
- Cultivation of Vegetables
- Development of Model/Trail Plots
- Capacity Building

Total no. of mangoes planted	12,330
Acres	206
Families covered	419
Villages & hamlets covered	18
Total income from vegetable cultivation	₹ 102 lakh

Dairy Development Project

This rural initiative addresses small/marginalised/landless farmers and labourers and aims to enhance dairy farming productivity. 283 beneficiaries were covered under the initiative.

- Eligible women of farmer's households are supported 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
- Assistance in the development of fodder plots
- Doorstep services of artificial insemination followed by pregnancy diagnosis of cows and buffaloes

Total milk production (litre)	4,35,010
Home consumption	94,525+
Calf consumption	61,760
Sold milk (litre)	2,78,725
Income (₹)	₹ 1,04,31,150

Success story

Name of Aspirant: Mrs. Jyotsna Vasudev Lad & Mr. Vasudev Vitthal Lad
Village: Cheriwali, **Taluka:** Panvel, **District:** Raigad

Family Profile: IsFon has supported them with 2 cows. Dairy is the only income source for the family. They can support their children to complete their education only due to sustainable income from the dairy enterprise. Their elder son, Omkar has completed his BA and two daughters, Pradnya and Pranali are pursuing graduation. Vasudev is a marginal farmer. Earlier, their family was dependent on income from agriculture, which was scanty and therefore, they were facing difficulties to fulfill their daily needs and support their children's education. After they started their dairy enterprise with support from Ishanya Foundation, they earn sufficient and have a sustained income.

Support Given: 2 cross breed cows, Medicine Kit, Training Exposure

Asset Created:

2 Female Calves	₹ 55,000	Total Income from Sale of Milk	Milk sold - 9,580 litre @ ₹ 40/- per litre
Total milk produced	12,760 litre		
Home & Calf Consumption	3,180 litre	Annual Gross Income	₹ 3.83 Lac

Fodder Development & Vermicompost

IsFon supported for the cultivation of Azolla, Maize and Napier grass. It took the initiative to develop Vermicompost beds in villages around Taloja.

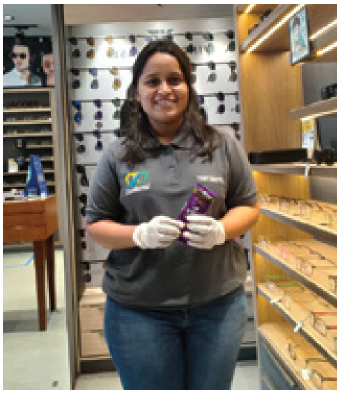
Vermicompost beds	10	Napier Grass	7
Preparation of Silage Fodder	3	Azolla	12

Vocational Skill Development

IsFon enhances rural skills through tailoring and optometry courses. This creates a positive impact on aspirants by providing them enhanced financial stability and inclusivity within the community. 34 beneficiaries were covered under this program.

Success story

Mrs. Devshree Virpal Ridhlan



Support of Course: Bachelor of Optometry
Sponsored Amount: ₹ 1,64,000/-

Devshree is living in a slum area of Vashi. Earlier, her father and mother were working in society as security and housekeeping staff respectively. The family could not afford the fees of optometry for Devshree. She applied for a sponsorship and after the screening, we supported her with 80% fees of college for three years. After her father's death, all the responsibility fell on her elder brother and mother. After completion of the course, she worked at Laxmi Eye Hospital and is now working with Lenskart Pvt. Ltd., in Thane. She is earning ₹ 28,000/- per month. Devshree says, "I am very thankful to the Ishanya Foundation for helping me. Now, I am financially independent and also supporting my family."

Community Development and Social Welfare

Under this initiative by IsFon, community members come together to resolve common problems by taking collective action. The aim of this initiative is to bring about community development through collective actions of the members of the community itself so as to overcome economic, social and environmental difficulties without disturbing nature.

Key initiatives for the year 2020-21 included the installation of water lifting/conveyance equipments and building of 25,000 litres capacity elevated storage tank with 4 water distribution points that benefitted 250 families in Kanpoli Village (Taloja).

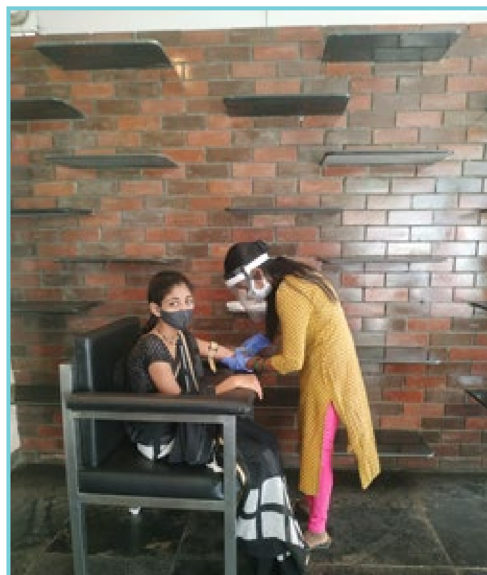
Drinking water facility being provided by IsFon at Kanpoli, Taloja

Other Rural and Urban Initiatives

AAROGYAM

Aarogyam is a holistic healthcare initiative by IsFon that caters to proactive diagnosis and care of the urban and rural underprivileged.

- It aims to provide comprehensive healthcare services to individuals, families and communities by assessing and diagnosing their healthcare needs
- It provides door-to-door service with Mobile Clinic
- It provides quality, preventive and curative healthcare services
- Free Medicines and Health Awareness Programmes are conducted in Health Camps
- Eye Check-up Camps are conducted and followed by free cataract operations and spectacle distribution
- Provide pathological investigation at a very nominal contribution
- During Covid 19 pandemic Hand Sanitisers, Masks, PPE Kits, Ambulances were donated



Pathology Collection Centre - 177 patients benefitted

Mobile Clinic - 8,873 patients benefitted

ACTIVITIES CARRIED OUT DURING PANDEMIC

- Donation of four ambulances to Brihanmumbai Municipal Corporation
- Donation of 2,500 PPE kits to Haffkine Institute, Mumbai
- Distribution of masks in marginalised community of Pune & Taloja - 5,070 beneficiaries
- Distributed 1,000 litres of IPA Hand Sanitisers

Donation of four ambulances to Brihanmumbai Municipal Corporation during Pandemic

Donation of 2,500 PPE Kits to Haffkine Institute, Mumbai

Distribution of masks in marginalised community of Pune & Taloja - 5,070 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

Under this initiative, this year IsFon supported Rahiyad Secondary School with 50 benches.

Rahiyad Secondary School

Donated 50 benches at Rahiyad Secondary School in Dahej, Gujarat

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 | email : investor.grievance@dfpcl.com

NOTICE is hereby given that the **Forty-First** Annual General Meeting of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** will be held on **Thursday**, the **26th August, 2021** 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, 2021 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, 2021 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, 2021 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, 2021 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, 2021 and pass the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** a dividend at the rate of ₹ 7.50/- (Rupees Seven and paise fifty 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, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2021."

3. To appoint Smt. Parul Mehta (DIN: 00196410), 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, Smt. Parul Mehta (DIN: 00196410), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 {including any statutory modification(s) or re-enactment thereof, for the time being in force} and pursuant to recommendation of the Audit Committee and the Board of Directors, P G BHAGWAT LLP (PGB), Chartered Accountants (Firm Registration Number: 101118W/ W100682) be and are hereby appointed as Statutory Auditors of the Company who shall hold office for the first term for a period of 5 years, from the conclusion of this Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS

5. 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 Harshad S. Deshpande & Associates, Cost Accountants (Registration No. 00378) appointed as the Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the Financial Year ending 31st March, 2022, amounting to ₹ 2,25,000/- (Rupees Two Lacs 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."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 {including any statutory modification(s) or re-enactment thereof for the time being in force} and Regulation 25 of the Securities and Exchange Board of India [SEBI] (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Varsha Purandare (DIN: 05288076), 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 Independent Director of the Company not liable to retire by rotation and to hold office for first term of 3 consecutive years commencing from 31st January, 2021 and ending on 30th January, 2024.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Smt. Purandare 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 Section 188(1)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable provisions {including any statutory modification(s) or re-enactment thereof for the time being in force} and pursuant to the approval the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for the transfer of services of Ms. Rajvee Mehta to Smartchem Technologies Limited from the Company and continuance of her engagement as AVP-TAN Business Strategy in Smartchem Technologies Limited (STL), wholly owned subsidiary of the Company w.e.f 1st June, 2021, upon the following terms and conditions including remuneration offered by Smartchem Technologies Limited:

a) ₹ 42 lacs per annum as by way of fixed remuneration; and

b) Target Variable pay of Rs 10,12,500/- as applicable to employees at AVP level. The actual variable payout is capped at 160% of the target variable pay and is linked to STL, sector, function, individual performance;

with liberty to the management of Smartchem Technologies Limited to allocate the amounts towards the salary components in the fixed salary subject to there being no change in the overall fixed remuneration of Ms. Rajvee Mehta and to consider further increase in remuneration (fixed and target variable pay) by the management as per policy of Smartchem Technologies Limited and promotion as deemed appropriate by Smartchem Technologies Limited from next year onwards as per the policy of Smartchem Technologies Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to constitute or form a Committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary /Chief Financial Officer or other persons authorised by the Board to settle all matters arising out of and incidental thereto, and generally 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.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62, 71 and other related and applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments, statutory modification(s) or re-enactment thereof, for the time being in force and as may be enacted from time to time), {hereinafter referred to as the “**Act**”}, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules notified by the Central Government under the Act, the Foreign Exchange Management Act, 1999 (the “FEMA”), and the rules and regulations made thereunder, as amended from time to time including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended {hereinafter referred to as the Debt Listing Regulations}, the current Consolidated FDI Policy issued by the Department of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GoI), the Reserve Bank of India (RBI), and the Securities and Exchange Board of India (SEBI), the Stock Exchanges, Ministry of Corporate Affairs (MCA), the Registrar of Companies (ROC), Maharashtra and/or any other competent authorities, whether in India or abroad, and including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended {hereinafter referred to as the “**SEBI (ICDR) Regulations**”}, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed (the Listing Agreements) and subject to necessary approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, ROC, MCA, RBI, GoI or of concerned statutory and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (including Project and Funding Committee or any Committee hereinafter to be constituted by Board to exercise its power including the powers conferred by this resolution) {hereinafter referred to as the “**Board**”}, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board, in its absolute discretion, to create, offer, issue and allot from time to time, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including but not limited to the employees of the Company as may be permitted), such number of equity shares of the Company of face value ₹ 10/- each (“**Equity Shares**”), Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures and/ or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security(ies) convertible into Equity Shares and/ or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of one or more international and/or domestic offering(s) in one or more foreign market(s) and/ or domestic market(s), by way of one or more public and/ or private offerings including but not limited to by way of a qualified institutions placement (“**QIP**”) or any combination thereof, through issue of prospectus and /or placement document and/ or other permissible/requisite offer document to Qualified Institutional Buyers (“**QIBs**”) as defined under the SEBI (ICDR) Regulations in accordance with and within the meaning of Chapter VI of the SEBI (ICDR) Regulations, whether they be holders of Equity Shares of the Company or not (the “**Investors**”) as may be decided by the Board in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 600,00,00,000/- (Rupees Six Hundred Crores Only) or equivalent thereof, inclusive of any premium or discount as may be fixed on such Securities by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. and any other matters incidental thereto as may be deemed appropriate by the Board, at its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and / or underwriter(s) and / or placement agents and / or any other advisor(s) appointed for the offering of the Securities, in foreign currency and/ or equivalent Indian Rupees as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate (the Issue).

RESOLVED FURTHER THAT in accordance with Chapter VI of the SEBI (ICDR) Regulations:

a) the Equity Shares shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognised stock exchange, or except as may be permitted from time to time under the SEBI (ICDR) Regulations and other applicable laws;

b) the Board may at its absolute discretion and in accordance with applicable law, also offer a discount of not more than 5% of the floor price or such other discount as may be permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI (ICDR) Regulations;

c) no subsequent QIP shall be made until the expiry of two weeks from the date of the prior QIP approved by way of this Special Resolution and in accordance with the SEBI (ICDR) Regulations; and

d) In case Securities other than Equity Shares are issued pursuant to a QIP as aforesaid, such securities shall be converted into Equity Shares within sixty months from the date of allotment.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution:

a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

b) the Equity Shares, including any Equity Shares issued upon conversion of any convertible Securities, that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects including dividend;

c) Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organisation or Restructuring; and

d) the Equity Shares shall be allotted as fully paid-up.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of Chapter VI of the SEBI (ICDR) Regulations, the allotment of such Securities, or any combination of Securities as may be decided by the Board shall be completed within a period of 365 days from the date of this special resolution, or such other time as may be allowed under the SEBI (ICDR) Regulations from time to time.

RESOLVED FURTHER THAT any issue of Securities made by way of a QIP in terms of Chapter VI of the SEBI (ICDR) Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI (ICDR) Regulations (the “QIP Floor Price”), with the authority to the Board to offer a discount of not more than such percentage as permitted under applicable law on the QIP Floor Price.

RESOLVED FURTHER THAT in the event Equity Shares are proposed to be issued to QIBs by way of a QIP in terms of Chapter VI of the SEBI (ICDR) Regulations or issuance of GDRs/FCCBs as mentioned hereinabove, the relevant date if any, shall mean, in case of allotment of Equity Shares, the date of the meeting in which the Board or the Committee decides to open the proposed issue and in case of allotment of convertible securities, either the date of the meeting in which the Board or the Committee decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as provided under applicable law, or such other time as may be prescribed by applicable law from time to time.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;

c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares and the price as aforesaid shall be suitably adjusted; and

d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of equity shares (including by way of stock split) or reclassification of the Securities into other securities and/ or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/ or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities as described above, the Board, where required in consultation with the lead manager(s)/ placement agent(s) and/or other advisors, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to the selection of QIBs to whom the Securities are to be offered, issued and allotted, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT subject to the applicable laws, for the purpose of giving effect to the issuance of Securities, the Board or a committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the Securities, including, without limitation to the following:

(a) appoint, in its absolute discretion, manager(s) (including lead manager(s)/ placement agent(s)), investment banker(s), merchant banker(s), underwriter(s), guarantor(s), financial and/or legal advisor(s), depositories, custodians, principal paying/transfer/ conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/MoUs/documents with any such agencies, in connection with the proposed offering of the Securities;

(b) finalisation of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/ offer document(s)/placement document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;

(c) approval of the preliminary and final offering circular/ placement document/ prospectus/Offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Lead Manager(s)/Underwriter(s)/ Advisor(s) /Placement Agents(s) in accordance with all applicable rules, regulations and guidelines;

(d) approval of the Deposit Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/FCCBs/other Securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/ offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(e) decide the date for the opening and closing of the issue of Securities, including determining the form and manner of the issue, issue structure, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price (including the premium or discount to the floor price, as the case may be), face value, delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;

(f) finalisation of the allotment of the Securities on the basis of the subscriptions received;

(g) finalisation of the basis of allotment in the event of over-subscription;

(h) authorisation to any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;

(i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consent that may be required in connection with the issue and allotment of the Securities;

(j) seeking the listing of the Securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(k) deciding the pricing and terms of the Securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/GDRs, as per applicable laws, regulations or guidelines;

(l) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries or demat accounts as may be required in connection with the aforesaid issue;

(m) all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under-subscribed portion, if any, in such manner and to such person(s) as the Board of Directors, may deem fit and proper in its absolute discretion to be most beneficial to the Company; and

(n) to affix the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company or any other person authorised by the Board, who shall sign the same in token thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such Issue, including the finalisation and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalization of the timing of the Issue, identification of the investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/ conversion of the Securities, if any, rate of interest, execution of various transaction documents, signing of declarations, creation of mortgage/ charge, utilization of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to constitute or form a Committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary /Chief Financial Officer or other persons authorised by the Board for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alteration(s) or modification(s) as they may deem fit and proper and give such direction(s) as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities."

Dated: 28th May, 2021

By Order of the Board of Directors

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

Ritesh Chaudhry
Company Secretary

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 13th January 2021 read with circulars dated 5th May, 2020, 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 Forty-First 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 28th May, 2021 have decided that the special businesses set out under item no. 5 to 8, 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 Forty-First 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 dated 15th January, 2021 read with SEBI Circular dated 12th May, 2020, Notice of the e-AGM along with the Annual Report 2020-21 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 2020-21 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.kfintech.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/clientservices/mobilereg/mobileemailreg.aspx. 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/clientservices/mobilereg/mobileemailreg.aspx 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 of the Common Venue 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 23rd August, 2021 (9.00 a.m.) upto 25th August, 2021 (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 Share Transfer Books of the Company shall remain closed from Friday, the 20th August, 2021 to Thursday, the 26th August, 2021 (both days inclusive).

    The dividend, as recommended by the Board, if declared at the meeting, will be paid to those members or their mandates:

    a) Whose names appear as Beneficial owners as at the end of business hours on Thursday, the 19th day of August, 2021 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

    b) Whose names appear as members in the Register of Members of the Company after giving effect to valid requests for transmission of shares, deletion/transposition of names etc in physical form lodged with the Registrar & Share Transfer Agents of the Company on or before Thursday, the 19th day of August, 2021.

15. Members holding shares in physical form are requested to intimate immediately to KFin Technologies Private Limited, UNIT: Deepak Fertilisers And Petrochemicals Corporation Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Email Id: einward.ris@kfintech.com Phone: 1800 309 4001; 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 is 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 members 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 members 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, read with SEBI Circular dated 9th December, 2020 on e-voting facility provided by listed entities, the Company is pleased to offer e-voting facility 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 business set out in the Notice can be transacted through such voting.

The instructions for remoting e-voting are as under:

The remote e-voting period begins at **9.00 a.m.** on **Monday, 23rd August, 2021** and ends at **5:00 p.m.** on **Wednesday, 25th August, 2021**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **19th August, 2021**, 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:

- **Individual Shareholders (holding securities in DEMAT mode)**

As per the SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login through Depositories:

NSDL	CDSL
1. User already registered for IDeAS facility: I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" III. Proceed with completing the required fields. IV. After successful registration, please follow steps given under Sr. No.1 above to cast your vote	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields.
3. By visiting the e-Voting website of NSDL I. URL: https://www.evoting.nsdl.com II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**3. By visiting the e-Voting website of CDSL** I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP (E-voting Service Provider) where the e-Voting is in progress.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Procedure to login through demat accounts/ website of Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

- **Login method for Non-Individual Shareholders and Shareholders holding securities in Physical Form**

i. Use an internet browser and open https://evoting.kfintech.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.kfintech.com or contact KFin Technologies Private Limited at toll free No. 1800 309 4001 or email to https://evoting.kfintech.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 25th August, 2021 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.kfintech.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@kfintech.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 and 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:

- Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFintech, which can be accessed at https://emeetings.kfintech.com/ by clicking "Video Conference" and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders / 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 23rd August, 2021 (9.00 a.m.) upto 25th August, 2021 (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 e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 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 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 Annual General Meeting, will be paid to shareholders holding equity shares of the Company, as stated in note no. 14.

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.

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	10%	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.
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 Limited Selenium 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. • Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. 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.

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 27th July, 2021 and had also published a newspaper advertisement on 28th July, 2021.

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

Item No. 4

The Shareholders of the Company, on the recommendation of the Audit Committee and Board of Directors via Postal Ballot dated 26th December, 2020 had approved the appointment of P G BHAGWAT LLP (PGB), Chartered Accountants (Firm Registration Number: 101118W/ W100682) as the Statutory Auditors of the Company w.e.f. 3rd November, 2020, to fill the casual vacancy caused by the resignation of B S R & Associates LLP (Chartered Accountants) (Firm Registration number: 116231W/W-100024), till the conclusion of next Annual General Meeting (41st) of the Company.

As per the provisions of Section 139 of the Companies Act, 2013 read with rules made there under, the Statutory Auditors appointed to fill causal vacancy can hold office upto the conclusion of ensuing Annual General Meeting.

In view of the above, the Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of PGB, as the Statutory Auditors of the Company for the first term for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 46th Annual General Meeting to be held in 2026.

The Board and Audit Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found PGB to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Considering the above, the Board and Audit Committee are of the view that continuance of PGB as Auditors of the Company will be beneficial to the Company, shareholders and other stakeholders as well, therefore recommends their appointment as the Auditors of the Company for first term for a period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General meeting to be held in the year 2026 i.e. the 46th Annual General Meeting.

PGB have conveyed their consent to act as Statutory Auditors of the Company and have also provided their necessary certificate of eligibility for appointment as Statutory Auditors of the Company as required in Section 139(1) and 141(3) of the Companies Act, 2013, confirming the fact that they are not disqualified to be appointed as Statutory Auditors.

PGB have also confirmed that there are no proceedings against the audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

A brief profile of PGB is as given below:

PGB is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India and has 13 partners with head office at Pune and branch offices in Mumbai, Kolhapur, Belagavi, Hubballi, Dharwad and Bengaluru. The

Audit firm has valid Peer Review Certificate. The Audit Firm was originally formed as a Proprietary Concern in the year 1938, converted into Partnership Firm in the year 1955 and now is a Limited Liability Partnership from September 2020. Over the last 80 years, the firm has gained varied experience in the audit, assurance, and management services.

The Board of Directors recommends the proposed resolution for the approval of 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 above mentioned resolution.

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant, 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 the recommendation of Audit Committee, the Board at its meeting held on 28th May, 2021 considered and approved appointment of M/s Harshad S. Deshpande & Associates, Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) plus taxes as applicable and reimbursement of travel and out-of pocket expenses for the Financial Year ending 31st March, 2022.

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 Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution.

Item No. 6

Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) inter-alia provides 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.

To comply with the Listing Regulations as mentioned above, the Company had appointed Smt. Renu Challu as an Independent Woman Director of the Company who resigned from the Board of the Company w.e.f. 31st October, 2020 due to personal reasons.

In view of the resignation of Smt. Renu Challu as Woman Independent Director, the Company was required to appoint another Woman Independent Director in her place.

Accordingly, the Board vide its circular resolution dated 27th January, 2021, on the recommendation of Nomination and Remuneration Committee, appointed Smt. Varsha Vasant Purandare (DIN 05288076) as an Additional Director in the Capacity of Woman Independent Director of the Company as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 31st January, 2021 for the first term of 3 (three) consecutive years, subject to the approval of the shareholders.

Smt. Purandare 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. Purandare 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 her ability to discharge her duties with an objective independent judgment and without any external influence.

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

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

In respect of the appointment of Smt. Purandare, 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. Varsha Vasant Purandare [DIN 05288076], ex-Managing Director & CEO of SBI Capital Markets, holds a Bachelor's degree in Science (Chemistry) and has a Diploma in Business Management, having varied experience of 36 years in the areas of Credit, Forex, Risk, Treasury, Capital Markets, Investment Banking and Private Equity. Mrs. Purandare was the Managing Director and Chief Executive Officer of SBI Capital Markets Limited ("SBI Caps") from November 2015 upto December 2018, where she was overall in-charge of SBI Caps and its five subsidiaries, covering investment banking and encompassing Equity Capital Markets, Debt Markets, Private Equity, Institutional & Retail Broking, Trustee & Foreign Subsidiaries. Prior to this, Mrs. Purandare was the Deputy Managing Director and Chief Credit and Risk Officer of State Bank of India ("SBI"), where she headed the highest Credit Committee and was in-charge of the overall credit function. Besides the above, Mrs. Purandare has held several positions in SBI, in India and abroad.

Considering the illustrious background and enormous professional experience in Banking and Capital Market Sector, 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

Ms. Rajvee Mehta, daughter of Shri. S C Mehta, Chairman & Managing Director and Smt. Parul Mehta, Director, has been associated with Deepak Fertilisers And Petrochemicals Corporation Limited ("**DFPCL**") as an Associate Vice President (HR) ("**AVP-HR**") at an annual fixed remuneration of ₹30 lacs per annum since September, 2018.

Ms. Rajvee Mehta has done her Master's in Business Administration (MBA) from the prestigious London Business School with a concentration in Organizational Behavior and Psychology and various other courses in Strategy. In her role as Associate Vice President (HR), she had been supporting the Company on key HR change management interventions and her performance in the Company has been "very good" and she has been instrumental in driving change interventions like HR process Audit, Crafting and stabilizing onboarding process, Sales incentive plan for TAN frontline sales team, Organisation structure redesign for TAN, Organization redesign work for Finance and support function, Crafting Employee value proposition, Integration of Srikakulam Unit with DFPCL larger system, Focused intervention in CNB to improve recruitment process & reducing MDO attritions etc.

The Audit Committee and the Board of Directors of the Company at their meeting held on 27th May, 2021 and 28th May, 2021, respectively, approved transfer of services from the Company to Smartchem Technologies Limited and continuance of her engagement as AVP – TAN Business Strategy and Transformation w.e.f 1st June, 2021.

In her new role she will be responsible for articulation of TAN strategy involving segmental deep dive, which will comprise of segmental key needs, TAN's value proposition for each segment along with cost to serve and ROI, competition landscape assessment, case studies and best practices in the global explosives industry and she would be reporting to TAN Sector Head.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides that a company shall not enter into a transaction for appointment of related party to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees (30 Lacs p.a.) without approval of Shareholders of the Company.

Accordingly, the transfer of services of Ms. Rajvee Mehta from the Company to STL at a monthly remuneration exceeding two and a half lakh rupees or ₹ 30 Lacs p.a., being related to Shri. Sailesh C. Mehta, Chairman & Managing Director and Smt. Parul S. Mehta, Non Executive Director of the Company would require approval of the shareholders by way of an ordinary resolution.

None of the Promoter, Director, Key Managerial Personnel of the Company and their relatives except Shri. Sailesh C. Mehta, Smt. Parul S. Mehta, Directors/ Promoters of the Company and Shri. Yeshil Mehta, Promoter of the Company are deemed to be concerned or interested financially or otherwise in the said resolution.

The Board accordingly recommends the ordinary resolution as set out in Item No. 7 for approval by the Members of the Company.

Item No.8

The Company, in order to meet its growth objectives, to augment its long-term resources and to strengthen its financial position, would require funds. While it is expected that the internal generation of funds would partially meet the funding requirement, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes, purposes set out in the succeeding paragraphs, as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or International markets.

The special resolution contained in the Notice under Item No. 8 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Partly Convertible Debentures and such other securities as stated in the resolution (the "Securities"), including by way of a qualified institutional placement in accordance with Chapter VI of the SEBI (ICDR) Regulations, in one or more tranches, at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

This special resolution enables the Board to issue Securities of the Company for an aggregate amount not exceeding ₹ 600,00,00,000 (Rupees Six Hundred Crore Only) or its equivalent in any foreign currency in one or more tranches. The Board of Directors of the Company has approved raising of funds by issue, offer and allotment of Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Partly Convertible Debentures and such other securities as stated in the resolution (the "Securities"), including by way of a qualified institutional placement in accordance with Chapter VI of the SEBI (ICDR) Regulations at its meeting held on 28th May, 2021.

The Board shall issue Securities pursuant to this special resolution and utilise the proceeds to finance (wholly or in part) at its sole and complete discretion, in one or more, or any combination, of the following: (a) capital expenditure for the ongoing projects, (b) maintenance capex / capex required for operations, (c) investment in subsidiaries, joint ventures and affiliates, (d) repayment/prepayment (in full or part), of debt, (e) meeting working capital requirement of the Company (on a consolidated basis), (f) permissible general corporate purposes and (g) for funding the long term growth of its existing businesses as well organic or inorganic growth.

The special resolution also seeks to empower the Board to issue Securities by way of QIP to QIBs in accordance with Chapter VI of the SEBI (ICDR) Regulations. The pricing of the Securities that may be issued to QIBs pursuant to SEBI (ICDR) Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VI of the SEBI (ICDR) Regulations ("QIP Floor Price") and hence no valuation is being undertaken by any valuer. Further, the Board may also offer a discount of not more than such percentage as permitted on the QIP Price calculated in accordance with the pricing formula provided under SEBI (ICDR) Regulations. The "Relevant Date" for this purpose will be the date as determined in accordance with the SEBI (ICDR) Regulations and as mentioned in the resolution. The issue/ allotment/conversion would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares including Equity Shares to be allotted on conversion of Securities to foreign/non-resident investors would be subject to the applicable foreign investment cap.

As the Issue may result in the issue of Securities of the Company to investors who may or may not be members of the Company, consent of the members is being sought, for passing the Special Resolution as set out in the said item of the Notice, pursuant to Sections 23, 42, 62 and 71 and other related and applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Promoter, Director, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said 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.

The Board accordingly recommends the special resolution as set out in Item No. 8 for approval by the Members of the Company.

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	Smt. Parul Sailesh Mehta	Smt. Varsha Vasant Purandare
DIN	00196410	05288076
Date of Birth	17^{th} March, 1965	7th December,1958
Age	56	62 Years
Qualification	B.Com.	Bachelor of Science (Chemistry) and Diploma in Business Management
Date of Appointment	20th October, 2005	31st January, 2021
Expertise	Social Service Advisor	Finance and Banking
Major Directorships	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Nova Synthetic Limited 3. Ishanya Realty Corporation Limited 4. Ishanya Brand Services Limited 5. Smartchem Technologies Limited 6. Performance Chemiserve Limited 7. Hightide Investments Private Limited 8. Robust Marketing Services Private Limited	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Tata Cleantech Capital Limited 3. Tata Capital Limited 4. Tata Capital Financial Services Limited 5. Orient Cement Limited 6. Legal Entity Identifier India Limited 7. The Federal Bank Limited 8. Shaily Engineering Plastics Limited
Chairman / Member of the Audit Committee	Nil	**Chairman** Tata Capital Limited **Member** 1. Tata Capital Financial Services Limited 2. Orient Cement Limited 3. Tata Cleantech Capital Limited 4. Shaily Engineering Plastics Limited
Chairman / Member of the Stakeholders' Relationship Committee	Nil	**Chairman** 1. Orient Cement Limited 2. Shaily Engineering Plastics Limited
Chairman / Member of the Nomination and Remuneration Committee	Nil	**Chairman** Tata Capital Limited **Member** 1. Tata Capital Financial Services Limited 2. Orient Cement Limited 3. Tata Cleantech Capital Limited

Name of the Director	Smt. Parul Sailesh Mehta	Smt. Varsha Vasant Purandare
Chairman / Member of the Corporate Social Responsibility Committee	**Member** 1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Performance Chemiserve Limited 3. Smartchem Technologies Limited 4. Nova Synthetic Limited	**Chairman** Tata Cleantech Capital Limited **Member** Tata Capital Financial Services Limited
Shareholding in the Company as on 31st March, 2021	1,409	Nil
Relationship between the Directors inter-se	Shri S. C. Mehta, Chairman and Managing Director is the Spouse of Smt. Parul Sailesh Mehta	Nil
Terms and Conditions of Appointment	N.A.	Refer to Explanatory Statement to Resolution no. 6

BOARD'S REPORT

To the Members

Your Directors have pleasure in presenting the Forty-First Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
1	Total Revenue (including Other Operating Revenues)	1,81,131	1,70,775	5,80,849	4,68,538
2	Profit before tax	27,236	2,193	58,832	10,308
3	Less: a) Current Tax (Net)	5,240	-	18,672	381
	b) Deferred Tax	1,097	(878)	(484)	1,026
4	Net Profit after tax (2 - 3)	20,899	3,071	40,644	8,901
5	Net profit attributable to:				
	a) Owners of the Company	20,899	3,071	40,031	8,726
	b) Non controlling interest	NA	NA	613	175
6	Other comprehensive income for the year:				
	a) Owners of the Company	(67)	(439)	294	(911)
	b) Non controlling interest	NA	NA	309	(67)
7	Total Comprehensive Income for the year:				
	a) Owners of the Company	20,832	2,632	40,325	7,815
	b) Non controlling interest	NA	NA	922	108
8	Add: Surplus brought forward	1,18,537	1,18,656	1,72,011	1,66,593
9	Amount available for Appropriations (5a + 8)	1,39,436	1,21,727	2,12,042	1,75,319
10	Appropriations:				
	a) Adjustment from adoption of AASB 16	-	-	-	(134)
	b) Movement of Minority of DMSPL	-	-	-	16
	c) Increase in non-controlling interest due to issuance of share capital	-	-	(4,592)	-
	d) Dividend on Equity Shares (Net)	(2,679)	(2,646)	(2,679)	(2,646)
	e) Tax on Proposed Dividend (Net)	-	(544)	-	(544)
11	Surplus carried to Balance Sheet (9 + 10)	**1,36,757**	**1,18,537**	**2,04,771**	**1,72,011**

STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved the Total Revenue of Rs 1,811 Crore (including ₹ 589 Crore from trading operations) during the year under review as against previous year's level of ₹ 1,708 Crore (including ₹ 707 Crore from trading operations).

Profit Before Tax (PBT) for the year under review was ₹272 Crore as against ₹22 Crore in the previous year.

Net Profit for the current year was recorded at ₹ 209 Crore as against ₹ 31 Crore in the previous year.

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)

As reported in the previous year's Annual Report, the Board had 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).

Subsequently, in the previous Financial Year, the Securities Issue Committee of the Company had 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).

Further, during the year under review, the Securities Issue Committee, at its meeting held on 30th September, 2020, allotted 30 (Thirty) Foreign Currency Convertible Bonds ("FCCBs") having a par value of US$ 500,000 each, being the second tranche, to International Finance Corporation ("IFC"), for an aggregate amount of US$ 15 million (Approx. ₹ 109 Crore).

Considering the first tranche and second tranche, the investment of IFC in the Company stands at aggregate amount of US$ 30 million (Approx. ₹ 216 Crore).

ISSUE OF COMPULSORY CONVERTIBLE DEBENTURES (CCDs) BY MATERIAL SUBSIDAIRY i.e. SMARTCHEM TECHNOLOGIES LIMITED

The Board had 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.

The Total Investment of IFC in Smartchem Technologies Limited, considering the First and Second Tranche, stands at ₹ 210 Crore.

ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the year under review, the Board of Directors of the Company at their meeting held on 25th May, 2020 had 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.

Further, the Rights Issue Committee of the Company at its meeting held on 20th October, 2020 approved the allotment of 1,33,92,663 equity shares on rights basis to the shareholders of the Company.

The details of the issue of shares on rights basis have been provided in the General Shareholder Information.

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

During the year under review, the Company has raised funds through 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 Shares on Rights Basis	To the eligible shareholders of the Company	20th October, 2020	₹178.12 Crore
2	Issue of Foreign Currency Convertible Bonds (FCCBs Funds)	International Finance Corporation	30th September, 2020	Approx. ₹ 109 Crore (US$ 15 Million)

The Company has utilised the funds raised through issue of FCCBs for the purposes as mentioned in the Notice of the Annual General Meeting held on 18th September, 2018 and in respect of shares issued on rights basis, the entire funds raised by the Company have been utilised for the objects stated in the Letter of Offer for Rights Issue of the Company, dated 11th September, 2020.

DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company recommends a dividend @ 75 % i.e. ₹ 7.5 per Equity Share (Previous year ₹ 3 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2021.

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

During the year under review, the Company had allotted 1,33,92,663 equity shares to on rights basis to the shareholders of the Company. The details of the issue of shares on rights basis have been provided in the General Shareholder Information. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

The paid-up equity share capital of the Company as on 31st March, 2021 was ₹ 102.68 Crore.

CHANGES IN THE BOARD OF DIRECTORS

Appointments

During the year under review, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of the following directors as additional directors in the capacity of Independent Directors:

1. Smt. Renu Challu for the first term of 3 consecutive years w.e.f. 13th May, 2020

2. Shri Sujal Anil Shah for the first term of 5 consecutive years w.e.f. 30th June, 2020

3. Smt. Varsha Purandare for the first term of 3 consecutive years w.e.f. 31st January, 2021.

The Shareholders of the Company, at their Annual General Meeting held on 21st September, 2020, had approved the appointment of Smt. Renu Challu and Shri Sujal Anil Shah as independent directors of the Company for their respective terms.

Further, in the ensuing Annual General Meeting, the item w.r.t. appointment of Smt. Varsha Purandare as Woman Independent Director will be taken up. All the information as required pursuant to the provisions of the Companies, Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice of the ensuing Annual General Meeting. The shareholders are requested to approve the appointment in the ensuing annual general meeting.

Resignation:

During the year under review, the following independent directors have resigned from the Company:

1. **Shri Mahesh Chhabria**

   Shri Mahesh Chhabria, Independent Director of the Company, tendered his resignation to be effective from 31st July, 2020 on account of his active involvement with the Kirloskar group and other pre-occupation.

   The Board, at its meeting held on 31st July, 2020, has accepted his resignation and recorded its appreciation for his valuable contribution during his tenure on the Board of the Company.

   Shri Chhabria 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 and the same was intimated by the Company to the Stock Exchanges.

2. **Smt. Renu Challu**

   Smt. Renu Challu, Independent Director of the Company had tendered her resignation as the Director of the Company with effect from 31st October, 2020, on account of personal reasons.

   The Board at its meeting held on 3rd November, 2020 while taking note of resignation by Smt. Renu Challu, recorded its appreciation for her valuable contribution during her tenure on the Board of the Company.

   Smt. Challu has also given confirmation to the Company that other than the reasons mentioned above, there are no other material reasons for her resignation as an Independent Director of the Company and the same was intimated by the Company to the Stock Exchanges.

Cessation:

During the year under review, Shri. Pranay Vakil on completion of his second term as an Independent Director of the Company, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has ceased to be Director of the Company w.e.f. 21st September, 2020.

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

Re-appointment:

Smt. Parul Mehta 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 herself for re-appointment at the ensuing Annual General Meeting.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the year under review, eight board meetings were held. These meetings were held on 21st April, 2020, 25th May, 2020, 30th June, 2020, 31st July, 2020, 11th September, 2020, 3rd November, 2020, 3rd February, 2021 and 26th March, 2021.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Shri K Subharaman, EVP- Legal and Company Secretary superannuated from the services of the Company w.e.f. 6th November, 2020 and consequently Shri Gaurav Munoli, Assistant Company Secretary was designated as Company Secretary of the Company.

Further, Shri Ritesh Chaudhry, Vice President & Head – Legal & Secretarial has been appointed as the Company Secretary w.e.f. February 3, 2021.

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:

- Smt. Renu Challu (appointed w.e.f. 13th May, 2020), who, however, tendered her resignation as the Director of the Company with effect from 31st October, 2020.
- Shri Sujal Anil Shah (appointed w.e.f. 30th June, 2020)
- Smt. Varsha Purandare (appointed w.e.f. 31st January, 2021)

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 Hon'ble Delhi High asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted in the month of July, 2021.

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 had 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 had ordered to keep the status-quo for both the Petitioners and Respondents and had further ordered that no coercive action be taken against the Company [Petitioners] till the next date of hearing. The Hon'ble High Court of Delhi on 3rd December, 2020 while disposing off the petition directed the Department of Fertilisers (DOF), Ministry of Chemicals & Fertilisers to return the Bank Guarantee amounting to ₹ 310 Crore to the Company (STL), which has been released.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2020-21 and corresponding figures for 2020-21 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 prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form 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 and forms part of this Annual Report.

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, 2021 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

M/s. B S R & Associates LLP, who were appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of Thirty-Seventh Annual General Meeting held on 21st September, 2017 until the conclusion of the Forty Second Annual General Meeting, have resigned as the Statutory Auditors of the Company w.e.f. 3rd November, 2020 due to commercial reasons. The Board, at its meeting held on 3rd November, 2020, on the recommendation of the Audit Committee, accepted the resignation tendered by the Statutory Auditors.

Further, the Audit Committee and the Board, at their respective meetings held in November 2020 placed on record their appreciation to M/s. B S R & Associates LLP for their contribution to the Company with their audit processes and standards of auditing.

Appointment of M/s. P G BHAGWAT LLP

Pursuant to the provision of Section 139 of the Companies Act, 2013, the Company was required to fill the casual vacancy caused by the resignation of M/s. B S R & Associates LLP as Statutory Auditors of the Company.

Accordingly, the Shareholders of the Company, on the recommendation of the Board of Directors and Audit Committee, have approved the appointment of M/s. P G BHAGWAT LLP (PGB) as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation M/s. B S R & Associates LLP, as Statutory Auditors of the Company, till the conclusion of 41st Annual General Meeting of the company to be held in the calendar year 2021.

Considering the varied experience that PGB has gained in the field of audit, assurance and management services over the past 80 years, your Board is of the view that continuance of M/s. P G BHAGWAT LLP, Chartered Accountants as Statutory Auditors of the Company will be beneficial to the Company, shareholders and other stakeholders as well, therefore recommends their appointment as the Auditors of the Company for further period of 5 years from the conclusion of the ensuing 41st Annual General Meeting till the conclusion of 46th Annual General meeting to be held in the year 2026.

M/s. P G BHAGWAT LLP, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the requisite confirmation that, their appointment, if made by the shareholders, would be within the limits prescribed under the Companies Act, 2013.

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 2020-21 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).

In respect of observations made out in the Secretarial Audit Report, it is informed, as under:

Appointment of Women Independent Director:

The appointment of women Independent Director was required to be made on or before April 1, 2020 as per regulation 17 sub-regulation 1 clause (a) of LODR, but was made w.e.f. May 14, 2020. The Company had already started the process of identifying the Woman candidate and accordingly, the Meeting of Nomination & Remuneration Committee and the Meeting of Board of Directors was scheduled in the last week of March 2020 to inter-alia, discuss and decide the appointment of Woman Independent Director. However, due to nationwide Lockdown in March 2020, the meeting of could not be convened and the appointment of the Woman Independent Director could not be effected before 1st April, 2020. However, the Company has appointed the Independent Woman Director w.e.f. May 14, 2020.

Delay in redressal of Investors' grievance:

BSE Limited had levied a fine of ₹ 2,360 inclusive of GST on the Company as per SEBI circular nos. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 and SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020 for failure in ensuring adequate steps for expeditious redressal of investor complaints for the period of February 11, 2021 to March 10, 2021.

The investor compliant could not be addressed within time since the details of the complaint were not available on the BSE Portal. The said compliant was, however, made available to the Company on February 3, 2021 and the complaint was was settled on February 24, 2021 i.e. within 21 days from the date of receipt of complaint notwithstanding the pandemic period during which there was non - availability of Signatories authorised to give instruction to the Bank for making payments. In view of above, the company has submitted representation to BSE Limited for waiver of the fine levied upon it. In the interim, pending waiver of fine by BSE, the same has been paid UNDER PROTEST to avoid the consequences of non-payment.

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 Smartchem Technologies Limited and Performance Chemiserve Limited, material unlisted subsidiaries, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2020-21. The said reports thereon are annexed as Annexure 8 and Annexure 9 to the Board's Report.

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

M/s. Y. R. Doshi & Co. have been the Cost Auditors of the Company since the inception of the Company. While the Company did not have any objection / deficiency observed in the Cost Audit conducted by the said auditor, the management, as a measure of good governance and practice, deemed expedient to rotate the existing cost auditors and hence proposed appointment of new Cost Auditor in place of M/s. Y.R. Doshi & Co.

Your Directors, at the meeting held on 28th May, 2021 based on the recommendation of the Audit Committee, have appointed M/s Harshad S. Deshpande & Associates, Cost Accountants, as the Cost Auditors for the Financial Year 2021-22 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.

Further, M/s Y. R. Doshi & Company, Cost Accountants will submit the cost audit report along with annexure for the Financial Year 2020-21 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, 2020 was duly filed with the Central Government (Ministry of Corporate Affairs) on 30th August, 2020.

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 has appointed Ernst & Young LLP (EY) as an Internal Auditor in compliance with Section 138 of the Companies Act, 2013 and rules made thereunder since the Financial Year 2016-17.

Further, the Board, on the recommendation of the Audit Committee, has renewed the contract for appointment of EY as an Internal Auditor of the Company for the Financial Year 2021-22.

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.

There is no change in the Nomination and Remuneration Policy during the year under review. However, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, revised the Nomination and Remuneration Policy of the Company, at their meeting held on 28th May, 2021. The modified Nomination and Remuneration Policy is enclosed as annexure 3 and is also available on the website of the Company at https://www.dfpcl.com/wp-content/uploads/2021/07/Nomination-and-Remuneration-Policy_amended-on-28th-May-2021.pdf.

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 Implementing Agency for CSR activities. The CSR initiatives of your Company are focused and the entire approach has become more structured.

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 Ministry of Corporate Affairs, vide its notification dated 22nd January, 2021, had brought certain amendments to the CSR Provisions, which inter-alia required the Company to amend its CSR Policy.

In view of the above, the Board of Directors, at its meeting held on 25th March, 2021, on the recommendation of the CSR Committee, had adopted a revised CSR Policy, which is available on the website of the Company at https://www.dfpcl.com/wp-content/uploads/2021/05/CSR-Policy_DFPCL.pdf

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

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: https://www.dfpcl.com/investors/annual-return/.

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.

Further, as per the provisions of Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) read with Part C of

Schedule II to Listing Regulations, the Audit Committee at its meeting held on 26th March, 2021 has reviewed the functioning of whistle blower mechanism of the Company and found the same satisfactory.

A copy of the 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 are 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.

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

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

FIXED DEPOSITS

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

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

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

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

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

As required by the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to Board's Report (Refer Annexure - 5).

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 31st 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 2020-21, 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

INITIATIVES FOR SOCIETY AND EMPLOYEE SAFETY DURING COVID-19 PANDEMIC

Your company, as a responsible Corporate citizen is committed to serving the society it operates in and in view of its commitment to serve the society and to bolster the medical infrastructure and address the issue of scarcity of oxygen due to COVID 19 pandemic has provided oxygen generators, oxygen concentrators, ambulance, large quantities of sanitizers and masks besides contributing to Chief Ministers' Relief fund by way of employees and company's contribution and has also provided food grains to migrant workers during pandemic.

Further, your Company has remained equally focused to address the prevention and protection measures for Covid wirh 5 key focus areas viz Employees, Contractors and Service Providers, Visitors, High exposure Operational Zone – Security, Medical centre, and various facilities.

From encouraging mental wellness to ensuring that employees are financially secure during the outbreak, to continuous awareness sessions on covid-19, precautions, dos & don'ts, through posters bringing visual display awareness on Covid has helped considerably. Wearing of face mask, social distancing, thermal scanning, use of hand sanitizers at various places, body disinfection, are some of the major actions being taken. Also, special sick leave is extended to employees who are impacted by Covid. Support is provided to employees and their families in case of Hospital admission needed and all other related support. Periodical reviews are taking place at site level and company level for fine tuning the entire COVID-19 risk mitigation approach dynamically.

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 **S. C. MEHTA**
Dated: 28th May, 2021 **Chairman and Managing Director**

ANNEXURE 1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
Pursuant to section 204(1) of the Companies Act, 2013,
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,
The Members,
Deepak Fertilisers And Petrochemicals Corporation Limited,
Sai Hira, Survey No. 93,
Mundhawa, Pune -411036

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 March 31, 2021 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 March 31, 2021 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 (SEBI ICDR);

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 :

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) 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 (LODR).

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 Bombay Stock Exchange has imposed fine on the company for non-redressal of investors complaints within time. We are informed that the details of the Complaint were not available to the Company on the BSE Portal. The said were however made available to the Company on February 3, 2021 which was settled on February 24, 2021 i.e. within 21 days from the date of receipt of complaint notwithstanding the pandemic period during which there was non-availability of Signatories authorised to give instruction to the Bank for making payments. In view of above, the company has submitted representation to Bombay Stock Exchange for waiver of the fine levied upon it. In the interim, pending waiver of fine by BSE, the same has been paid UNDER PROTEST to avoid the consequences of non-payment.

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. However, we observe that the appointment of women Independent Director that was required to be made w.e.f. April 1, 2020 as per regulation 17 sub-regulation 1 clause (a) of LODR, was made w.e.f. May 14, 2020. The Company had already started the process of identifying the Woman candidate. The Meeting of Nomination & Remuneration Committee and the Meeting of Board of Directors was scheduled in the last week of March 2020 to inter-alia, discuss and decide the appointment of Woman Independent Director. However, due to nationwide Lockdown in March 2020, the meeting could not be convened and the appointment of the Woman Independent Director could not be effected. However, the Company has appointed the Independent Woman Director w.e.f. May 14, 2020.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. As disclosed in the last year's report, effective May 15, 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 July 7, 2015 and October 19, 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 Hon'ble Delhi High Court asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted in the month of July, 2021.

2. 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 May 2, 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 June 30 , 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 August 1, 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 October 17, 2019 against the aforesaid SEBI's order and at present the matter is pending with SAT.

3. The Company had issued 64,76,893 warrants to Robust Marketing Service Private Limited (RMSPL), a promoter group company, on October 16, 2018. On October 1, 2019, the Company had allotted 10,79,482 shares to RMSPL 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. RMSPL had to pay the balance sum of ₹125 crore at any time on or before April 15 , 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 prorata allotment of equity shares as done earlier. On request from the Company, SEBI had granted time of one more month i.e till May 15 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. May 15 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 SEBI ICDR.

4. During the year the company had Commercial Discussion between FCCB Subscriber and the Board has approved certain modifications in the terms of the FCCB Subscription Agreement inter alia, change in conversion price from ₹ 250 per share to ₹ 195 per share and extension of tenor of both Tranches of FCCBs by Twelve (12) months. The Company issued second tranche of 30 FCCBs on a private placement basis to IFC on September 30, 2020. The Company received a sum of US$ 15 million from IFC as an amount of subscription to the second tranche of FCCBs on September 30, 2020.

5. 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 (GOI), alleging undue gain arising to the Group on account of supply of "cheap" domestic gas. Subsequently, DoF agreed to release subsidy against Bank Guarantee of ₹ 31,052 Lakhs pending final decision, with regard to undue gain. Ministry of Chemical and Fertilisers

has issued an official memorandum on May 15, 2020, stating that the issue of recovery of undue profit from P&K fertilisers companies has been settled finally in DoF and accordingly nothing is recoverable presently towards undue gain. Subsequently, STL filed the writ petition in the Hon'ble Delhi High Court asking for release of Bank Guarantee. Hon'ble Delhi High Court has accepted the petition of STL on December 3, 2020, and directed to release the Bank Guarantee, which was pronounced in the open court.

6. The Board of Directors at their meeting held on 25th May, 2020 have considered and approved raising of funds by way of issue of equity shares in the ratio of 3 Equity Shares for every 20 Equity shares held on the Record Date i.e. Thursday September 17, 2020, to the existing equity shareholders of the Company on rights basis (Rights Issue) for an issue size of upto ₹ 180 crore. The promoter and promoter group of the Company have subscribed to the full extent of their aggregate rights entitlement. The Rights Issue Committee, at its meeting held on October 20, 2020, inter alia, considered and approved the allotment of 1,33,92,663 Equity Shares at a price of ₹ 133 per Equity Share (including a premium of ₹ 123 per Equity Share) to its existing shareholders as on the record date fixed for the purpose.

7. The Company has conducted postal ballot during the year for following items:

    1. Appointment of P G BHAGWAT LLP, Chartered Accountants (FRN:101118W/ W100682) as the Statutory Auditors of the Company to fill the casual vacancy caused by resignation of B S R & Associates LLP, Chartered Accountants.

    2. Approval relating to payment of remuneration to Shri S. C. Mehta, Chairman and Managing Director of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No:6156
CP No:2664
UDIN: F006156C000370982

Place: Pune
Date: May 28, 2021

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,
Mundhawa, Pune -411036

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. We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of Covid-19.

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

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.

7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No:6156
CP No:2664
UDIN: F006156C000370982

Place: Pune
Date: May 28, 2021

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)

		1	2	3	4	5	6	7	8	9	10	11
Sl. 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 Limted[$1]	Ishanya Brand Services Limited	Yerrowda Investments Limited[#]
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
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 = 55.61	AUD 1 AUD = 55.61	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = 55.61	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,806	-	10	5	1	81	29	1	410	24
4	Reserves & Surplus	282,283	2,591	104	69,969	-92	-50	-55	-29	4	-157	3,718
5	Total Assets	550,743	19,636	3,023	166,401	46	1	26	-	566	412	3,755
6	Total Liabilities	266,755	12,239	2,919	96,422	133	50	-	0	561	159	13
7	Investments	70,823	-	-	487	-	-	-	-	-	-	2
8	Turnover	390,825	34,710	1,012	313	-	-	-	-	2,503	344	-
9	Profit / (Loss) before taxation	24,459	1,599	114	412	-65	-18	-	-26	160	-149	-76
10	Provision for taxation	4,418	26	10	111	-	-	-	-	42	-38	8
11	Profit / (Loss) after taxation	20,041	1,573	104	301	-65	-18	-	-26	118	-111	-84
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	65.00%	65.00%	88.91%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	85.00%

Standalone Figures

$1 Subsidiary of Smartchem Technologies Limited

$2 Subsidiary of Platinum Blasting Services Pty. Limited

$3 Subsidiary of Deepak Mining Services Private Limited

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

1. Smartchem Technologies Limited (STL)

The Company, is a wholly owned subsidiary of your Company, is in the business of manufacturing Technical Grade Ammonium Nitrate and manufacturer and trading of fertilisers. The Company achieved a turnover of ₹ **3,908.25 Crore** (excluding other income) and profit before tax of ₹ **244. 59 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 88.91% 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.

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	01/04/2020 to 31/03/2021
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: None

ANNEXURE 3

Nomination and Remuneration Policy

1. Introduction

The Nomination and Remuneration Policy ("Policy") of the Company has been formulated in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

2. Objective and Scope

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director.

b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

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 PetrochemicalsCorporation Limited (DFPCL).

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

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

i. Managing Director or Executive Director or Chief Executive Officer or Manager

ii. Whole-time Director;

iii. Company Secretary;

iv. Chief Financial Officer and

v. such other officer as may be prescribed.

"Policy" means Nomination and Remuneration Policy.

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

4. Functions of Committee:

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

a. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

b. To recommend to the Board a policy for following:

(i) Determining qualifications, positive attributes and independence of a director;

(ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;

(iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(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 Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP")

(A) Appointment criteria and qualifications for Director, KMP and SMP

a) The Committee shall identify and ascertain the integrity, qualification, expertise, positive attributes and experience of the person for appointment as Director and recommend to the Board his / her appointment.

b) 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.

c) The President (HR) of the Company, under the overall superintendence and control of the Chairman & Managing Director, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.

d) Upon finalization of appointment of a person for the position of KMP and/or SMP by the Chairman and Managing Director and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

(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 and/or the KMP subject to the provisions and compliance of the applicable Acts, rules and regulations. However, the decision to remove the SMP shall be taken by the Chairman & Managing Director.

(C) Retirement

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairman & Managing Director of the Company.

Policy relating to the Remuneration

(A) General -for the Wholetime Director:

a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if 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:

a) Fixed pay:

The Whole-time Director 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, if required.

b) Commission:

Commission may be paid within the limits approved by shareholders.

c) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

d) 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 approval required under section 197 of the Companies Act, 2013, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by 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 approved by the company by special resolution within two years from the date the sum becomes refundable.

(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.

(D) Remuneration to Key Managerial Personnel and Senior Management Personnel:

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of KMP and SMP shall include the following components:

i) Basic pay

ii) HRA

iii) Allowances

iv) Perquisites and Benefits

v) Retiral benefits

vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

with liberty to the management to allocate the amounts towards various salary subject to there being no change in the overall Cost to the Company.

11. 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 LODR Regulations.

ANNEXURE 4

Annual Report on CSR activities for the financial ended March 31, 2021

1. Brief outline on CSR Policy of the Company:

For over a decade as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited ("DFPCL") or "the Company"), is committed to serve the society it operates in. The Company conducts several outreach programmes around its establishments. While the CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, the focus will be on the following broad themes:

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

b) Health and

c) Education.

The underlying objective for the aforesaid themes is aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth and women 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, culture and heritage support programmes have also formed Company's ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Pranay Vakil *, Chairman (upto 21.09.2020)	Independent Director	1	1
2.	Shri. Partha Bhattacharyya, Chairman (w.e.f. 21.09.2020)	Independent Director	2	2
3.	Smt. Parul S. Mehta, Member	Non- Executive Director	2	2
4.	Smt. Renu Challu **, Member	Independent Director	0	0
5.	Shri. Alok Perti ***, Member	Indepednent Director	1	1

*Shri Pranay Vakil on completion of his Second Term as Independent Director ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member and Chairman of the Corporate Social Responsibility Committee;

**Smt. Challu on account of her personal reasons has ceased to be the director of the Company w.e.f. 31st October, 2020 and also ceased to be the member of the Corporate Social Responsibilty Committee;

*** Shri Alok Perti was appointed as Member of Corporate Social Responsibility Committee w.e.f. 3rd November, 2020.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.dfpcl.com/wp-content/uploads/2021/05/CSR-Policy_DFPCL.pdf

https://www.dfpcl.com/social-responsibility/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
Nil			

6. Average net profit of the company as per section 135(5): 2327.00 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5): 47.00 Lacs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b- 7c): 47.00 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
80,00,000/-	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number.
Nil												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State.	District			Name	CSR registration number
1.	Aarogyam – Health Initiatives	(i) "promoting health care including preventinve health care"	Yes	Maharashtra	Raigad	70,00,000	No	Ishanya Foundation	CSR00000211

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State.	District			Name	CSR registration number
2.	Wadi Project	(i) "promoting health care including preventinve health care"	Yes	Maharashtra	Raigad	5,00,000	No	Ishanya Foundation	CSR00000211
3.	Skill Development of the Underprivileged for a sustainable Livelihood	(ii) livelihood enhancement projects	No	PAN India	N.A.	5,00,000	No	SVP Philanthropy Foundation	CSR00001672

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 80.00 Lacs

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ In Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	47.00
(ii)	Total amount spent for the Financial Year	80.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	33.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	33.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Nil*							

*The provisions of Section 135 (6) are effective from 22nd January 2021. Therefore, the details required in the table are not applicable for FY 2020-21.

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-
Partha Bhattacharyya
(Chairman – CSR Committee)

Sd/-
Parul Mehta
(Director)

ANNEXURE 5

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:

K7/8 Plant:

- Gas turbines GT 5 run with either GT 1 or GT 2 below load of 10.4 MWH to prevent part load operation of 3 Gas Turbines and improve specific energy consumption of Gas Turbines. Specific NG consumption decreased from 0.37 to 0.32 sm3/kWh saving ₹ 86 Lakhs per month.

(b) The steps taken by the company for utilizing alternate sources of energy:

a. The Company has Installed 300 KWH solar power generation plant which is the Company's first step towards clean and green energy. Total investment was ₹ 130 Lakhs and saving for the FY 2020-21 has been approx. ₹ 22.50 Lakhs. Installation of the required infrastructure to wheel the power generated by DFPCL's wind turbines to the K1 facility. Special energy meters are installed to account for the power transmitted.

b. The Company saved ~ ₹ 110 Lakhs in FY 2020-21 by utilizing the provision of Open Access mechanism for purchase of power at JNPT site.

(c) The capital investment on energy conservation equipment

Covered in (a) & (b) above.

B. TECHNOLOGY ABSORPTION

(1) The efforts made towards technology absorption

The Company is working with CSIR – National Chemical Laboratory, Pune for the development of new catalyst for the IPA plant.

(2) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(3) 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			

(4) The expenditure incurred on Research and Development

Research and Development Efforts

K1 Plant:

1) **Hand Sanitizer (Value addition to IPA product basket) –** To mitigate the current COVID-19 pandemic situation and ensure availability of Alcohol Based Hand sanitizer R&D team quickly established process as per WHO guidelines for Hand Sanitizer production with required purity at R&D scale. After requisite results from R&D Trial, the Hand sanitizer & Rubbing Alcohol is being used inhouse plant & CSIR team for mitigating the crisis scenario.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Earning in Foreign Currency **(₹ in Lakhs)**

Particulars	31st March 2021	31st March 2020
Export of goods (Manufactured and Traded)	3,351.20	2,851.11
Other Income	925.67	-
Other Income - Sale of Investment	944.73	-
Total	**5,221.61**	**2,851.11**

Expenditure in Foreign Currency **(₹ in Lakhs)**

Particulars	31st March 2021	31st March 2020
Interest and repayment of Loans.	811.16	1.68
Technical fees to Foreign Vendors	92.54	27.91
Foreign Travels	-	13.49
Others (Net of Reimbursements)	326.17	893.31
Total	**1,229.87**	**936.39**

CIF Value of Imports **(₹ in Lakhs)**

Particulars	31st March 2021	31st March 2020
Raw Materials	1,008.56	7,905.03
Capital goods and spares	1,238.39	-
Traded chemicals	34,723.19	34,140.93
Traded Furniture	43.00	-
Total	**36,970.14**	**42,045.96**

ANNEXURE 6

SECRETARIAL COMPLIANCE REPORT OF
DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
FOR THE YEAR ENDED MARCH 31, 2021

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

We **SVD & Associates** have examined:

a) all the documents and records made available to us, 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 **March 31, 2021** ("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 Regulation), 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 Practicing Company Secretary
1.	As per regulation 17 sub-regulation 1 clause (a) of LODR, Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020.	The appointment of women Independent Director that was required to be made w.e.f April 1, 2020 as per regulation 17 sub-regulation 1 clause (a) of LODR, was made w.e.f. May 14, 2020	The Company had already started the process of identifying the Woman candidate. The Meeting of Nomination & Remuneration Committee and the Meeting of Board of Directors was scheduled in the last week of March 2020 to inter-alia, discuss and decide the appointment of Woman Independent Director. However, due to nationwide Lockdown in March 2020, the meeting could not be convened and the appointment of the Woman Independent Director could not be effected. However, the Company has appointed the Independent Woman Director w.e.f. May 14, 2020.
2.	Regulation 13 of LODR requires the Company to ensure that adequate steps are taken for expeditious redressal of investor complaints.	Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints for the period of February 11, 2021 to March 10, 2021.	Fine of ₹2,360 inclusive of GST levied on the Company as per SEBI circulars no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 and SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020. As informed, the details of the Complaint were not available on the BSE Portal. The said were however made available to the Company on February 3, 2021 which was settled on February 24, 2021 i.e. within 21 days from the date of receipt of complaint notwithstanding the pandemic period during which there was non - availability of Signatories authorised to give instruction to the Bank for making payments. In view of above, the company has submitted representation to Bombay Stock Exchange for waiver of the fine levied upon it. In the interim, pending waiver of fine by BSE, the same has been paid UNDER PROTEST to avoid the consequences of non-payment.

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

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

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	Bombay Stock Exchange	Regulation 13 of LODR for failure to ensure that adequate steps are taken for expeditious redressal of investor complaints for the period of February 11, 2021 to March 10, 2021	Fine of ₹ 2,360 inclusive of GST levied on the Company as per SEBI circulars no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 and SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020	We are informed that the company has submitted representation to Bombay Stock Exchange for waiver of the fine levied upon it, which will be placed before the respective Committee of BSE and accordingly this fine is being paid UNDER PROTEST to avoid the consequences of non-payment.

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

Sr. No.	Observations of the Practicing 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 Practicing Company Secretary on the actions taken by the listed entity
-	Nil	Nil	Nil	Nil

(e) 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.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No :2664
UDIN: F006156C000371004

Place: Pune
Date: May 28, 2021

ANNEXURE 7

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 Ltd
Sai Hira, Survey No 93, Mundhwa, Pune-411036

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Deepak Fertilisers And Petrochemicals Corporation Ltd (hereinafter referred to as 'the Company'), having CIN - L24121MH1979PLC021360 and having registered office at Sai Hira, Survey No 93, Mundhwa, Pune-411036 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 March 31, 2021 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 the Director	DIN	Date of appointment as Director in the Company
1	Sujal Shah	00058019	30/06/2020
2	Sailesh Mehta	00128204	04/09/1991
3	Berjis Desai	00153675	07/07/2017
4	Ashok Purwaha	00165092	07/07/2017
5	Parul Mehta	00196410	20/10/2005
6	Partha Bhattacharyya	00329479	31/10/2012
7	Alok Perti	00475747	22/04/2019
8	Bhuwan Tripathi	01657366	13/02/2020
9	Varsha Purandare	05288076	31/01/2021
10	Madhumilan Shinde	06533004	10/02/2017
11	Amit Biswas	08173442	22/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664
UDIN: F006156C000370971

Place: Pune
Date: May 28, 2021

Note:
We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of Covid-19, for the purpose of issuing this certificate.

ANNEXURE 8

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,
Smartchem Technologies Limited
Sai Hira, Survey No.93, Mundhwa, Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smartchem Technologies 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, 2021 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, 2021 according to the provisions of:

(i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable) and

(ii) 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-

1. Petroleum Act, 1934 and Rules, 2002;
2. Explosive Act, 1908;
3. Essential Commodities Act, 1955
4. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
5. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
6. Ammonium Nitrate Rules, 2012;
7. Fertiliser (Control) Order, 1985;
8. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda were sent well 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.

Generally, decisions in the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Directors, if any, have been captured and recorded in the minute book.

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

At the Annual General Meeting of the Company held on 9th September, 2020, following business were transacted:

(1) The Shareholders passed Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2020, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed Ordinary Resolution to appoint a Director in place of Smt. Parul S. Mehta (DIN No. 00196410) who retires by rotation and being eligible, offers herself for re-appointment.

(3) The Shareholders passed Ordinary Resolution to ratify the remuneration to be paid to the Cost Auditors of the Company.

(4) The Shareholders passed Special Resolution for raising of funds through issue of securities.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552C000295552
PR- 738/2020

Place: Pune
Date: May 13, 2021

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,
Smartchem Technologies Limited
Sai Hira, Survey No.93, Mundhwa, Pune 411036

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552C000295552
PR- 738/2020

Place: Pune
Date: May 13, 2021

ANNEXURE 9

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
PERFORMANCE CHEMISERVE LIMITED
Sai Hira, Survey No.93, Mundhwa, Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Performance Chemiserve 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, 2021 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, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of 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 Companies Act, 2013.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda were sent well 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.

Generally, decisions in the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Members / Directors, if any, have been captured and recorded in the minute book.

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

At the Annual General Meeting of the Company held on 9th September, 2020, following business were transacted:

(1) The Shareholders passed Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2020, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed Ordinary Resolution to appoint a Director in place of Shri A. P. Shah (DIN - 00196506), who retires by rotation and being eligible, offers himself for re-appointment.

(3) The Shareholders passed Ordinary Resolution to appoint Shri Partha Sarathi Bhattacharyya (DIN - 00329479) as an Independent Director.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552C000295486
PR- 738/2020

Place: Pune
Date: May 13, 2021

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,
Performance Chemiserve Limited
Sai Hira, Survey No.93, Mundhwa, Pune 411036

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552C000295486
PR- 738/2020

Place: Pune
Date: May 13, 2021

MANAGEMENT DISCUSSION & ANALYSIS


Ammonia Plant

ECONOMIC OVERVIEW

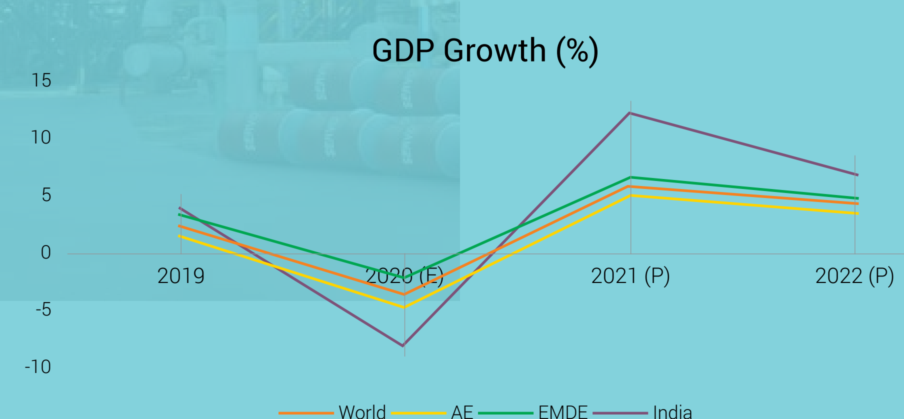
Global

2020 has been a year of resilience and adaptability to one of the 21st century's worst health crises. The outbreak of COVID-19 pandemic triggered an unprecedented disruption in the world, affecting lives and economies. The government and healthcare sector raced against time to curb the spread of the deadly virus and contain the economic shock. While the world de-grew by 3'3% in 2020, the fast development and roll out of COVID-19 vaccination has rekindled a new hope of revival.

Despite the year with multifaceted challenges, 2020 enabled countries and its people to look within and develop capabilities to become self-reliant and self-sufficient. Many protectionist policy announcements changed the face of the world market as nationalism triumphed.

According to International Monetary Fund (IMF), the world has set on a recovery mode but a lot depends upon the effectiveness of the policy decisions undertaken by countries related to: travel, healthcare infrastructure and trade. IMF's World Economic Outlook of April 2021 estimates the two distinct constituent blocks - Advanced Economies (AEs), and Emerging Markets and Developing Economies (EMDEs) output to have declined by 4.7% and 2.2% respectively. However, China, a large global GDP constituent in the EMDE block, defied the trend to post a growth of 2.3% in 2020.

Continuing the steady gains made during the second half and partly also on account of a contracted base of 2020, IMF predicts an equally sharp recovery for 2021 to be followed with a significant moderation in 2022. 2021 growth rate forecast for the World, AEs, and EDMEs are 6%, 5.1% and 6.7%, respectively. Despite a very sharp recovery, it is worth noting that the average growth for three years (2020 through 2022) would still be lower than the pre-pandemic growth rate of 2019.



GDP Growth Trend (%)

	2019	2020	2021(P)	2022 (P)
World	2.8	-3.3	6.0	4.4
AE	1.6	-4.7	5.1	3.6
EMDE	3.6	-2.2	6.7	5.0
India	4	-8	12.5	6.9

Source: WEO April 2021, IMF
AE: Advanced economies,
EDME: Emerging markets and developing economies

Indian economy

India, the second largest constituent of EMDE block, is estimated to have witnessed a much sharper contraction of 8% in 2020. However, the supportive government policies and measures, and the fastest rollout of the world's largest vaccination drive have enabled the country to contain the spread of disease. However, the outbreak of the second wave at the beginning of has slowed the pace of recovery of the economy, which is witnessing a K-shaped recovery with with supportive government policies and measures, and fastest roll out of world's largest vaccination drive. These steps are helping the country to contain the spread of disease and isolate further impact to the economy.

Some of the Government of India's effective measures during FY21 include moratorium on loans, easing out of financial obligations of states to the centre, direct benefit transfer to farmers, and declaring agriculture and allied activities under essential services during the pandemic. The quick turnaround on setting up COVID-19 dedicated infrastructure, educating its population on necessary health advisories and closing its borders to affected countries led the country to avert major risks to its population and economic growth. According to IMF, India is expected to be the torchbearer in the world's recovery path. It has been forecasted to grow much higher than China at 12.5% in 2021 and 6.9% in 2022. However, during 2020, India de-grew by 8% according to IMF.

INDIAN CHEMICALS INDUSTRY OVERVIEW

India is the 6th largest producer of chemicals in the world and overall contributes around 3% to the global chemical industry. With over 80,000 commercial products, the Indian chemical industry is poised to touch US$ 300 billion by FY25 from US$ 178 billion in FY21. Its contribution to the country's GDP is expected to touch 25% by 2025. Some of the key drivers of the industry include the shift in production of global specialty chemicals makers from China to India, supportive government schemes such as Production Linked Incentives (PLI) under the *Aatmanirbhar Bharat Abhiyan* campaign and the government's aim to develop a complete manufacturing ecosystem for chemicals in the country.

The rising disposable incomes, urbanisation and changing consumer preferences to healthier and organic lifestyles are expected to boost demand for value-added products from end-user industries, a positive for the Indian Chemicals Industry. Moreover, the ongoing trade war and changing geopolitical scenario led by COVID-19 pandemic is expected to create a sweet spot for India, which is one of the fastest-growing consumer markets in the world. The country's per capita chemical consumption is lower compared to the world, hence allowing much headroom for growth. With critical chemicals required by agriculture, healthcare and hygiene sector being classified under essential category during the pandemic by the government, provided the sector immunity against the lockdown restrictions and severe business impact.

The government's move to mandate new Bureau of Indian Standards (BIS) certification for imported chemicals and other imports to prevent dumping of cheap and sub-standard chemicals and products into the country provides the industry opportunity to strategise and develop capabilities.

The Indian chemicals industry majorly produces upstream products or intermediates. These chemicals have applications across fertilisers, pharmaceuticals, textiles, plastics, agrochemicals, paints and dyes. Among the various sectors that are expected to boost the demand for chemicals, agriculture is one shining star. The total production of major chemicals and petrochemicals in 2020-21 (up to September 2020) was 12,502 thousand MT. Chemical and petrochemicals production showed growth of 5-6% CAGR during the period 2015-2020.

Production of selected Major Chemicals and Petrochemical (Figures in 000'MT)

	2015-16	2016-17	2017-18	2018-19	2019-20	CAGR	2020-21 (April 2020 to Sept 2020)*
Total Basic Major Chemicals	9884	10234	11069	11589	11943	4.84	4763
Total Basic Major Petrochemicals	14905	15510	15670	16269	19041	6.31	7739
Total Basic Major Chemicals and Petrochemicals	24788	25744	26739	27858	30984	5.74	12502

Source: Ministry of Chemicals & Fertilisers (Department of Chemicals and Petrochemicals)

Globally, China is the largest chemical producer with around 36% market share. India's share in the global chemical market stands minuscule at around 3% and can be doubled by a shift of merely 10% of China's chemical business to India.

Pharmaceutical

Over FY2020-21, the demand for intermediates and raw materials required for the production of active pharmaceutical ingredients has witnessed a significant change. There has been traction in the demand for specialty chemicals with the market expected to rise at 12% CAGR in 2019-22.

The pandemic has disrupted the supply chains worldwide and forced companies to look beyond and perform economic savings to survive. In the pre-COVID scenario, the Indian pharmaceutical industry was heavily dependent on China for sourcing bulk drugs. However, the ongoing trade war and changing geopolitical scenario has not just created opportunities for Indian manufacturers to look inwards and localise, but also opened doors to grab a larger share of the global market.

India already supplies over 50% of the global demand for various vaccines, 40% of the generic demand for the United States and 25% of all medicines for the United Kingdom. The government's 'Pharma Vision 2020' aims to make India a major hub for end-to-end drug discovery. To support its vision, the government plans to set up around ₹ 1 lakh crore (US$ 1.3 billion) fund to promote domestic manufacturing of pharmaceutical ingredients by 2023. Between April 2020 and December 2020, the drugs and pharmaceuticals sector has received Foreign Direct Investment (FDI) worth ₹ 97,048.25 crore (US$ 17.74 billion).

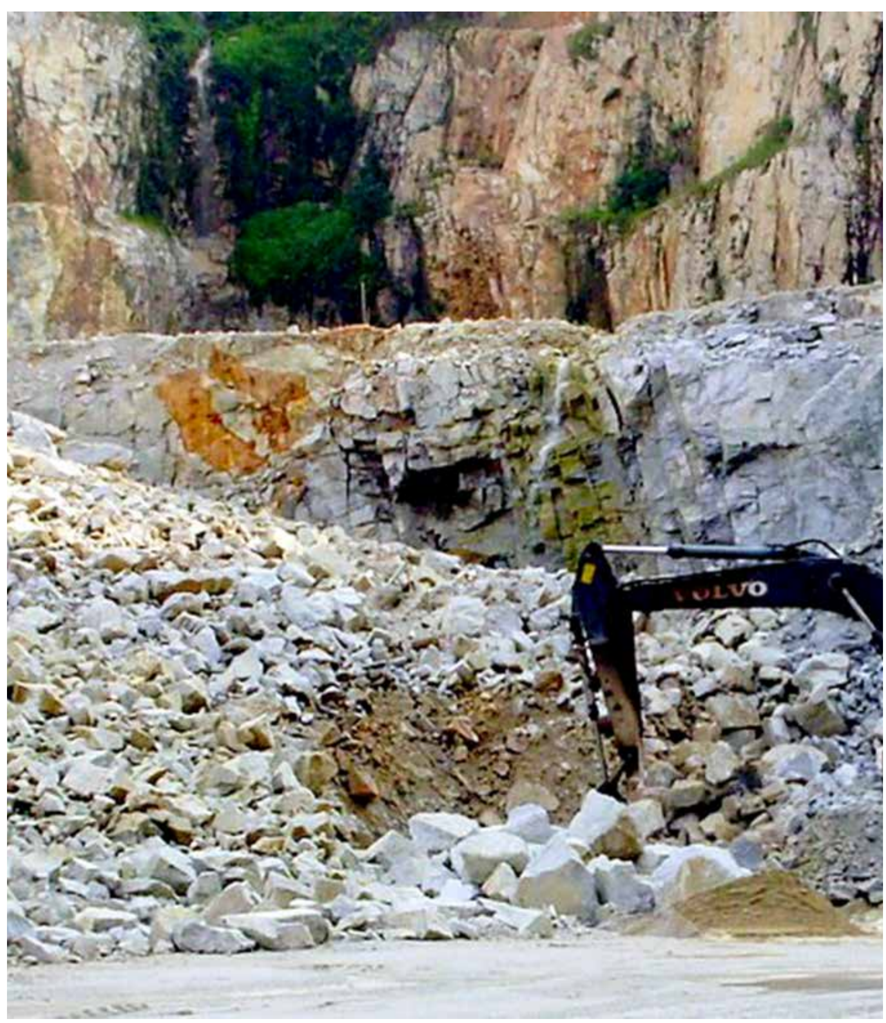
Mining & Infrastructure

The government of India (GoI) is reforming the Mining sector to boost domestic production of minerals. The rise in infrastructure development in the country backed by the government schemes and reforms, such as the Make in India campaign, Smart Cities, Housing for All, Rural Electrification and building renewal energy ecosystem in the country under the National Electricity Policy has opened opportunities for India's mining sector.

India is on a steadfast route to modernise its mining sector. The government has been undertaking structural reforms to increase private participation in mineral exploration and streamlining the auction process of mineral blocks. With the Mines and Minerals (Development and Regulation) Amendment Act, 2021, is a landmark reform that would have no distinction between captive and non-captive mines. The Act helps in auctioning of more mines and allows the captive mines to sell up to 50% of the minerals excavated during the year.

India has the 5th largest coal reserves in the world. The government has stated its intention to reduce coal imports by domestic substitution. While it successfully conducted the first round of commercial coal mining auctions, in the 2nd tranche of commercial coal mine auctions the government has further eased the norms for participating companies by allowing bidders to submit their preferences for mines.

The recently passed Mines and Minerals Development and Regulation



(MMDR) Amendment Bill 2021 incorporates several structural reforms. These include removal of restriction on end-use of minerals, sale of minerals by captive mines and the Transfer of Statutory Permissions. The captive mines (other than atomic minerals) are allowed to sell up to 50% of their annual mineral production in the open market after meeting their own needs. All these structural reforms under the Aatmanirbhar Bharat Abhiyan are aimed towards encouraging domestic production and import substitution.

In the case of non-coal and infrastructure segment, the government has announced the creation of National Infrastructure Projects Pipeline, which has been extended to ~7400 projects in India. There has been a continued thrust provided to infrastructure projects such as road, highways, railways, urban infrastructure through expansion of metro projects and city bus service and affordable housing. Under this, the National Rail Plan is being planned to develop adequate rail infrastructure by 2030 to cater to the projected rail traffic requirements up to 2050. The government also recently announced setting up of Development Financial Institution ('DFI') to professionally manage the budgetary allocation of ₹ 20,000 Crores for funding infrastructure projects. The lending portfolio of DFI will be ₹ 5 lakh crores in 3 years. All these reforms and initiatives announced by the government will drive the demand for TAN at a CAGR of 4-5% in the near foreseeable future.

AGRICULTURE INDUSTRY OVERVIEW

As per the Economic Survey's First Advance Estimates, the agriculture and allied activities witnessed a growth of 3.4% at constant prices during 2020-21. In 2019-2020, the share of agriculture and allied sectors in Gross Value Added (GVA) of India at current prices stood at 17.8%.

Despite the COVID-19 related challenges, the Indian agricultural sector has shown great resilience. The government has been focusing on modernising, developing agri infrastructure and improving processes related to agriculture. Under its *Aatma Nirbhar Bharat Abhiyan*, the government has been encouraging the agriculture and allied services sector to innovate and develop competencies that provide them a stronger hold in the domestic and world agri market.

With an aim to liberalise the Indian farm sector and enable it with a larger participation of the private sector, the Government of India passed three landmark laws in September 2020. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, The Essential Commodities (Amendment) Act and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act. The implementation of PM *Kisan Samman Nidhi* and earlier initiatives like PM Fasal Bima Yojana, etc. are all going to help Indian farming to become more progressive, diverse, profitable and sustainable.

This holistic focus towards agriculture by both the central and state governments have opened new opportunities for the industry that is the fourth largest producer of agrochemicals in the world.

Key Highlights from Union Budget 2021-2022:

- ₹ 20,000 crore to set up and capitalise a Development Financial Institution (DFI) – to act as a provider, enabler and catalyst for infrastructure financing
- Rural Infrastructure Development Fund to be enhanced to ₹ 40,000 crore from ₹ 30,000 crore
- Capital Expenditure of ₹ 5.54 Lakh Crore for FY 2021-22, which is 34.5% more than the Budget Estimate of FY2020-21
- 7 projects worth more than ₹ 2,000 Crores will be offered by the major ports on PPP mode in FY 2021-22
- National Monetisation Pipeline to be set-up for brownfield infrastructure investment and monetising public infrastructure investments
- Enhanced outlay of ₹ 1.18 Lakh Crore for Ministry of Road Transport & Highways, of which ₹ 1.08 Lakh Crore is for Capital Expenditure-the highest ever
- Record sum of ₹ 1.10 Lakh Crore for Railways of which ₹ 1.07 Lakh Crore is for Capital Expenditure
- Western & Eastern Dedicated Freight Corridor expected to be commissioned by June 2022

BUSINESS OVERVIEW

At Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), our business operations are spread across four business verticals, including;

Industrial Chemicals (IC)

Technical Ammonium Nitrate (TAN)

Crop Nutrition Business (CNB)

Value Added Real Estate

The Company has manufacturing facilities at Taloja – Maharashtra, Srikakulam – Andhra Pradesh, Panipat – Haryana and Dahej – Gujarat. The total manufacturing capacity of the company stands at 1362 KTPA for IC, 487 KTPA for TAN, and 986 KTPA for CNB.

Industrial Chemicals (IC)

DFPCL is a leading manufacturer of industrial chemicals such as Nitric Acid, Iso Propyl Alcohol (both pharma as well as industrial grade IPA) and food-grade Liquid Carbon Dioxide in the country. The Company also imports and supplies IPA and other chemicals within India. The Company has an installed capacity of 1362 KTPA of Nitric Acid, Methanol, Liquid CO_2 and IPA.

In line with DFPCL's strategy, the IC business has been diversifying into newer segments and markets. The Company has been focusing on better price-volume management, downstream integration, new product development and a hybrid work environment for optimum productivity to take the big leap towards a more customer-facing organisation. DFPCL has a strong distribution network of 50+ channel partners and direct relationships with more than 600 industrial customers in India.

Iso Propyl Alcohol (IPA)

DFPCL is the leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India with an installed capacity of 70,200 MT/ year for IPA at its Taloja plant in Maharashtra.

DFPCL is the only company to offer a complete basket of offerings, i.e., industrial grade, pharma grade (IP, EP, BP, CP, EP, USP compliant) in various packing sizes. The Company trades in IPA to cater to the additional demand of the end customers and also to retain its market leadership.

During FY2020-21, IC business forayed into the hand sanitisers, disinfectants and wipes segment with its IPA-based

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

product brand called Cororid. Since its launch in April 2020, the Cororid brand has received a good response from the domestic market, including B2B as well as B2C segments. As part of its strategy, the Company aim to focus on a product portfolio with a mix of bulk commodity products and value-added specialty offerings that helps the IC business in reducing volatility in earnings over the business cycle.

DFPCL will continue to expand its offerings in the hygiene segment with IPA-based downstream product opportunities. The Company is putting in significant efforts to reduce waste streams from its manufacturing processes and convert them to value-added products.

Around 50% of Indian IPA requirement has been traditionally dependent on imports from overseas countries such as South Korea, China, US, Taiwan, and Singapore. Last year, the outbreak of COVID-19 pandemic led to a significant growth in demand for IPA used in hand sanitiser and surface disinfection applications. IPA was brought under essential commodities during the first quarter of FY21, leading to strong demand. The IPA market in India is expected to grow at a CAGR of 7-8% by volume due to the growing consumption in the pharmaceuticals and chemicals industry, according to Chemanalyst.

Nitric Acid

The total capacity of Nitric Acid in India is seen at 21,65,800 MT per year with DFPCL holding a large chunk of the market share in India. Technical Ammonium Nitrate (TAN) and Ammonium Nitro Phosphate (ANP) consumes a significant portion of the captive Nitric Acid manufacturing while the surplus Nitric Acid is sold to domestic companies.

During the first half of the year, Nitric Acid manufacturing was impacted mainly due to raw material shortage and lower demand from consumer industries due to the pandemic.

The production of Nitric Acid within India has been on a rise and improving export prospects to the industry. Overall, the rise in usage of Nitric Acid in sectors, such as fertilisers, pharmaceuticals, aromatics and explosives industry is expected to boost the demand both domestically as well as overseas.

During 2015-2020, Nitric Acid demand in India grew by a CAGR of 3.8%, according to Chemanalyst. Nitroaromatics Industry is growing at a CAGR 6%. Global specialty chemical intermediates value chains are shifting from China to India boosting Nitric Acid demand and prices in India. It is expected to continue its growth trajectory on the back of robust demand from its key buying sectors such as fertilisers, explosives, pharmaceuticals, nitro aromatics, dyes, steel rolling industry and defence.

Liquid Carbon Dioxide (CO_2)

DFPCL is one of the leading suppliers of Liquid Carbon Dioxide with an installed annual capacity of 72,000 MT. Liquid Carbon Dioxide produced by the company is 'food grade' certified and supplied to various beverage manufacturers and engineering industries as a shield gas for welding. During the year, the Company saw a capacity utilisation of 70%.

With the increase of liquid carbon dioxide (CO_2) demand from the consumption sectors, such as metal manufacturing and fabrication, and oil & gas projects is expected to drive market growth.

Methanol

DFPCL has an installed capacity of 1,00,000 MTPA for Methanol at Taloja, Maharashtra. Methanol is used to produce formaldehyde, tert-amyl methyl ether (TAME) and methyl derivatives. It is also used as a solvent in the pharmaceutical and paint industries.

By 2025, methanol production is expected to reach 20 MT annually by using Indian High Ash coal, Stranded gas, and Biomass as per the Methanol Economy program initiated by Niti Ayog. This is expected to have a significant impact on the import substitution of crude oil for India, and consequently increase the usage of methanol, a positive for the Company. Niti Aayog has also drawn out a comprehensive plan to replace 20% of crude imports by Methanol alone, seen to lead to a reduction in annual fuel bill of India by 15% till 2030. Also, create around 5 million jobs through methanol production/ application and distribution services.

The total installed capacity for methanol in India stood at 474.30 (000'MT) in 2019-20 and the total production of methanol was at 176.05 (000'MT), growing at a CAGR of 2%, as per the Annual Report 2020-21 of Ministry of Chemicals & Fertilisers.

Traded Chemicals Business

Over the years, DFPCL has significantly reduced its trading portfolio to focus on its core business. To continue to maintain its market share and stronghold in the market, it trades in select products such as IPA and Ammonia. Going forward, the Company plans to expand its own product portfolio and trade only in solvents and commodities that it manufactures.

Technical Ammonium Nitrate (TAN)

DFPCL is the world's 5th largest single entity TAN manufacturer producing High Density Ammonium Nitrate (HDAN), Low Density Ammonium Nitrate (LDAN) and Ammonium Nitrate Melt (AN Melt). The Company is the only producer of explosives grade TAN solids in India & also manufactures Medical-Grade Ammonium Nitrate which is widely used in the production of medical grade nitrous oxide for use as an anesthetic/analgesic. The Company enjoys ~43% market share in the domestic TAN market.

The COVID-19 pandemic and resultant lockdowns presented unique challenges as well as opportunities for the TAN business. Demand for TAN products was impacted in H1 FY21 as many industries, including limestone mines and cement production, quarrying operations, etc. stopped due to COVID-19 lockdown. The index of eight core industries released by the Office of the Economic Advisor, Department for Promotion of Industry & Internal Trade, was down by 38% in Apr-20, 21% in May-20 and 12% in Jun-20 compared to the same month the previous year. Demand started to improve post easing of lockdown related restrictions and restart of industrial activity in H2 FY21.

IPA Plant


Nitric Acid Plant

Overall, the demand TAN in coal segment remained strong despite the pandemic during FY21. This was largely due to Coal India Ltd. (CIL) increasing its overburden blasting to expose more coal for production. The demand for TAN from Limestone and Iron Ore segments remained under stress throughout FY21 with the decline in cement and steel production in the country in FY21 compared to FY20. TAN demand from infrastructure segment was badly affected due to lack of labour availability (owing to labour migration during COVID-19 lockdown) and liquidity crunch felt across this segment.

While the first half of FY2020-21 was impacted due to the pandemic, which resulted in reduced demand from Infrastructure and Cement Sector, the business was also affected due to unavailability of trucks and drivers for product transportation to customers. DFPCL adapted to the situation and increased deployment of rail transportation for product movement from plants to customers, ensuring business continuity. DFPCL also floated incentive schemes to encourage transport service providers to prioritise trucks placement.

During the lockdown, TAN Business continued to engage with its customers through Webinars/Seminars on Technical aspects (Usages of Ammonium Nitrate & optimisation of Blasting, Blast Design, etc.) and Safety aspects (Safe & Effective use of Ammonium Nitrate & Behavioural Safety).

The business ensured required control on collections and receivables through structured reviews and tracking, supported by deploying incentives for customers to make prompt payments as well as incentives for the sales team in the business to ensure timely collections. This helped the business to achieve significant improvement in the working capital cycle. The business plans to continue with the above initiatives in the post-COVID era as well.

Despite the challenges posed by COVID-19 on TAN demand in FY2020-21, the business managed to maintain its revenues at the levels of FY20, with its EBITDA in FY21 improving compared to FY20. This was achieved through a slew of measures, such as competitive pricing, increased focus on high margin products, lower raw material prices and overhead cost control measures. In line with the Company's overall strategy to be a solutions provider, TAN has been focusing on delivering cost-effective and productive blasting solutions in chosen market segments through customised product and service offerings in Ammonium Nitrate, Explosives, Accessories and Blasting Services.

Some of the key initiatives undertaken by the TAN business during FY2020-21 are;

1) Deployment of specially designed Bulk Mixing and Delivery (BMD) trucks to deliver ANFO and High Energy Emulsion blend bulk explosives directly into the blast hole in mines.

2) Identification of mine and quarry productivity improvement technical services projects to optimise their drilling, blasting and downstream costs, which will be delivered in the next year.

These initiatives are in line with the business's strategy to grow in Infrastructure, Non-Coal Mining and Coal Mining segments in the domestic market. DFPCL's TAN Business is the only supplier of TAN Solids in India along with an extensive licensed TAN storage and extensively webbed distribution network.

To meet the rising demand for TAN, the Company is setting up a TAN manufacturing plant in the Eastern Coast of India. The plant is expected to start production in 2024 and ideally positioned to capitalise on the strong demand growth in the East and adjoining Central regions. This new TAN plant is also a step taken by the Company to make India self-reliant for its TAN demand under the *Aatmanirbhar Bharat Abhiyan*.

The TAN Business also actively worked with its customers for the deployment of a technology of using waste oil from the Mines and reprocessing it for use with Low Density AN to manufacture ANFO for blasting applications. Through this technology, the mines don't have to deal with the environmental issues associated with the disposal of waste oil, since it can be consumed in rock blasting. This also saves diesel for the mine, which would have to be used in place of waste oil to manufacture ANFO in the absence of this technology. Each kilogram of ANFO can blast much higher volume of rock compared to conventional explosives, allowing more rock to be blasted with lower consumption of Ammonium Nitrate, which has enabled the industry to maximise rock production through the available Ammonium Nitrate in the country.

During the FY21, TAN business launched AN Care Portal, a major milestone in the company's journey towards becoming one-stop solution provider to the Mining and Infrastructure industries for their blasting requirements. The portal would further evolve over time with the feedback received from the customers. Currently, the AN Care portal includes: (i) Complaint Management System, (ii) Feedback/Suggestion System, (iii) purchase history, and product details. Further, new features are planned to be deployed in FY22.

Crop Nutrition Business

DFPCL is one of the leading manufacturers of NPK and specialty fertilisers in India. The Company's Crop Nutrition Business housed under its 100% subsidiary, Smartchem Technologies Limited (STL). The business offers a wide range of NP (Nitro Phosphate), NPK (Nitrogen Phosphorous Potassium) variants, Water Soluble Fertilisers and Bentonite Sulphur to Indian farmers under its flagship brand Mahadhan.

The Company's flagship brand 'Mahadhan' is a household name among farmers in its operating geographies, which is aptly aided by a seamless product flow through a formidable distribution network of 3,800+ distributors and 20,000+ retailers across 12 states.

As part of the strategy to move from commodity to value-added products

Farmer in potato farm

and solutions, the Company is steadily developing innovative products and solutions that aid efficient usage of nutrition, improve soil health and thereby enhance crop productivity. The Company is strengthening its crop-specific and stage-specific product portfolio. This shift in strategy would help the Company consolidate its position in the market, and create a niche for itself, thereby giving the Company an edge over the competition. It would also garner better product value for STL.

During FY2020-21, STL has shown tremendous agility and nimbleness. The Company undertook a 360-degree approach to engage, educate and empower its stakeholders as the COVID-19 set new challenges for the business, especially on the field operations. From building robust digital and social media infrastructure to cost optimisation, STL has made sure that none of its stakeholders were left alone in a time of crisis. The Company made significant digital investments to keep the communication with its stakeholders uninterrupted. Some of the key initiatives undertaken during the year include:

1) For Farmers: Mahadhan App – One - Stop Solution for Farmers
2) Mahadhan Stars - App & website for our dealers/retailers
3) Mahadhan Connect: It is a portal for Dealers to track their day-to-day transaction.
4) Complaint Management System – An integrated system for dealers to raise their complaints.
5) Digital webinars, dealer meet, demo site meetings and direct farmer calling were arranged to connect with farmers and dealers

During the year, the Company actively engaged with 65 lakh farmers by the end of FY2020-21. Around 18,000 online webinars with farmers and close to 1000 online meetings were conducted to reach out to over 15,000 channel partners. The Company has been driving the digital strategy to connect with farmers via social media platforms, such as eg. Facebook, YouTube, Apps and WhatsApp. The Company has added more than 2 lakh+ followers on Facebook, more than 24400 subscribers on YouTube, more than 44,000 downloads of Mahadhan app. In addition, farmers are being engaged through third-party platforms and crop specific calling campaigns. The Company is continuously working to increase its customer engagement through various digital platforms and enhancements are being done on all the platforms, which will be more useful for farmers.

During the year, the Company tied up with Samunnati, a specialised Agri Value Chain enabler to offer crop-based advisory and access to affordable loans to farmers under FPOs (Farmer Producer Organisations). This tie-up would cover farmers under FPOs across 4 states to help them improve yields, quality and earnings. As per the Memorandum of Understanding (MoU), the FPOs will be able to access crop-based advisory and agri-inputs through DFPCL along with the customised finance options through Samunnati.

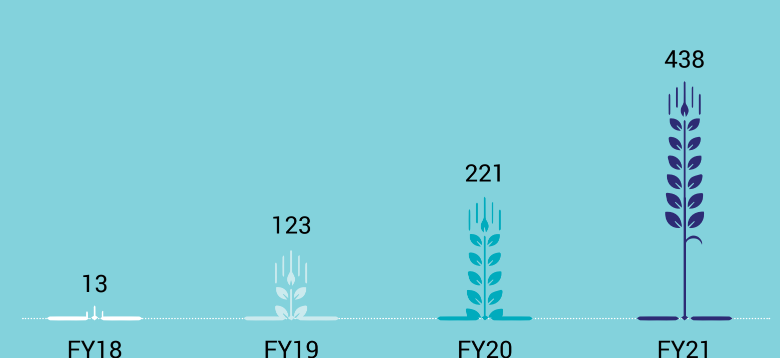
With two manufacturing locations at Taloja in Maharashtra (Western India) and Panipat in Haryana (Northern India), Crop Nutrition Business caters to nutritional needs of farmers across Maharashtra, Karnataka, Haryana and Gujarat.

The Company is on course to raise its combined installed capacity with additional 2 lakh MT per year to the current 985,720 MT per year (NP – 325,000 MTPA, NPK – 600,000 MTPA and Bentonite Sulphur – 60,720 MTPA). The Company is the largest manufacturer of Bentonite Sulphur and a market leader in specialty and water-soluble fertilisers in India.

Building rapidly on the strength and mass coverage of 'Mahadhan' in bulk fertiliser, the Company introduced a premium brand 'Smartek' in value-added fertiliser segment in FY2018. Since its introduction, 'Smartek' has rapidly gained mass acceptance for its superior farm outcomes and positioned as a premium brand. Consequently, its share in the company's fertiliser volume and fertiliser revenues have been improving on a sequential basis. During the year, 438 KT of differentiated NPK product, i.e., Smartek sold against last year sales of 221 KT (growth of 198%) in line with Companies strategic decision to move from commodity to differentiated fertiliser segment, along with enhanced premium based on value created for the farmers.

Sold under flagship 'Smartek' brand, the superior products have steadily been increasing their market acceptance, farm performance and brand premium. Furthering on its belief of 'seeing is believing', the Company has conducted 25000+ demos of Smartek in the last 3 years. The brand's cumulative reach now stands at 2.5+ million farmers.

Smartek Sales Volume Growth (KT)



Brand superiority Smartek, coupled with increasing customer trust and brand salience resulted in a 100% volume growth. Sales of Smartek reached 438,000 MT for FY20-21.

The Company's flagship ANP Nitro Phosphate fertilisers enjoy a steady demand in its operating geographies for well over 25 years. The Business Unit undertook quality and packaging upgrade in ANP during the year. Sales of ANP fertiliser recorded a handsome 12% growth in FY20-21 to reach 244,000 MT.

During the year under review, the Company launched 'Super-fast Bensulf'. The brand was well received in the market with encouraging farm results. The Company decided to shift the whole of its 'Super-fast Bensulf' production for retail sales only. Sales of Bentonite recorded an impressive 28% growth to reach 30,106 MT in FY20-21.

The Company also launched certain crop specific and stage specific grades for tomatoes and grapes. Developed completely in-house and keeping in mind stage specific requirements of respective crops, these newly launched grades shall help the Company consolidate its position in specialty product segment and command higher premium. Sales of crop specific and state specific grades grew by a whopping 170% to reach 1,018 MT during the year.

The results of all-round development and progress made by the Crop Nutrition Business in recent years and its steady and resilient focus amid pandemic during FY20-21 powered it with 6 consecutive profitable quarters in a row. Segment margins improved from 1.7% in FY20 to 7.5% in FY21. The margin improvement was aided by an improved sales mix, value-based pricing and a slew of cost optimisation measures. Favourable monsoons, Government reforms and adequate water levels in our operating geographies helped offset pandemic-inflicted challenges to a great extent.

Creaticity Mall

With an overarching focus nutrient use efficiency and a slightly narrower focus on crop specific stage specific nutrition solutions, the Company's research teams continued their good work towards developing the next-generation products. The success came in form of four new product launches during FY20-21, three in the Specialty fertiliser segment and one in NP/NPK fertiliser segment. The new launches include 'Smartek 14.28.00', 'Superfast Bensulf', 'Grape Crop Specific Package' (3 Grades) and 'Tomato Crop Specific package' (2 Grades).

Development work on three more specific grades is at an advanced stage with respective field trails planned for FY21-22. The Company is also working on crop nutrient solutions in bulk fertiliser segment. Initial trials stand complete with FCO approval also in place. The launch is scheduled for the third quarter of FY21-22.

Value Added Real Estate (VARE)

DFPCL's Value Added Real Estate (VARE) business is predominantly focused on the Company's lifestyle retail centre, Creaticity (formerly known as Ishanya) in Pune, Maharashtra. Creaticity is India's first and largest destination for Home & Interiors. It offers a wide range of products for home lifestyle, and houses nearly 100 national and international brands.

Creaticity Mall was not an exception to the impact of COVID-19 and complied with regulatory closure for major part of the first half of the year followed by Covid induced protocols and compliances post lockdown for the entire year. Specific focus was directed at retaining the brands and retailers who were considering an exit in the trying circumstances and successful retention of over 95% was achieved during the year through a series of measures.

Despite the headwinds, targeted efforts at consumer engagement were undertaken, through various initiatives such as the launch of Creaticity's own online platform to encourage assisted commerce, virtual tours and live chat options apart from new lead management and CRM tool to target serious customers. Creaticity also actively demonstrated thought leadership by engaging with industry stakeholders through a first of its kind Home & Home plus conclave, bringing together Industry captains to share and exchange views on handling the pandemic induced market situation and also unveiled an ebook titled #future of homes, with the voices of several Industry leaders from the furniture and furnishing categories captured in the written word.

K8 Plant

FINANCIAL REVIEW

Despite the various challenges incurred due to the ongoing COVID-19 pandemic, Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL), has achieved revenues of ₹ 5,808 Crores in FY2021. The Company's consolidated highest-ever profit stood at ₹ 406 Crores. The strong performance of the Company is backed by the various cost and operational efficiency measures undertaken by DFPCL over the year. The Company has also been investing into technology to transform its processes, and align to the 'new normal'.

Moreover, all three sectors of the Company got well-aligned to the country's growth story and getting the much-needed tailwind for stellar performance. In terms of fertilisers business, DFPCL's business over the year has well-aligned itself to the mid-income group growth in foods and vegetables, horticulture and crop requirements. The Crop Nutrition business has seen a growth of 38% in FY21 as against (16%) last year.

During the year, the industrial chemicals business grew by 15%. The IC business saw huge growth in the hygiene segment as well as the pharmaceutical and fine chemicals industry.

DFPCL's mining chemicals business too makes up to 26% of the overall revenue contribution, too registered healthy growth in FY21 with ₹ 1495 Crores revenues. The Company witnessed significant demand for its Technical Ammonium Nitrate (TAN) from the infrastructure and power sectors.

Overall, the good monsoons during FY21 along with the shift away from China for chemicals and government's push for *Aatmanirbhar Bharat* and agricultural reforms enabled a well-rounded growth despite the pandemic disrupting supply chains and life.

KEY FINANCIAL RATIOS

(figure in ₹)

Consolidated Performance	FY20-21	FY19-20
Chemical Revenue	3,157 Crores	2,744 Crores
Fertiliser Revenue	2,637 Crores	1,912 Crores
Chemical Segment Margin*	744 Crores	414 Crores
Fertiliser Segment Margin*	198 Crores	33 Crores

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

Parameters	FY20-21	FY19-20
Debtors turnover (x)	5.32	3.51
Inventory turnover (x)	8.79	6.20
Interest coverage ratio (x)	5.26	2.30
Current ratio (x)	1.37	1.01
D/E ratio (total Debt Equity Ratio) (x)	0.93	1.34
Operating Margin (%)	12.80	5.35
Net Margin (%)	7.00	1.90
Return on net worth (%)	16.65	4.16

KEY PERFORMANCE METRICS

Consolidated Performance	FY20-21	FY19-20
Total revenue (₹ Crores)	5,808	4,685
EBITDA (₹ Crores)	955	464
PBT (₹ Crores)	588	103
PAT (₹ Crores)	406	89
Earnings per share (₹)	41.47	9.58

Products	Sales Volume in MT		Production Volume in MT	
	FY20-21	FY19-20	FY20-21	FY19-20
Ammonia	NA	NA	86,840	98,808
Methanol	1,068	18,239	2,821	18,086
Iso Propyl Alcohol	55,025	61,584	55,184	60,387
Propane	9,537	10,097	9,641	10,320
Dilute Nitric Acid	53,284	63,899	625,915	653,831
Concentrated Nitric Acid	142,850	138,229	154,051	153,078
Strong Nitric Acid (SNA)	23,240	27,568	23,306	24,846
Technical Ammonium Nitrate	427,801	436,203	424,451	440,212
Bulk Fertilisers Traded	152,044	84,311	-	-
Nitro Phosphate Fertiliser	244,684	219,996	235,127	212,568
NPK Fertiliser	441,091	286,226	419,990	273,142
Bentonite Sulphur	30,106	23,500	29,248	22,721
Liquid Carbon Dioxide	45,295	55,254	45,183	55,259
Water Soluble Fertiliser	458	736	-	-
Water Soluble Fertiliser (traded)	27,418	23,860	NA	NA
Windmill Power ('000 KWH)	10,088	14,870	10,382	15,015
Traded Chemical	61,283	91,807	NA	NA

REVENUE MIX FOR KEY PRODUCTS

Products	FY20-21	FY19-20
ANP, NPK, Bensulf, WSF	37.37%	35.49%
TAN	25.74%	24.66%
Bulk Chemical Trading	8.61%	10.76%
Nitric Acid	8.98%	10.29%
IPA and Propane	10.67%	9.60%
Outsourced Bulk Fertilisers	5.72%	4.22%
Outsourced Agro Speciality	2.55%	2.89%
Others	0.32%	1.16%
Methanol	0.06%	0.93%

BUSINESS OUTLOOK

Our operational and cost-efficiency measures alongside the integration of newer technologies and processes have enabled us to mitigate the adverse impact of the COVID-19 pandemic during FY2020-21. We expect to continue reap benefits of our measures and evolve stronger and more efficient in the coming year.

All our three businesses are well aligned to India's growth story and we expect them to continue their growth trajectory with robust financial performance. One of the key focus areas for DFPCL in the coming years would be to look at sustainable chemical solutions across end-user industries that allow the Company to move into the future with valour and responsibility.

We are diversifying our product portfolio to look into crop-specific and stage-specific solutions with the aim to be the preferred specialty chemicals solutions partner for our customers.

Our transitional strategy is unfolding well and we are confident to further strengthen our offerings and position them as a 'service' than a 'commodity'. We are putting efforts to reduce waste across our processes and convert them into value-added products. The pharmaceutical sector is a market of potential for us as we look at expanding our pharma portfolio with our IPA-based downstream products in the hygiene segment.

With healthcare and agriculture to remain the key sectors of focus for the government, and its emphasis on further boosting country's infrastructure and *Aatmanirbhar Bharat Abhiyan*, we remain confident of continuing our growth trajectory on the back of a robust economic outlook and government's milestone industry reforms.

RISK MANAGEMENT

Your Company has put in place a robust Risk Management framework to traverse the dynamic business environment comprising regulatory changes, technological disruptions and advancements, and financial markets. Our sustainable model is built with an objective to absorb market vitality and other uncertainties. The Risk Management Committee of the Board is responsible to ensure that the Company has an appropriate and effective Risk Management framework.

An internal Risk Management Committee, comprising of key Business and functional heads is responsible for the risk management process, including risk identification, impact assessment, effective monitoring of existing control and implementation of risk mitigation plans, if any, and risk reporting. Further, the risk management process has been integrated with strategic business planning activities. Key internal and external risks, inherent to the strategy for each of the business verticals, are identified and the underlying critical assumptions of the strategies are also evaluated.

The Risk Management Committee carries out a detailed review of the risk management practices and evaluates the implementation status as reported by the Internal Committee. The identified key risks at the entity level are evaluated on quantitative, semi-quantitative and qualitative aspects of impact for timely decision on mitigation. The Risk Management Committee apprises the Board on the effectiveness of the Risk Management Framework, significant entity level risks identified, if any, and the risk response mechanisms implemented by the Company.

Cogen Plant

STRENGTHS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Strengths

- Strong legacy of over four decades backed by robust knowledge and rich extensive experience in manufacturing and financial prudence
- Strong management team with in-depth industry experience
- Well established and trusted brand among its end users across business segments
- Robust dealer network and loyal customer base across market segments in India
- Diversified product portfolio, servicing consumers across diversified sectors
- Integrated best world-class technologies in processes across business
- Location advantage due to proximity to key customers
- India's largest manufacturer of IPA and TAN; only manufacturer of TAN Solids and the 2nd largest Nitric Acid producer in South East Asia
- Well established sourcing channels, port and gas pipeline infrastructure for importing raw materials

Opportunities

- Growth in the Indian economy presents significant opportunities for DFPCL since it caters to the critical sectors of the country
- Transition from commodity to value-added and differentiated products and services
- Manufacturing shift of chemical intermediates to India becoming more and more evident with time
- Government's initiatives to improve agricultural productivity by improving soil nutrient balance, encouraging NPK sector
- Government's Aatmanirbhar Bharat and Pharma Vision 2023 to strengthen domestic industries and encourage Made in India
- Scaling up exports in TAN
- Strengthening of market position via diversification and balanced investments
- Backward integration to produce Ammonia in-house
- Forward integration to develop a comprehensive product portfolio
- Enhanced focus on digital to better connect with end consumers via social media and mobile applications
- Growing area under micro irrigation and demand for nutrient based fertilisers

Threats

- Geopolitical and trade tension led by COVID-19 pandemic
- Regulatory oversight in fertilisers and TAN business
- Abnormal volatility in prices of Ammonia, Natural Gas and USD/INR exchange rate impacting raw material pricing—
- Potential threat of new entrants which could adversely impact leading market position in several products—
- Getting timely major regulatory clearances for new capex plan for achieving commercialisation schedules

Risks and Concerns

- Disruption of supply chains due to ongoing COVID-19 pandemic
- 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

HUMAN RESOURCES

2020-21 [FY21] has been a year of unprecedented challenges, resilience and changes. At one end, there were challenges due to COVID-19 that impacted people across the world as well as our operations. It made us learn how to co-exist amidst uncertainty and leverage the opportunity to transform and speeding our endeavour to create an engaging, enriched, and empowered work culture.

The core human resource management focussed on:

- **Overall employee wellness:** Ushering into the new financial year under the shadow of the pandemic, we prioritised employee safety and wellbeing as a topmost concern. Our employee safety regime transcended its usual ambit of workplace and employee to also cover employees' homes and their families. From the usual employee safety, the regime extended to also cover emotional well-being and medico-nutritional support.

- **Embracing automation and technology adoption across our people processes:** To drive efficiencies and effectiveness, the year witnessed a marked acceleration in digitisation of our people process doctrine, coupled with unprecedented technology adoption among our employees. Acting with a sense of urgency, we invested our time, effort, and resources in shaping an IT roadmap for HR during the year and consequently digitalised many people processes.

- **Driving Employee Engagement:** Through reinforcing we continued our focus on employees, the core asset of our Company, through our various employee engagement programs. Some of these initiatives and programs included the reward and recognition, leadership development program, focus on performance management framework and employee capability build up. Our Sales Academy and Technical Training Center were optimally leveraged in developing skills and competencies aligned to our business objective and culture change agenda.

- **Adopting Work from Home hybrid working model:** Having securely transitioned our human capital to the safety of their homes during the nationwide lockdown at the beginning of FY21, we gradually evolved a hybrid model of working. To adequately engage and support both onsite and WFH employees, we undertook a slew of new initiatives amidst testing times. These include virtual employee and family connect through Fun Contests, Online Townhalls, Virtual Reward & Recognition, Student Felicitation Program, Work from Home Support, among others.

- **Cost Optimisation:** In a bid to drive innovation at the workplace through employee involvement, focused projects across diverse areas were undertaken. A slew of small and big ideas were translated into executable actions during the year. At the same time, Cross Functional Teams were formed to focus on key improvement areas.

- **Leadership Development Program:** We continued to deploy our three-prolonged approach towards harnessing talent at various levels. Aimed to strengthen our leadership talent pool at the senior level, we launched a "Business Leadership Development Program" that focuses on developing functional excellence, business excellence and people management competencies. For mid-level talent, we deploy a four-month training program 'Prabhavak', aimed at enhancing the people management skills of our managers. To attract and harness talent at the entry level, we deployed a 12-month structured training program 'NEEV'.

It is heartening to see that our all-round efforts have resulted into high morale and engagement levels of our workforce. The results of our efforts on capacity building, culture change and automation were evident in the improving performance of our people, the capability scores, product innovations, customer outreach and cost savings of the Company. Our attrition rate came down to 8.43% during FY21, an improvement of 124 basis point from the previous year.

Going forward, we foresee opportunities in leveraging remote working, digitalisation, and data analytics. Our focus would be to further improve employee experience and sharpening performance through lean Organisation redesign.

INFORMATION TECHNOLOGY & AUTOMATION

Last year, DFPCL witnessed a significant increase in the adoption of robust technology as the COVID-19 pandemic posed challenges to the traditional way of working. At the organisation level, DFPCL invested time, effort, and resources to implement new tools and technologies in business and people operations.

Among the various processes, HR was one that saw significant technology disruption with the Company drawing up an HR IT roadmap to deploy technology to enhance efficiency and to improve the employee experience.

Other than HR, marketing too saw significant focus on digital as the movement of people and supply chain challenges surfaced due to the restrictions impeded by the pandemic.

Some of the key technology initiatives during the year include:

Sales & Operations Planning – Anaplan Digital Connected Planning Platform:

Deliver a demand driven supply chain to enable the delivery of Sales Forecast Improvement, Logistics Cost Optimisation, Inventory Optimisation, Meeting Customer Demands and SLA.

SAP S/4 HANA implementation:

Successful implementation and adoption of enterprise wide ERP platform for digitalising core business processes, and enabling business users active decision support in real-time.

Finance Planning & Accounting – Anaplan Digital Connected Planning Platform:

Digitalisation of Business Planning and Consolidation under implementation to automate processes related to Budget Cycle, Annual Operating Plan, Rolling Forecast and Financial Dashboards for margin management and costs controls.

Account Payables Centralisation and Automation:

Implementation in progress to streamline Finance AP processes and deliver efficiency and productivity benefits.

Mobility enablement:

Various enhancements to Farmer connect mobile app (Mahadhan) to improve user experience and provide digital functionality to farmers. For example, Soil Test Report, Dosage Calculators and Farmer Loyalty Program.

- Launched mobile digital R&D platform for field trails.
- Enhanced sales force enablement through mobility platform.
- Launched Healthplus app for tracking health declaration and medical check-up of all employees as per government guidelines on COVID-19.

Smart Factory/Industry 4.0 Initiative:

Implemented various pilot projects and in process of rolling out across all manufacturing operations to improve reliability, productivity, yield and quality.

Digital Creaticity:

Implemented various digital initiatives in Creaticity to improve customer engagement during the pandemic period. Some key initiatives included Creaticity online portal for assisted commerce and virtual visualisation of physical spaces.

Some of the tools and initiatives that are underway or planned for future include, CRM Platform, Bizom Sales Force Productivity enhancements, Gamification Platform for Customer/Employee Engagement, Social Media Marketing Platform, Social Media Listening Platform, eCommerce Engagement, Digital Marketing, Dealer Loyalty Programs and Farmer Loyalty Programs, and Dealer/Retailer/Farmer 360 Program.

DFPCL follows a very stringent process for all IT initiatives aimed at delivering business benefits – whether tangible or intangible in terms of cost reduction, customer engagement, revenue enhancement, faster time to market, controls, efficiencies, productivity, automation. The Company is very proactive in the approach towards Cyber security and conducts periodic audits for Cyber security via a third party. Performa a VAPT (Vulnerability Assessment and Penetration Testing) is conducted twice a year.

In addition to this, the Company also has a third party managed SOC (Security Operations Center) which proactively identifies any threats. The Company aims to:

- Enhance gateway level security with latest advance UTM (unified threat management) capabilities
- Implement advance Email anti-spam solution with the capability to configure custom rules and policies
- Implement the latest version of Microsoft Windows AD Servers
- VAPT, Network review and ISO27001 compliance
- Implement Threat Intelligence, MDM solution, Email DLP solution, and NAC solution
- IS Assessment & Auditt

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The scope of internal controls and audit checks are well defined within the organisation and there is an emphasis to ensure the key management personnel adhere to the best practices. The Company has adequate internal controls that commensurate with the nature of the Company's business and size of the operations, to effectively provide for the safety of the assets, reliability of financial transactions with adequate checks and balances, compliance with prevalent statutes, regulations, management authorisation, policies & procedures, and to ensure optimum use of the available resources.

The Audit Committee of the Board is responsible for establishing, maintaining, and reviewing the Company's system of internal controls and directing the Internal Audit function. The Audit Committee approves the overall internal audit plan, including risk assessment, scope, methodology and frequency of audits.

Control Room

The Company has appointed Ernst & Young LLP, India to execute internal audit reviews as per the approved Internal Audit Plan. Further, the Audit Committee periodically reviews audit observations along with recommendations, implementation status, adequacy of internal controls and keep the Board informed of its observations, if any, from time to time.

The internal audit department follows-up to ensure corrective measures are implemented in the respective business functions as per the report generated post the audit to strengthen the overall framework. The objective of the internal control framework is to align the strategic goals with operations.

The Company has budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. Further, the Company has upgraded SAP ERP system to improve operational efficiencies and business decision-making capabilities across financial reporting, organisational structure and various business processes which are reviewed and validated by external experts.

The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) of the Companies Act, 2013 to authenticate implementation of company policies across businesses, protect intellectual property, prevent and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Audit Committee has concluded that, as of March 31, 2021, DFPCL's internal financial controls were adequate and operating effectively.

CAUTIONARY STATEMENT

The document contains statements about expected future events, financial and operating results of Deepak Fertilisers And Petrochemicals Corporation Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties.

There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Deepak Fertilisers And Petrochemicals Corporation Limited's Annual Report, FY2020-21.

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The Company's Board composition resonates Board diversity and is best demonstrated in the well balanced and independent structure of the Company's Board of Directors which has a very balanced representation of Executive, Non-Executive and Independent Directors for enhancement of organizational capabilities.

None of the Directors on the Board of the Company is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which they are Directors. The changes in the composition of the Board during the year and its composition as on 31st March, 2021 was as follows:

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
5		Shri Berjis Desai
6		Shri Ashok Purwaha
7		Shri Alok Perti
8		Dr. Amit Biswas
9		Shri Bhuwan Chandra Tripathi
10		Shri Sujal Shah[1]
11		Smt. Varsha Purandare[2]
12		Shri Mahesh Chhabria[3]
13		Shri Pranay Vakil[4]
14		Smt. Renu Challu[5]

1 The Board, at its meeting held on 30th June, 2020, appointed Shri Sujal Anil Shah as an Independent Director w.e.f. 30th June, 2020.

2. The Board, via Circular Resolution on 27th January, 2021, appointed Smt. Varsha Vasant Purandare as a Woman Independent Director w.e.f. 31st January, 2021.

3. Shri Mahesh Chhabria, on account of his active involvement with the Kirloskar group and other pre-occupation, has resigned as the director of the Company with effect from 31st July, 2020.

4. Shri Pranay Vakil, on completion of his second term as an Independent Director, has ceased to be director of the Company w.e.f. 21st September, 2020.

5. Smt. Renu Challu on account of her personal reasons has resigned as director of the Company w.e.f. 31st October, 2020.

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2020-2021 and the Annual General Meeting (AGM) held on 21st September, 2020 are as follows:

Eight Board Meetings were held during the Financial Year 2020-2021. These meetings were held on 21st April, 2020, 25th May, 2020, 30th June, 2020, 31st July, 2020, 11th September, 2020, 3rd November, 2020, 3rd February, 2021 and 26th March, 2021. 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	8	Yes	1	12	0	0
2.	Shri Partha Bhattacharyya	8	Yes	3	5	3	3
3.	Smt. Parul S. Mehta	8	Yes	1	7	0	0
4.	Shri M. P. Shinde	8	Yes	1	1	2	0
5.	Shri Ashok Purwaha	8	Yes	1	1	0	0
6.	Shri Berjis Desai	6	Yes	6	6	8	4
7.	Shri Alok Perti	8	Yes	2	3	2	1
8.	Dr. Amit Biswas	8	Yes	1	1	1	0
9.	Shri Bhuwan Chandra Tripathi	7	Yes	1	0	0	0
10.	Shri Sujal Anil Shah @	5	Yes	6	5	9	3
11.	Smt. Varsha Purandare*	2	N.A.	4	4	7	3
12.	Shri Mahesh Chhabria %	4	N.A.	N.A.			
13.	Shri Pranay Vakil&	5	No	N.A.			
14.	Smt. Renu Challu+	3	Yes	N.A.			

$ Excludes directorships of foreign companies and dormant companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

@ Shri Sujal Anil Shah was appointed as an Independent Director w.e.f. 30th June, 2020.

* Smt. Varsha Purandare was appointed as an Independent Director w.e.f. 31st January, 2021

% Shri Mahesh Chhabria resigned as director of the Company w.e.f. 31st July, 2020.

& Shri Pranay Vakil on completion of his term ceased to be the Director of the Company w.e.f. 21st September, 2020.

+ Smt. Renu Challu resigned as the director of the Company w.e.f. 31st October, 2020.

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.

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31st March, 2021 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 Ltd	Independent Director
		Praj Industries Limited	Independent Director
		Edelweiss Financial Services Limited	Independent Director
		The Great Eastern Shipping Company Limited	Non-Executive Non-Independent Director
		Man Infraconstruction Limited	Independent Director
		Jubilant Food Works Limited	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 Ashok Purwaha	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
6	Shri M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
7	Shri Alok Perti	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Shalimar Paints Limited	Independent Director
8	Dr. Amit Biswas	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
9	Shri Bhuwan Chandra Tripathi	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
10	Shri Sujal Anil Shah	Amrit Corp. Limited	Independent Director
		Ironwood Education Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Ltd	Independent Director
		Amal Limited	Independent Director
		Hindoostan Mills Limited	Independent Director
		Mafatlal Industries Limited	Independent Director
11	Smt. Varsha Purandare	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Orient Cement Limited	Independent Director
		Shaily Engineering Plastics Limited	Independent Director
		The Federal Bank Ltd	Independent Director

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 the names of directors who have such skills / expertise / competence shall be disclosed, which are as below:

However, 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 Ashok Purwaha	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri M. P. Shinde	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Alok Perti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Amit Biswas	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Shri Bhuwan Chandra Tripathi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sujal Anil Shah	✓	✓		✓	✓		✓	✓	✓	✓			
Smt. Varsha Purandare	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓

Committees of Board of Directors

Audit Committee

Brief description of terms of reference:

The Company has an Audit Committee comprising of three directors, majority of which are Independent. The Committee is headed by Shri Partha Bhattacharyya after cessation of directorship of Shri Mahesh Chandra Chhabria w.e.f 31st July, 2020 who, prior to his cessation as director was the Chairman of the Audit Committee. 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.

The composition of the Committee as on 31st March, 2021 and the attendance of the members at the meetings held are as follows:

Name of Director	Category	No. of meetings held during the tenure		Whether attended last AGM
		Held	Attended	
Shri Mahesh Chhabria, Chairman[1]	Independent Director	4	4	No
Shri Pranay Vakil[2]	Independent Director	5	5	No
Shri Partha Bhattacharyya, Chairman[3]	Independent Director	9	9	Yes
Shri M.P. Shinde	Non-Executive Non-Independent Director	9	9	Yes
Shri Sujal Anil Shah[4]	Independent Director	6	6	Yes

1. Shri Mahesh Chhabria, on account of his active involvement with the Kirloskar group and other pre-occupation, has ceased to be the director of the Company w.e.f. 31st July, 2020 and also ceased to be the Chairman and member of Audit Committee
2. Shri Pranay Vakil, on completion of his Second Term as Independent Director, ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member of the Audit Committee
3. Shri Partha Bhattacharyya was appointed as the Chairman of the Audit Committee w.e.f. 31st July, 2020
4. Shri Sujal Anil Shah was appointed as the member of the Audit Committee w.e.f. 31st July, 2020

Besides the above, Chairman and Managing Director and the Chief Financial Officer (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.

Stakeholders Relationship Committee

Brief description of terms of reference

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 provisions of 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 from 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 11th December, 2020. The attendance of the Members was as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri Pranay Vakil, Chairman[1]	N.A.	N.A.
Shri Partha Bhattacharyya[2]	N.A.	N.A.
Shri Berjis Desai[3]	1	1
Shri. M. P. Shinde[4]	1	1
Dr. Amit Biswas[5]	1	1
Smt. Renu Challu[6]	N.A.	N.A.

1. Shri Pranay Vakil, on completion of his Second Term as Independent Director, ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member and Chairman of the Stakeholders Relationship Committee
2. Shri Partha Bhattacharyya ceased to be the member of the Stakeholders Relationship Committee w.e.f. 31st July, 2020
3. Shri Berjis Desai was appointed as the Chairman of the Stakeholders Relationship Committee w.e.f. 11th September, 2020
4. Shri M P Shinde was appointed as the member of the Stakeholders Relationship Committee w.e.f. 3rd November, 2020
5. Dr. Amit Biswas was appointed as the member of the Stakeholders Relationship Committee w.e.f. 11th September, 2020
6. Smt. Renu Challu ceased to be the director of the Company w.e.f. 31st October, 2020 and also ceased to be the member of the Stakeholders Relationship Committee

Details of complaints received during the financial year 2020-21 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	1	NIL	NIL
Non-receipt of annual report	NIL	NIL	NIL
Non-receipt of dividend warrants	3	NIL	NIL
Issue of duplicate share certificates	NIL	NIL	NIL
Others (relates to non-receipt of shares, demat, change of address, Bank details, signature, correction of name etc	13	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 provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment / removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

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

During the year under review, Four Committee Meetings were held on 12th May, 2020, 30th June, 2020, 3rd November, 2020 and 3rd February, 2021.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri Berjis Desai, Chairman	4	4
Shri Pranay Vakil[1]	2	2
Dr. Amit Biswas	4	4
Shri Sujal Anil Shah[2]	2	2

1. Shri Pranay Vakil, on completion of his Second Term as Independent Director, ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member of the Nomination and Remuneration Committee
2. Shri Sujal Shah was appointed as the Member of the Nomination and Remuneration Committee w.e.f. 21st September, 2020

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 10th July, 2020. The attendance of the Members were as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri Partha Bhattacharyya, Chairman[1]	1	1
Shri Ashok Purwaha[2]	1	1
Shri Alok Perti	1	1
Shri. Bhuwan Chandra Tripathi[3]	N.A.	N.A.

1. Shri Partha Bhattacharyya ceased to be the Chairman and Member of the Project and Funding Committee w.e.f. 31st July, 2020
2. Shri Ashok Purwaha was appointed as the Chairman of the Project and Funding Committee w.e.f. 31st July, 2020
3. Shri. Bhuwan Chandra Tripathi was appointed as the member of the Project and Funding Committee w.e.f. 31st July, 2020

Manufacturing Operations Review Committee

Brief description of terms of reference:

The terms of reference of Manufacturing Operations Review Committee, inter alia, include, 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 3rd November, 2020. The Composition of the Committee is as given below:

Name of Director	No. of Meetings held	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, include, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and monitor the mechanism for CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

Constitution	Constituted by the Board of Directors of the Company at its meeting held on 21st March, 2014.
Composition, Names of Members and record of attendance during the year	Comprises of Directors and details as provided under:

During the year under review, two Committee Meeting were held on 29th June, 2020 and 25th March, 2021. The attendance of the Members was as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri Pranay Vakil, Chairman[1]	1	1
Smt. Parul Mehta	2	2
Shri Partha Bhattacharyya[2]	2	2
Smt. Renu Challu[3]	N.A.	N.A.
Shri. Alok Perti[4]	1	1

1. Shri Pranay Vakil, on completion of his Second Term as Independent Director, ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member and Chairman of the Corporate Social Responsibility Committee
2. Shri Partha Bhattacharyya was appointed as the Chairman of the Corporate Social Responsibility Committee w.e.f. 21st September, 2020.
3. Smt. Renu Challu ceased to be the director of the Company w.e.f. 31st October, 2020 and also ceased to be the member of the Corporate Social Responsibility Committee
4. Shri Alok Perti was appointed as Member of Corporate Social Responsibility Committee w.e.f. 3rd November, 2020

CSR Policy is available on the website of the Company:
https://www.dfpcl.com/wp-content/uploads/2021/05/CSR Policy-DFPCL.pdf.

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 are in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also include 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, two Committee Meetings were held on 02nd November, 2020 and 11th December, 2020:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri M. P. Shinde, Chairman	2	2
Dr. Amit Biswas	2	2
Shri Bhuwan Chandra Tripathi[1]	2	2
Shri Amitabh Bhargava	2	2

1. Shri. Bhuwan Chandra Tripathi was appointed as the member of the Risk Management Committee w.e.f. 31st July, 2020

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 letters and to make application or seek exemption to / from any regulatory or statutory authorities etc., and other allied matters.

During the year under review, one Securities Issue Committee meeting was held on 30th September, 2020. The attendance of the Members was as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri Berjis Desai, Chairman	1	1
Shri Pranay Vakil[1]	N.A.	N.A.
Shri M. P. Shinde[2]	N.A.	N.A.
Shri S. C. Mehta[3]	N.A.	N.A.
Shri Amitabh Bhargava	1	1
Shri Sujal Shah[4]	1	1

1. Shri Pranay Vakil, on completion of his Second Term as Independent Director, ceased to be director w.e.f. 21st September, 2020 and also ceased to be the member of the Securities Issue Committee.

2&3. Shri S. C Mehta and Shri M P Shinde ceased to be the members of the Securities Issue Committee w.e.f. 31st July, 2020.

4. Shri Sujal Shah was appointed as member of the Securities Issue Committee w.e.f. 31st July, 2020.

Shri Ritesh Chaudhry Company Secretary and Compliance Officer 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, re-materialisation 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 Ritesh Chaudhry* - Member
6.	Shri Deepak Balwani* - Member

During the year under review, 23 meetings of Share and Debenture Transfer Committee were held.

Shri Ritesh Chaudhry was appointed as a member of the Committee in place of Shri K Subharaman w.e.f. 26th March, 2021.

*Shri Amitabh Bhargava, * Shri Ritesh Chaudhry and *Shri Deepak Balwani are not Directors of the Company but are members of the Committee.

Rights Issue Committee

The Rights Issue Committee was constituted by the Board at its meeting held on 25th May, 2020 for giving effect to the Rights Issue and also to look after other things related to Rights Issue

During the year under review, one Rights Issue Committee meeting was held on 20th October, 2020. The attendance of the Members was as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Shri. Berjis Desai	1	1
Smt. Renu Challu@	1	1
Shri. Sujal Shah	1	1

@ Smt. Renu Challu has ceased to be the director of the Company w.e.f. 31st October, 2020 and consequently ceased to be member of the Rights Issue 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 2020-21. The Board at its Meeting held on 28th May, 2021 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 Committees are delivering on the defined objectives.

ix. The Committees have the right composition to deliver their 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 26th March, 2021 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.

Except Shri. Berjis Desai and Smt. Varsha Purandare, 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 Letter 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 its minimization. The Board Members through the Risk Management Committee, are provided with the information on the risks faced by the Company and measures adopted by the Company to mitigate the same.

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 endeavours 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 2020-21. 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, all 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

All the details of changes in directors has been provided in the Board's Report. Further, the Company has informed the same to the Stock Exchanges.

Details of remuneration paid to Executive Director for Financial Year 2020-21:

In ₹

Name of Director	Designation	Salary and Allowances	Perks	Commission	Others (PF and Super Annuation)	Total
Shri S. C. Mehta	Chairman & Managing Director	5,11,65,000	89,54,916	6,79,00,000	38,22,000	13,18,41,916

Appointment of Managing Director and Chairman is governed by a Service Contract for a period of 5 Years.

Details of Sitting Fees paid during the Financial Year 2020-21 and Commission paid for Financial Year 2020-21 to Non-Executive Directors:

Sitting Fees:

The Company pays sitting fees to Non-Executive Directors @ ₹ 75,000/- for attending per Board Meeting, ₹ 50,000/- for attending per Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Project and Funding 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.

For the Financial Year ended 31st March, 2020, the Company had inadequate profits and accordingly, the Company decided not to pay commission to Non-Executive Directors of the Company for the Financial Year 2019-20.

Further, considering the profits of the Company for the Financial Year ended 31st March, 2021, Commission of non-executive directors was approved by the Board at its meeting held on 28th May, 2021. The details of commission to be paid to the non-executive directors are as given below:

Sr. No.	Name of Director	Commission (₹ in Lacs)
1.	Shri Partha Bhattacharyya	20
2.	Smt. Parul S. Mehta	10
3.	Shri M. P. Shinde	10
4.	Shri Ashok Purwaha	10
5.	Shri Berjis Desai	7.5
6.	Shri Alok Perti	20
7.	Dr. Amit Biswas	7.5
8.	Shri Bhuwan Chandra Tripathi	20
9.	Shri Sujal Anil Shah	15
10.	Smt. Varsha Purandare	5
11.	Shri Mahesh Chhabria	10
12.	Shri Pranay Vakil	20
13.	Smt. Renu Challu	2.5

The aforesaid commission for the Financial Year 2020-21 will be paid to the non-executive directors after the adoption of accounts by the shareholders at the ensuing Annual General Meeting to be held on 26th August, 2021.

Shri M P Shinde, Non-executive Director of the Company is providing certain services in his professional capacity to the Company as per the terms of the contract entered into with him. In his role as Consultant to the Company, he advises on issues relating to Environment, Health and Safety, Plant Operations, Pollution Control and allied activities for the Company's various plants. In accordance with the approval from the Audit Committee and the Board, the Company paid professional fee of ₹ 6,25,000/- to him during FY 2020-21.

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, 2021:

Sr. No.	Non-Executive Director	Holding
1.	Smt. Parul S. Mehta	1,409 Equity Shares
3.	Shri M.P. Shinde	1,500 Equity Shares
4.	Shri Partha Bhattacharyya	Nil
5.	Shri Berjis Desai	Nil
6.	Shri Ashok Kumar Purwaha	Nil
7.	Shri Alok Perti	Nil
8.	Dr. Amit Biswas	Nil
9.	Shri Bhuwan Chandra Tripathi	Nil
10.	Shri Sujal Anil Shah	Nil
11.	Smt. Varsha Purandare	Nil

Annual General Meeting

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

Particulars	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
Day	Tuesday	Wednesday	Monday
Date	18th September, 2018	14th August, 2019	21st September, 2020
Time	11:30 a.m.	11:30 a.m	11.00 a.m.
Venue	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	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Whether any special resolutions passed	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. • Consideration & approval of issue of convertible equity warrants on preferential basis to promoters not exceeding ₹ 200 Crore. • Consideration & approval of increase of limits to provide loans / guarantees / investments beyond the threshold provided under Section 186 of the Companies Act, 2013. • Consideration & approval by 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 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.	Yes • To waive of excess managerial remuneration aggregating to ₹ 264.76 Lakhs paid to Shri S.C. Mehta, Chairman and Managing Director. • To rollover the Special Resolution by another 365 days to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2020 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:

Approval relating to payment of remuneration to Shri S. C. Mehta, Chairman and Managing Director of the Company.

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, Practising Company Secretaries, (Membership No. FCS 10480, CP No. 11635) 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 28th December, 2020 and details of voting result on the resolutions were as follows:

Sr. No.	Description	Votes (No. of shares and %)	
		In favour	Against
1	Approval relating to payment of remuneration to Shri S. C. Mehta, Chairman and Managing Director of the Company	5,87,70,872	21,30,317
		96.5020%	3.4980%

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

In compliance with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020 issued by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as “MCA Circulars”), the Company had sent Postal Ballot Notice only through electronic mode to those Shareholders whose names appeared in the Register of Member / Record of Depositories as on Friday, November 13, 2020 (“cut-off date”) and whose email addresses are registered with the Company/Depositories on the said date.

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 13th November, 2020. The voting period for postal ballot and E-voting was from 27th November, 2020 to 26th December, 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 Ritesh Chaudhry, Company Secretary and Compliance Officer.

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 Forty First 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/transactions with any non-executive director of the Company except the payment of professional fee of ₹ 6,25,000/- to Shri. M P Shinde, Non -executive Director during FY 2020-21 as stated above.

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 2020-21, 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

v. 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.

Further, BSE Limited in the month of March, 2021 had levied a fine of ₹ 2,000 because of failure to take / ensure adequate steps for expeditious redressal of investor complaints under Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company has made a representation to BSE Limited to set aside the fine and in meantime has paid the fine of ₹ 2,000 under protest.

vi. 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:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2021; and
- The Internal Auditor directly reports to the Audit Committee.

vii. Disclosures of relationships between Directors inter-se:

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

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

viii. 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 https://www.dfpcl.com/wp-content/uploads/2018/12/whistle-blower-policy.pdf.

ix. 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 Designated Persons (Insider Trading Policy).

During the year under review, SEBI vide its circulars dated 17th July, 2020 and 29th October, 2020, 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 03rd February, 2021, amended the Company's Insider Trading Policy.

Shri Ritesh Chaudhry, Vice President & Head (Legal & Secretarial) & Company Secretary is the Compliance Officer under the said Policy.

x. 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 Policy on determining Material Subsidiaries and the same has been posted on https://www.dfpcl.com/wp-content/uploads/2020/02/Policy-on-determining-material-subsidiaries.pdf

xi. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32A of SEBI Listing regulations:

The details have been provided in the Board's Report.

xii. 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.

xiii. 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 2020-21.

A copy of the Annual Secretarial Compliance Report is enclosed in this Annual Report (Refer Annexure 6).

The observations of M/s. SVD & Associates, Company Secretaries in their report are self-explanatory.

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

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 7). The report is unqualified.

There are no observations in the aforesaid report.

xv. Disclosure of total fees paid to the Statutory Auditors:

For the financial year 2020-21, ₹ 45.64 Lakhs was paid to B S R & Associates LLP, erstwhile Statutory Auditors and ₹23.02 Lakhs was paid to P G BHAGWAT LLP, current Statutory Auditors of the Company. Neither the aforesaid Statutory Auditors nor the entities in the network firm in which the statutory auditor is a part, provided any services to the subsidiary companies of the Company.

xvi. **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.

xvii. **Commodity price risk or foreign exchange risk and hedging activities:**

Foreign Exchange Risk:

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.

Commodity Risk:

As a manufacturing company of Industrial Chemicals and fertilisers, Company is exposed to risks due to fluctuations in prices of its key raw material (Natural Gas / LNG, Propylene, Phosphoric Acid, Ammonia, Muriate of Potash etc) used in operations. Prices of all these raw materials are linked to or derived from international market which are volatile in nature. Company follows Board approved Commodity Risk management policy for hedging price risk of major raw materials wherever possible. The policy establishes commodity risk management framework and defines the procedures and controls for effective management of risks that arises through company's manufacturing operations.

Means of Communication

The Company publishes its financial results every quarter in leading newspapers such as Sakal or Loksatta and Indian Express 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**	:	Thursday, 26th August, 2021 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, 2021**	:	Within 45 days from the end of the quarter
	- **Results for second quarter ending September 30, 2021**	:	Within 45 days from the end of the quarter
	- **Results for third quarter ending December 31, 2021**	:	Within 45 days from the end of the quarter
	- **Results for financial year ending March 31, 2022**	:	Within 60 days from the end of the financial year
3.	**Date of Book Closure**	:	Friday, 20th August, 2021 to Thursday, 26th August, 2021 (both days inclusive)
4.	**Dividend Payment Date**	:	On or before 25th September, 2021
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**	:	Toll Fee No. : 1 800 309 4001 Phone : (040) 6716 2222 Email: einward.ris@kfintech.com
10.	**Listing on Stock Exchanges**	:	a. BSE Limited (BSE) : 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001; and b. 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 2020-21 has been paid to both the Exchanges
11	**Stock Code**	:	BSE Limited (BSE): 500645 National Stock Exchange of India Limited (NSE) : DEEPAKFERT
12	**Demat ISIN in NSDL and CDSL**	:	INE501A01019

Market Price Data for 2020-21:

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2020	110.55	71.30	33887.25	27500.79
May, 2020	112.00	95.10	32845.48	29968.45
June, 2020	122.00	101.05	35706.55	32348.10
July, 2020	164.85	111.75	38617.03	34927.20
August, 2020	192.85	147.20	40010.17	36911.23
September, 2020	181.00	141.55	39359.51	36495.98
October, 2020	157.65	133.00	41048.05	38410.20
November, 2020	157.70	136.35	44825.37	39334.92
December, 2020	171.90	144.15	47896.97	44118.10
January, 2021	169.00	147.80	50184.01	46160.46
February, 2021	192.80	152.20	52516.76	46433.65
March, 2021	249.40	187.90	51821.84	48236.35

Distribution of shareholding as on 31st March, 2021: 1,14,678 shareholders held 10,26,77,088 equity shares of ₹ 10/- each.

Distribution of Shareholding as on 31/03/2021

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	1,08,390	92.52	1,12,22,802	10.93
2	5001 - 10000	4,476	3.82	34,76,578	3.39
3	10001 - 20000	2,027	1.73	30,06,945	2.93
4	20001 - 30000	707	0.60	18,08,024	1.76
5	30001 - 40000	332	0.28	11,90,432	1.16
6	40001 - 50000	280	0.24	13,09,386	1.28
7	50001 - 100000	478	0.41	34,64,119	3.37
8	100001 and above	463	0.40	7,71,98,802	75.19
	TOTAL:	**1,17,153**	**100.00**	**10,26,77,088**	**100.00**

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 names in respect of shares held in physical form.

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.

Dematerialisation of Shares:

The shares of the Company are traded in dematerialised form. 9,82,31,231 Equity Shares (95.67% of paid-up capital) held by 86,199 shareholders (73.58% of total number of shareholders) have been dematerialised as on 31st March, 2021.

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

Warrants:

As reported in the last year's Annual Report, the Company had, during the Financial Year 2018-19, 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.

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).

Further, 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 with 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 and accordingly have subscribed in the Rights Issue of the Company completed in October 20, 2020.

Rights Issue

The Board of Directors at their meeting held on 25th May, 2020 had approved fund raising for an issue size of up to ₹ 180 crores (Rupees One Hundred Eighty Crores), through a rights issue, in accordance with applicable law, including the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Further, the Board of Directors at their meeting held on 11th September, 2020 had approved the following terms of the issue:

a. **Issue Price**: ₹ 133/- per fully paid-up equity share (including a premium of ₹ 123/- per fully paid-up equity share over the face value of ₹ 10 per equity share).

b. **Terms and payment of issue price**: The full amount of issue price being ₹ 133/- per rights equity share will be payable on application.

c. **Record date**: The Board also fixed the record date for the purpose of determining the shareholders of the Company who will be eligible to apply in the Issue, as September 17, 2020.

d. **Rights entitlement ratio**: 3 (three) fully paid-up equity shares for every 20 (twenty) fully paid-up equity shares held by the eligible equity shareholders of the Company, as on the record date.

e. **Issue Opened on**: Monday, September 28, 2020;

f. **Issue Closing Date**: Monday, October 12, 2020.

Further, the Rights Issue Committee at its meeting held on 20th October, 2020 approved the allotment of 1,33,92,663 equity shares on rights basis.

Post rights issue, the paid-up share capital of the Company is ₹ 102,67,70,880 i.e. 10,26,77,088 equity shares of ₹ 10 each.

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).

During the Last Financial Year i.e. 2019-20, 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.

Further, during the year under review, the Securities Issue Committee at its meeting held on 30th September, 2020, had allotted 30 (Thirty) Foreign Currency Convertible Bonds ("FCCBs") having a par value of US$ 500,000 each, being the second tranche, to International Finance Corporation ("IFC"), for an aggregate amount of US$ 15 million.

Considering the first tranche and second tranche, the investment of IFC in the Company stands at aggregate amount of US$ 30 million.

Pursuant to the provisions of Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has informed the Stock Exchanges that there has been no deviation or variation in utilisation of the funds raised through the following:

a. Issuance of Foreign Currency Convertible Bonds to IFC through preferential allotment; and

b. Issuance of shares of rights basis.

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.

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) and the MCA Circular dated 16th October, 2017 requires that all shares in respect of which dividend has remained unpaid or unclaimed for seven years have to be transferred to IEPF. Accordingly, given below is the statement of shareholders whose dividend and equity shares have been transferred to IEPF during the Financial Year 2020-21.

The bifurcation of the shares transferred to IEPF during Financial Year 2020-21 is as given below:

Category	Number of holders	No. of shares
Physical	1,050	1,02,299
NSDL	82	8,058
CDSL	27	1,631
Total	**1,159**	**1,11,988**

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.

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.

Credit Rating

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

Disclosures with respect to demat suspense account/ unclaimed suspense account

As per Schedule V (F) of the SEBI LODR Regulations, 2015 the Company reports the following details in respect of equity shares lying in the demat suspense account

Sr. No.	Particulars	No. of Shareholders	Outstanding Equity Shares
1.	aggregate number of shareholders and the outstanding shares in the suspense account (Please refer note given below)	230	39,399
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year	130	35,487
3.	number of shareholders to whom shares were transferred from suspense account during the year	130	35,487
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	100	3,912

Note: No equity shares were lying outstanding at the beginning of the year. During the year, the Company had offered its equity shares on rights basis to eligible shareholders and in compliance with the relevant SEBI Circulars and Regulations, some shares were transferred to Demat Suspense Account opened by the Company for this purpose.

The voting rights on the aforesaid shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claimed the shares.

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") vide its circular dated 13th January 2021 read with MCA circulars dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 and Securities and Exchange Board of India ("SEBI") Vide its circular dated January 15, 2021 (hereinafter referred to as "Circulars") permitted companies to hold their general meetings through video conferencing (VC) or other audio visual means (OAVM) for the year 2021. In keeping with government advisories on Covid-19 and considering the current extraordinary circumstances, which are not conducive to a safe conduct of the AGM with physical presence of shareholders, the Board of Directors have approved to conduct the 41st Annual General Meeting of the Company through Video Conferencing and / or other audio visual means (OAVM) (hereinafter referred to as "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/clientservices/mobilereg/mobileemailreg.aspx

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 2020-21.

Place: Pune
Dated : 28th May, 2021

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
Deepak Fertilisers and Petrochemicals Corporation Limited
Survey No. 93, Sai Hira, Mundhwa,
Pune, Maharashtra 411036

1. This certificate is issued in accordance with the terms of our engagement letter dated 11th November, 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 2021, 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 for the Declaration

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, 2021.

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.

Restriction 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 P. G. BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W / W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 21136835AAAABP4066

Place : Pune
Date : 28th May, 2021

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 March 31, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and other comprehensive income, its 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 Standards 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 48 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 significant additional liability to devolve on the Company and no provision has been recognised as at March 31, 2021. 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.

Contingent Liabilities	Principle Audit Procedures
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. Refer note 42 and note 48 to the Standalone Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ii. Obtained the Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2020-21 and post year-end status of litigations; iii. Inquired with the Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Company's assessment of the litigations and claims;

Contingent Liabilities	Principle Audit Procedures
	iv. Evaluated the Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations/disclosures made in the standalone financial statements; and vi. Assessed the adequacy of the disclosures made by the Company relating to contingent liabilities in the Standalone Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance (including 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are 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 judgement 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 controls 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 the Standalone Financial Statements in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 auditor's 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 Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2020, were audited by other auditors who had expressed an unmodified opinion on those statements on June 30, 2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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. 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/ provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/ provided to directors is not in excess of the limit laid down under this section.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 42;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

(iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 except the following:

Year	Type of dividend	Dividend unpaid 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

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 21136835AAAABN3471

Place: Pune
Date: 28 May 2021

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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 majority of the 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 ₹ 16,477 Lakhs as at March 31, 2021.

ii. The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. 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. We have verified the register maintained by the Company under section 189 of the Act and 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 identified and entered by the Company 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 been regularly deposited during the year by the Company with the appropriate authorities. 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 were in arrears as at March 31, 2021, 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 March 31, 2021, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statue	Nature if Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Financial Year to which amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax demands	0.90	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act 1961	Income tax demands	7196	1901	Assessment Year 1997-1998, Assessment Years 2011-2012 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	1438	21.62	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	943	-	Financial Year 2008-09 to Financial Year 2009-10	Supreme Court
Finance Act, 1994 (Service Tax)	Service tax Demands	431	18	Financial Years 2015-16	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax Demands	1881	-	Financial Year 2006- 07 to Financial Year 2011-12	Bombay High Court
Finance Act, 1994 (Service Tax)	Service tax Demands	142	5.30	Financial Years 2016-17 and 2017-18	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad
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	1996	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 Maharashtra Value Added Tax Act, 2002	Sales tax demands	887	425	Financial Year 2005-06, Financial Year 2011-12, Financial Year 2012-13	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	785	-	Financial Years 2016-17	Deputy Commissioner of Sales Tax, Maharashtra
The Central Sales Tax Act, 1956	Sales tax demands	478	33	Financial Years 2015-16	Joint commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax demands	1929	-	Financial Years 2016-17	Deputy Commissioner of Sales Tax, Maharashtra

Name of Statue	Nature if Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Financial Year to which amount relates	Forum where the dispute is pending
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose 1985	Lease tax on crane hire charges	0.20	-	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	4459	1635	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	Financial Years 2012-2013 to 2015-2016	The Directorate of Revenue Intelligence, Kolkata
The Gujarat Value Added Tax Act, 2003	VAT demands	2181	161	Financial Years 2015-16	Joint commissioner Appeals
The Central Sales Tax Act, 1956	Non-Availability of Form C & Form F	23.13	-	Financial Years 2015-16	Joint commissioner Appeals

#Amount disclosed above includes interest and penalty, wherever applicable

viii. Based on our audit procedures; 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 did not have any loans or borrowings from financial institution or government. The Company has not issued any debentures.

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). However, the Company has made a Rights Issue of ₹ 17,623 Lakhs (net of share issue expenses) during the current year. Refer note 43. According to the information and explanations given to us, term loans availed by the company in the current year were, prima facie; applied for the purpose for which the loans were obtained.

x. Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

xi. According to the information and explanation provided to us, the managerial remuneration of the current year has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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 transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 41(b).

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 **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 21136835AAAABN3471

Place: Pune
Date: 28 May 2021

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of 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. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 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 the Standalone Financial Statements.

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to the 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 the Standalone 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 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 the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of 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.

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 21136835AAAABN3471

Place: Pune
Date: 28 May 2021

BALANCE SHEET

AS AT 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	90,954	97,266
Capital work-in-progress	4	2,063	2,330
Investment property	5	3,146	3,146
Right of use assets	6	9,099	9,320
Other intangible assets	7	766	831
Intangible assets under development	4a	312	16
Investment in subsidiaries and associates	8	82,904	81,601
Financial assets			
i. Investments	9	-	69
ii. Loans	13	45,737	2,776
iii. Other financial assets	16	1,507	1,507
Income tax assets (net)		10,215	10,341
Other non-current assets	17	8,580	7,190
Total non-current assets		**255,283**	**216,393**
Current assets			
Inventories	18	12,854	9,998
Investment in equity share (held-for-sale)	10	-	589
Financial assets			
i. Investments	11	10,504	-
ii. Trade receivables	12	25,205	41,245
iii. Cash and cash equivalents	14	2,580	9,005
iv. Other bank balances	15	7,672	9,617
v. Loans	13	5,950	1,389
vi. Other financial assets	16	3,421	892
Other current assets	19	2,698	6,290
Total current assets		**70,884**	**79,025**
Total assets		**326,167**	**295,418**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	10,268	8,928
Other equity	21	190,826	1,54,886
Total equity		**201,094**	**1,63,814**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	22	64,035	57,676
ii. Lease liabilities	6	1,048	1,291
iii. Other financial liabilities	24	806	307

BALANCE SHEET
AS AT 31ST MARCH 2021
(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
Provisions	25	2,917	2,445
Deferred tax liabilities (net)	27	3,043	1,463
Total non-current liabilities		**71,849**	**63,182**
Current liabilities			
Financial liabilities			
i. Borrowings	23	151	17,387
ii. Lease liabilities	6	429	633
iii. Trade payables	26		
(a) total outstanding dues of micro and small enterprises		920	268
(b) total outstanding dues of creditors other than micro and small enterprises	26	24,309	31,865
iv. Other financial liabilities	24	18,190	8,904
Other current liabilities	28	2,523	2,694
Provisions	25	6,702	6,671
Total current liabilities		**53,224**	**68,422**
Total liabilities		**125,073**	**131,604**
Total equity and liabilities		**326,167**	**295,418**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 51		

As per our report of even date attached

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 10111W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

P. S. Bhattacharyya
Director
DIN : 00329479

Place: Pune
Date: 28 May 2021

Amitabh Bhargava
President & CFO

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
INCOME			
Revenue from operations	29	181,131	170,775
Other income	30	4,590	6,772
Total income		**185,721**	**177,547**
Expenses			
Cost of materials consumed	31	67,056	74,003
Purchases of stock-in- trade	32	52,907	62,071
Changes in inventories of finished goods & stock-in-trade	33	(2,136)	3,737
Employee benefits expense	34	8,805	6,844
Finance costs	35	8,660	8,525
Depreciation and amortisation expense	36	7,298	7,228
Other expenses	37	15,895	12,946
Total expenses		**58,485**	**175,354**
Profit before tax		**27,236**	**2,193**
Tax expense			
Current tax		5,240	-
Deferred tax (credit)/charge		1,097	(878)
Total tax expense		**6,337**	**(878)**
Profit for the year		**20,899**	**3,071**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(514)	(586)
Income tax relating to these items		129	147
Total (A)		**(385)**	**(439)**
(B) Items that will be reclassified subsequently to profit or loss			
Cash Flow hedge		494	-
Changes in fair value of investments other than equity shares carried at fair value through OCI		(69)	-
Income tax relating to these items		(107)	-
Total (B)		**318**	**(439)**
Other comprehensive income for the year (A+B), net of tax liability		**(67)**	**2,632**
Total comprehensive income for the year		**20,832**	**2,632**

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
Earnings per equity share of ₹ 10 each			
i) Basic (in ₹)		21.65	3.37
ii) Diluted (in ₹)		20.95	3.37
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 51		

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 10111W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

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

P. S. Bhattacharyya
Director
DIN : 00329479

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	27,236	2,193
Adjustments for		
Depreciation and amortisation expense	7,298	7,228
Loss on disposal of property, plant and equipment (net of Gain)	82	(3,566)
Provision for doubtful trade receivables	34	318
Bad Debts	57	-
Income on financial guarantee	(288)	(294)
Gain on sale of investments	(519)	(1,112)
Changes in fair value of financial assets at fair value through profit or loss	(8)	89
Provision for stores and spares	(28)	303
Provision for loan given to Subsidiaries	504	-
Provision for capital work in progress	1,020	575
Unrealised loss on embedded derivative contracts	(275)	190
Interest income	(2,941)	(561)
Finance costs	8,660	8,525
Unrealised foreign exchange fluctuations loss (net)	(391)	547
Cash generated from operations before working capital changes	**40,441**	**14,435**
Change in trade receivables	15,939	2,183
Change in inventories	(2,828)	2,859
Change in trade payables	(6,815)	(21,221)
Change in other financial liabilities	990	655
Change in other financial assets	319	(1,679)
Change in other non-current assets	(350)	1,097
Change in other current assets	3,592	(129)
Change in Security deposits	(267)	-
Change in provisions	(11)	496
Change in other current liabilities	(171)	(1,239)
Cash generated from/ (used in) operations	**50,839**	**(2,543)**
Income taxes paid (net)	(5,114)	(820)
Net cash generated from/ (used in) operating activities	**45,725**	**(3,363)**
Cash flows from investing activities	**(514)**	**(586)**
Additonal investment in subsidiary or acquisition of subsidiary	(402)	(3)
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(4,364)	(5,632)
Proceeds from sale of property, plant and equipment	78	9,723
Purchase of investments	(143,939)	(90,450)
Proceeds from sale of investments	133,612	90,800
Loans to subsidiaries	(47,740)	(1,315)
Repayment of loans by subsidiaries	-	6,000
Repayment of loans by employees and other loans given	(7)	20

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Year ended 31 March 2021	Year ended 31 March 2020
Proceeds from sale of investment in associate	940	2,820
Fixed deposit placed	(36,296)	(19,724)
Fixed deposit matured	38,205	12,426
Interest received	867	1,434
Net cash (used in)/ from investing activities	**(59,046)**	**6,099**
Cash flows from financing activities		
Proceeds from Short term borrowings	126	75,432
Repayment of Short term borrowings	(17,513)	(85,333)
Proceeds from borrowings - non current	9,994	11,327
Repayment of Long term borrowings	(3,231)	-
Proceeds from issue of foreign currency convertible bonds	11,150	10,549
Proceeds of call on share capital	-	2,500
Proceeds from Right issue of Equity shares	17,623	-
Repayment of lease payables	(447)	(611)
Interest paid	(8,314)	(8,482)
Dividends paid (including dividend distribution tax)	(2,643)	(3,157)
Net cash (used in)/ from financing activities	**6,745**	**2,225**
Net (decrease) / increase in cash and cash equivalents	(6,576)	4,961
Cash and cash equivalents at the beginning of the year	9,005	4,044
Cash and cash equivalents at end of the year	**2,429**	**9,005**
The accompanying notes form an integral part of the financial statements.		
Reconciliation of cash and cash equivalents as per the Cash flow statement		
Cash and cash equivalents at the end of year	2,580	9,005
Bank overdraft	(151)	-
	2,429	**9,005**
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 **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 10111W/W100682

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

Abhijeet Bhagwat
Partner
Membership No.: 136835

P. S. Bhattacharyya
Director
DIN : 00329479

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

Place: Pune
Date: 28 May 2021

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

A. EQUITY SHARE CAPITAL

	31 March 2021	31 March 2020
Balance at the beginning and at the end of the year	8,928	8,820
Shares issued during the year	-	108
Right issue of shares during the year	1,340	-
Total	**10,268**	**8,928**

Includes borrowing cost ₹ Nil

B. OTHER EQUITY

	Share warrants, Reserves and surplus							Items of Other Comprehensive Income (OCI)		Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	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 2019	**10,799**	**150**	**5,000**	**-**	**-**	**17,710**	**118,656**	**(45)**	**(504)**	**151,766**
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 1 April 2020	**14,024**	**150**	**4,167**	**-**	**1,286**	**17,710**	**118,537**	**(45)**	**(943)**	**154,886**
Profit for the year	-	-			-	-	20,899	-	-	20,899
Other comprehensive income	-	-			-	-	-	318	(385)	(67)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**20,899**	**318**	**(385)**	**20,832**
Premium on allotment of shares under Right issue	16,473	-	-	-	-	-	-	-	-	16,473
Issue of foreign currency convertible bonds	-	-	-	-	1,504	-	-	-	-	1,504
Share issue expenses	(190)	-	-	-	-	-	-	-	-	(190)
Share warrant forfeiture transferred to Capital reserve	-	-	(4,167)	4,167	-	-	-	-	-	-

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Share warrants, Reserves and surplus							Items of Other Comprehensive Income (OCI)		Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income	
Dividend	-	-	-	-	-	-	(2,679)	-	-	(2,679)
Balance as at 31 March 2021	**30,307**	**150**	**-**	**4,167**	**2,790**	**17,710**	**136,757**	**273**	**(1,328)**	**190,826**

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 10111W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

P. S. Bhattacharyya
Director
DIN : 00329479

Place: Pune
Date: 28 May 2021

Amitabh Bhargava
President & CFO

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

1. Corporate Information

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Company") is a company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 28, 2021.

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, assumptions and judgements

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 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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

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:

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:

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.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

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 including office and laboratory equipments	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 8
License fees	3 to 8

(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. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(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

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

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, traded goods, 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 as applicable. 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. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. 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.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(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 2020-21 and 2019-20, except for implementation of Ind AS 116 as described in point 2.3 (j) of accounting policies.

(x) Recent Pronouncements and note on COVID-19

1. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2. Note on COVID-19

In view of the lockdown across the country due to the outbreak of COVID pandemic during the year, 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 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.

Note 3: Property, Plant & Equipment

	Free-hold 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 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)
Adjustment (Transfer to Investment property)*	(3,095)		-	-	-	-	-	-	-	-	(3,095)
Reclassified on account of adoption of Ind AS 116		(13,792)	(258)	-	-	-	-	-	-	-	(14,050)
Gross carrying amount as at 31 March 2020	**11,610**	**-**	**32,830**	**68,201**	**-**	**2,173**	**1,104**	**1,938**	**270**	**1,900**	**120,026**
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)
On disposals	-		-	3,212	49	-	-	90	39	145	3,535
Adjustment (Transfer to Investment property)*			-	-	-	-	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116		450	143	-	-	-	-	-	-	-	593
Accumulated depreciation as at 31 March 2020	-	-	(3,521)	(14,850)	-	(1,296)	(546)	(1,226)	(162)	(1,159)	(22,760)
Net carrying amount as at 31 March 2020	**11,610**	**-**	**29,309**	**53,351**	**-**	**877**	**558**	**712**	**108**	**741**	**97,266**
Gross carrying amount											
Balance as at 1 April 2020	11,610	-	32,830	68,201	-	2,173	1,104	1,938	270	1,900	120,026
Additions	-	-	-	1,199	-	8	7	140	34	57	1,445
Disposals	-	-	(186)	(184)	-	-	-	(76)	(15)	(390)	(851)
Gross carrying amount as at 31 March 2021	**11,610**	**-**	**32,644**	**69,216**	**-**	**2,181**	**1,111**	**2,002**	**289**	**1,567**	**120,620**
Accumulated depreciation											

Note 3: Property, Plant & Equipment

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Bearer plants	Electric Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Balance as at 1 April 2020	-	-	(3,521)	(14,850)	-	(1,296)	(546)	(1,226)	(162)	(1,159)	(22,760
Depreciation charge for the year (refer footnote 1 below)	-	-	(1,563)	(5,144)	-	(172)	(108)	(258)	(24)	(311)	(7,580)
On disposals	-	-	160	174	-	-	-	72	14	254	674
Accumulated depreciation as at 31 March 2021	-	-	(4,924)	(19,820)	-	(1,468)	(654)	(1,412)	(172)	(1,216)	(29,666)
Net carrying amount as at 31 March 2021	**11,610**	**-**	**27,720**	**49,396**	**-**	**713**	**457**	**590**	**117**	**351**	**90,954**

1. Depreciation amounting to ₹ 1,181 Lakhs (31 March 2020 : ₹ 1,473 Lakhs) has been recharged to 100% subsidiary Smartchem Technologies Limited for sharing of common facilities.

*During the year ended March 31, 2020. the management categorised the Freehold vacant land parcel located at Yerwada, Pune as Investment property as per Ind AS 40, based on the re-assessment of use of respective vacant land parcel.

Refer Note 22 foot note 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.

Note 4: Capital Work in Progress

	31 March 2021	31 March 2020
Projects (Mainly comprising of building and plant & machinery)	1,211	1,725
Others	852	605
Total	**2,063**	**2,330**

Note 4a: Intangible Assets Under Development

	31 March 2021	31 March 2020
Intangible assets under Development	312	16
Total	**312**	**16**

Note 5: Investment Property

	31 March 2021	31 March 2020
Gross block		
Opening gross carrying amount	3,146	51
Reclassification from Property, plant and equipment	-	3,095
Closing balance	**3,146**	**3,146**
Accumulated depreciation		
Opening balance	-	-
Depreciation charge	-	-
Closing balance	**-**	**-**
Net carrying amount	**3,146**	**3,146**

Fair value

	31 March 2021	31 March 2020
Investment properties	8,894	8,894

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2021 is ₹ 8,894 Lakhs (31 March 2020: ₹ 8,894 Lakhs) based on valuation report obtained by management from an independent valuer.

Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of land parcels at Panchagini, Khamgaon, Solapur and vacant land at yerwada.

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 neither earned any rental income nor incurred any direct operating expense 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
Reclassified on account of adoption of Ind AS 116	115	-	-	115
Less: Disposals	(245)	(5,801)	-	(6,046)
Gross carrying amount as at 31 March 2020	2,136	7,541	302	9,979
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	**1,643**	**7,407**	**270**	**9,320**
Gross carrying amount				
Balance as at 1 April 2020	2,136	7,541	302	9,979
Add: Additions	-	442	-	442
Less: Disposals	-	-	-	-
Gross carrying amount as at 31 March 2021	2,136	7,983	302	10,421
Accumulated amortization				
Balance as at 1 April 2020	(493)	(134)	(32)	(659)
Amortisation for the year	(515)	(88)	(60)	(663)
Accumulated depreciation as at 31 March 2021	(1,008)	(222)	(92)	(1,322)
Net carrying amount as at 31 March 2021	**1,128**	**7,761**	**210**	**9,099**

B) Lease liabilities

	31 March 2021	31 March 2020
Current	429	633
Non Current	1,048	1,291
Total	**1,477**	**1,924**

C) Interest expenses on lease liabilities

	31 March 2021	31 March 2020
Interest on lease liabilities	187	223

D) Expenses on short term leases / low value assets

	31 March 2021	31 March 2020
Short term leases	23	1,403

E) Amounts recognised in the statement of cash flow

	31 March 2021	31 March 2020
Total cash outflow for leases	447	611

F) Maturity analysis – contractual undiscounted cash flows

	31 March 2021	31 March 2020
Less than one year	561	633
One to five years	1,232	1,793
More than five years	-	-
Total undiscounted lease liabilities at 31 March	**1,793**	**2,426**

Other Information:

The company has leases mainly for Corporate building and some furniture items. These lease contracts provide for payment to increase each year by inflation.

Leases not yet commenced to which the lessee is committed

At 31 March 2021 the Company had committed to leases which had not yet commenced. The total future cash outflows for leases that had not yet commenced is amounting to ₹ 85 lakhs.

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.There are no variable lease payments and guaranteed residual value in existing lease agreements.

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

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.

Note 7: Intangible Assets

A) Right of use assets

	Computer Software	License Fees	Total
Gross carrying amount as on 1 April 2019	**250**	**338**	**588**
Additions during the year	583	216	799
Gross carrying amount as on 1 April 2020	**833**	**554**	**1,387**
Additions during the year	92	79	171
Gross carrying amount as on 31 March 2021	**925**	**633**	**1,558**

	Computer Software	License Fees	Total
Accumulated Amortisation			-
Accumulated amortisation as at 1 April 2019	**116**	**250**	**366**
Amortisation charge for the year	102	88	190
Accumulated amortisation as at 1 April 2020	**218**	**338**	**556**
Amortisation charge for the year	134	102	236
Closing accumulated amortisation as at 31 March 2021	**352**	**440**	**792**
Net Block as at 31 March 2020	**615**	**216**	**831**
Net Block as at 31 March 2021	**573**	**193**	**766**

Refer Note 2.3(d) for policy on amortisation

FINANCIAL ASSETS

Note 8: Investment In Subsidiaries & Associates - Non - Current

	31 March 2021	31 March 2020
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,49,987 (31 March 2020: 1,70,49,987) equity shares of Smartchem Technology Limited (wholly owned subsidiary) of ₹ 10 each	82,463	81,563
1,60,000 (31 March 2020: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	20	20
9,998 (31 March 2020: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1
49,993 (31 March 2020:49,993) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
40,99,994 (31 March 2020: 74,994) equity shares of Ishanya Brand Services Limited of ₹ 10 each	411	8
Investments in equity shares (unquoted) of Associates (fully paid up)		
49,994 (31 March 2020: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹10 each	5	5
Total (equity instruments)	**82,904**	**81,601**
Aggregate amount of unquoted investments	82,904	81,601

Note 9: Investments

	31 March 2021	31 March 2020
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
88,448 (31 March 2020: 88,448) equity shares of Deepak International Limited of $ 1 each	-	69
Total	**-**	**69**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 10: Investments in Associate (held-for-sale)

	31 March 2021	31 March 2020
Investments in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
NIL (31 March 2020: 12,70,341) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	-	589
Total	**-**	**589**

The Company had 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 2020-21, the Company has transferred 12,70,341 shares to Contract Farming India A.G. (CFI) at consideration of ₹ 74 per share for total consideration of ₹ 940 Lakhs (31 March 2020: 38,11,022 shares of ₹ 74 per share for total consideration of ₹ 2,820 Lakhs).

Note 11: Current Investments

	31 March 2021	31 March 2020
Quoted		
Investment in mutual funds (measured at fair value through profit and loss)		-
Adiya Birla Sun Life Overnight Fund Growth - Regular Plan (1,72,883 units)	1,918	-
Axis Overnight Fund - Regular Growth - ONDG (1,58,038 units)	1,717	-
HDFC Overnight Fund - Regular Plan - Growth (59,766 units)	1,817	-
ICICI Prudential Overnight Fund Growth (13,70,703 units)	1,518	-
Kotak Overnight Fund Growth (Regular plan) (1,29,253 units)	1,417	-
SBI Overnight Fund Regular Growth (63,781 units)	2,117	-
Total	**10,504**	**-**
Aggregate carrying value of quoted investments	**10,504**	
Aggregate market value of quoted investments	**10,504**	**-**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 12: Trade Receivables

	31 March 2021	31 March 2020
Unsecured, considered good		
Others	25,205	41,245
Unsecured, credit Impaired	**666**	632
Less: Impairment loss allowance	(666)	(632)
Total	**25,205**	**41,245**

Movement in allowance for expected credit loss:

	31 March 2021	31 March 2020
Balance at beginning of the year	632	314
Add: Allowance for expected credit loss	34	318
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	**666**	**632**

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

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 39(i) on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 41(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member. The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes more than 10% of the outstanding receivables as at March 31, 2021 and March 31, 2020.

Note 13: Loans

	31 March 2021		31 March 2020	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Loans to subsidiaries (Refer Note 44)	5,075	43,551	1,336	-
Loans to employees	15	-	32	-
Security deposits	856	2,186	-	2,776
Other loans	4	-	21	-
Unsecured, considered doubtful				
Other loans	192	-	138	-
Less: Provision for doubtful loans	(192)	-	(138)	-
Total	**5,950**	**45,737**	**1,389**	**2,776**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 41(b) for Security deposits receivable from related parties.

Note 14: Cash & Cash Equivalents

	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	2,273	6,751
- in EEFC accounts	-	12
Deposits with original maturity upto three months	301	2,234
Cash on hand	6	8
Total	**2,580**	**9,005**

Note 15: Other Bank Balances

	31 March 2021	31 March 2020
Earmarked balances with banks		
Unclaimed dividend	731	767
Deposits with remaining maturity upto 12 months from the reporting date	6,941	8,850
Total	**7,672**	**9,617**

Note 16: Other Financial Assets

	31 March 2021		31 March 2020	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Derivatives				
(i) Foreign-exchange forward contracts	-	-	29	-
(ii) Foreign-exchange option contracts	12	-	341	-
(iii) Commodity hedge contracts	723	-	-	-
(iv) Embedded Derivative	102	-	-	-
Unsecured, considered good				
Interest receivable				
(i) From bank	25	-	339	-
(ii) From others	2,509	-	133	-
Unsecured, considered good				
Amount paid under protest for claims from supplier*	-	1,507	-	1,507
Others	50	-	50	-
Total	**3,421**	**1,507**	**892**	**1,507**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 41(b) for Interest receivable on Loan to related parties

*Included in supplier claim (refer note 42)

Note 17: Other Non-Current Assets

	31 March 2021	31 March 2020
Capital advances	1,203	163
Balance with government authorities	7,212	7,013
Prepaid Expenses	165	14
Total	**8,580**	**7,190**

Note 18: Inventories

	31 March 2021	31 March 2020
Raw materials ((includes ₹ 235 Lakhs in transit)(31 March 2020 ₹ 355 Lakhs)	2,087	2,943
Finished goods	1,397	1,020
Stock-in-trade ((includes ₹ 1,997 Lakhs in transit)(31 March 2020 ₹ Nil)	4,429	2,670
Stores and spares	4,895	3,340
Packing material	46	25
Total	**12,854**	**9,998**

(i) The cost of inventories recognised as an expense includes ₹ 382 Lakhs (31 March 2020: ₹ 6 Lakhs) in respect of write-down of inventories to net realisable value.

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

Note 19: Other Current Assets

	31 March 2021	31 March 2020
Advances for supply of goods and services	711	521
Balances with government authorities	1,281	4,039
Prepaid expenses	409	1,704
Other receivables	297	26
Total	**2,698**	**6,290**

Note 20: Share Capital

	31 March 2021	31 March 2020
Authorised		
13,50,50,000 equity shares of ₹ 10/- each. (31 March 2020: 13,50,50,000 equity shares of ₹ 10/- each)	13,505	13,505
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
10,26,77,088 equity shares of ₹ 10/- each.	10,268	8,928
Fully paid-up share capital as at year end	**10,268**	**8,928**

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

	31 March 2021		31 March 2020	
	No. of Shares	Amount	No .of Shares	Amount
Equity Shares				
Balance as at the beginning and at the end of the year	89,284,425	8,928	88,204,943	8,820
Add: Issued during the year	-	-	1,079,482	108
Add:Right issue of shares during the year	13,392,663	1,340		
	102,677,088	**10,268**	**89,284,425**	**8,928**

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 shareholder.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2021		31 March 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Nova Synthetic Limited	43,592,875	42.46%	42,706,848	47.83%
Robust Marketing Services Private Limited	10,759,301	10.48%	-	-

Note 21: Other Equity (Refer Statement of Changes in Equity for Reserves movement)

Nature and purpose of other equity

(a) Securities premium: Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

(b) Capital redemption reserve: The Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) Share Warrants : During the year 2018-19, the Company has issued 64,76,893 convertible warrants at an issue price of ₹ 308.79 per warrant each to a promoter group company. These warrants are convertible into equal number of fully paid equity shares of ₹ 10 each upon exercise of the option of conversion of warrants held by the holders within a period of 18 months from the date of allotment of warrants. Out of 64,76,893 warrants issued, 10,79,482 are converted in equity shares during the preious year 2019-20. Since, the Company did not receive the balance subscription amount of ₹ 12,500 lakhs from the Warrant holder before the extended due date, 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 the warrant holder into equity amounting to ₹ 4,166 lakhs, was forfeited and transferred to Capital reserve in current year in terms of Regulation 169 (3) of the aforesaid SEBI Regulations.

(d) Equity portion of non-current borrowings (FCCB): During the year, the Company has received tranche 2 subscription amount $15,000,000 (31 March 2020: Trache 1 $15,000,000) towards Foreign Currency Convertible Bonds ("FCCBs") issued by the Company to International Finance Corporations ("IFC"). The same 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.

FINANCIAL LIABILITIES

Note 22: Non-Current Borrowings

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2021	31 March 2020
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	8.15% to 9.40% per annum	19,302	19,350
(ii) Export Import Bank of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.85% to 9.35% per annum	22,179	22,186
(iii) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	16,722	9,904

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2021	31 March 2020
Unsecured				
(iv) Foreign currency convertible bonds issued to International Finance Corporation (IFC), USA (refer note (c) below)		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per anum and Compound Interest : Upto March 12, 2021 : 1.75% compound interest per annum From March 13, 2021 onwards : 2.25% compound interest per annum	18,140	9,312
Total non-current borrowings			76,343	60,752
Less: Current maturities of long-term debt (included in note 24)			12,308	3,076
Total			**64,035**	**57,676**

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 2 subscription amount $15,000,000 during current financial year (31 March 2020: Trache 1 $15,000,000). 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 ₹ 195 per share (₹ 250 per share till July 16, 2020) 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 4.5% simple interest p.a.(5% p.a. upto March 12, 2021), payable semi annually and 2.25% compound interest p.a.(1.75% p.a. upto March 12, 2021), payable on redemption.

Note 23: Current Borrowings

	31 March 2021	31 March 2020
Loans repayable on demand		
From banks		
Secured		
- Short term loan	-	17,122
- Cash credit facilities	151	-
Unsecured		
From related parties	-	265
Total	**151**	**17,387**

Reconciliation of Borrowings as required by Ind As 7 ''Statement of Cash Flows''

	31 March 2021	31 March 2020
Non-current borrowings	76,343	60,752
Current borrowings	151	17,387
Interest accrued (refer note 24)	615	269
	77,109	**78,408**
Cash and Non-cash adjustments		
Equity portion of non-current borrowings	(1,504)	(1,286)
Deferred tax on equity portion of non-current borrowings	(505)	(432)
Unrealized forex Loss	(161)	481
Proceeds from borrowings	21,270	97,308
Repayment of borrowings	(20,744)	(85,333)
Interest expense	8,660	8,525
Interest paid	(8,314)	(8,482)
Movement of borrowings (net)	**(1,298)**	**10,781**

Short term loan from bank is repayable on demand, carries average interest rate of Nil (31 March 2020 - 9.35%) 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.

Cash credit is repayable on demand and carries variable rate of interest. Average interest rate for the year is 8.50% (31 March 2020 - NIL). 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.

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

Note 24: Other Financial Liabilities

	31 March 2021	31 March 2020
Non-current		
Embedded Derivative Liability	17	-
Financial Guarantee Liability	789	307
Total	**806**	**307**
Current		
Current maturities of non-current borrowings	12,308	3,076
Interest accrued	615	269
Security deposits	581	748
Capital creditors	470	1,883
Commission payable (refer Note 41(b))	836	-
Financial Guarantee Liability	368	237
Salary payables	3,012	2,045
Others	-	646
Total	**18,190**	**8,904**

Note 25: Provisions

	31 March 2021		31 March 2020	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	439	1,451	300	925
Compensated absences	365	826	561	1,079
Defined pension benefits	154	168	154	14
Total (A)	**958**	**2,445**	**1,015**	**2,018**
Provisions for tax contingencies (refer note below)	5,744	-	5,656	-
Provision for site restoration (refer note below)	-	472	-	427
Total (B)	**5,744**	**472**	**5,656**	**427**
Total (A+B)	**6,702**	**2,917**	**6,671**	**2,445**

Movement in Provisions for tax contingencies

	Tax contingencies	Site restoration	Compensated absences
As at 1 April 2019	**5,656**	**454**	**1,393**
Additional provisions recognised	-	41	247
Excess amounts reversed/utilised	-	(68)	-
As at 1 April 2020	**5,656**	**427**	**1,640**
Additional provisions recognised	88	45	-
Excess amounts reversed/utilised	-	-	(449)
As at 31 March 2021	**5,744**	**472**	**1,191**

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 (refer Note 34)

Particulars	31 March 2021	31 March 2020
Employer's contribution to provident fund	224	185
Employer's contribution to employee's pension scheme	66	54
Employer's contribution to superannuation fund	250	193
Employer's contribution to employee state insurance	1	1
Total	**541**	**433**

(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 6.60% p.a. (31 March 2020: 6.40% 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 2020: 60 years), withdrawal rate is 8% p.a. (31 March 2020: 14% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2020: 8% 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 in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.40% p.a. (31 March 2020: 7.50% p.a).

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

Particulars	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	5,191	4,344
Current service cost	459	308
Interest cost	316	311
Actuarial loss	410	605
Benefits paid	(486)	(377)
Present value of obligation at the end of the year	5,890	5,191

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

Particulars	31 March 2021	31 March 2020
Present value of obligation at the end of the year	5,890	5,191
Fair value of plan assets at the end of the year	4,001	3,966
Net (asset)/liabilities recognised in the Balance Sheet	1,890	1,225

Fair value of Plan assets :

Particulars	31 March 2021	31 March 2020
Plan assets at the beginning of the year	3,966	3,939
Expected return on plan assets	246	284
Contribution by employer	459	372
Actual benefits paid	(702)	(685)
Actuarial gain/(loss)	32	56
Plan assets at the end of the year	4,001	3,966

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

Particulars	31 March 2021	31 March 2020
Current service cost	459	308
Interest cost	71	28
Expense recognised in the Statement of Profit and Loss	530	336

Amount recognised in the other comprehensive income:

Particulars	31 March 2021	31 March 2020
Remeasurements Cost / (Credit)	410	605
Actuarial (gain)/loss on plan assets	(32)	(56)
Amount recognised in the Other Comprehensive Income	378	549

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

Particulars	31 March 2021	31 March 2020
Experience Loss on plan liabilities	374	115
Demographic Loss on plan liabilities	87	38
Financial (Gain)/ Loss on plan liabilities	(51)	451
Experience (Gain) / Loss on plan assets	(74)	(55)
Financial (Gain) / Loss on plan assets	42	-

Categories of the fair value of total plan assets:

Particulars	31 March 2021	31 March 2020
Insured managed funds	4,001	3,966
(%) of total plan assets	100%	100%

Sensitivity analysis :

Assumptions	31 March 2021 Discount rate		31 March 2020 Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(242)	268	(185)	200

Assumptions	31 March 2021 Future salary increase		31 March 2020 Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	217	(200)	149	(140)

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 2021	31 March 2020
Within the next 12 months (next annual reporting period)	1,742	1,822
Later than 1 year and not later than 5 years	2,816	2,830
Later than 5 year and not later than 9 years	3,806	2,783
Later than 5 year and not later than 9 years	**8,364**	**7,435**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.22 years (31 March 2020: 6.17 years)

Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. **Liability Risks**

    a. **Asset-Liability Mismatch Risk-**

    Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

    b. **Discount Rate Risk**

    Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

    c. **Future Salary Escalation and Inflation Risk**

    Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. **Asset Risks**

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India and partly managed by a private sector insurer viz; India First Life Insurance.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

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 expenses, telephone reimbursement, club membership etc. for specified number of yea ₹ The liability is provided for on the basis of an independent acturial valuation.

In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 6.60% p.a. (31 March 2020: 6.40% 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 2020: 60 years), withdrawal rate is 8% p.a. (31 March 2020: 14% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

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

	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	168	126
Current service cost	29	32
Past service cost	-	-
Interest cost	10	8
Actuarial loss	135	37
Benefits paid	(20)	(35)
Present value of obligation at the end of the year	322	168

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

	31 March 2021	31 March 2020
Current service cost	29	32
Past service cost	-	-
Interest cost	10	8
Expense recognised in the Statement of Profit and Loss	39	40

Amount recognised in the other comprehensive income:

	31 March 2021	31 March 2020
Actuarial (gain)/loss on plan assets	136	37
Amount recognised in the Other Comprehensive Income	136	37

Sensitivity analysis :

Assumptions	31 March 2021 Discount rate		31 March 2020 Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(74)	102	(35)	46

Note 26: Trade Payables

	31 March 2021	31 March 2020
Trade payables		
(a) total outstanding dues of micro and small enterprises	920	268
(b) total outstanding dues of creditors other than micro and small enterprises#*	24,309	31,865
Total	**25,229**	**32,133**

Includes payable to related party ₹ 540 lakhs (31 March 2020: ₹ 156 lakhs)

* Trade payable as stated above includes trade payables related to materials for ₹ 19,909 lakhs (31 March 2020: ₹ 22,056 lakhs)

	31 March 2021	31 March 2020
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	920	268
- Interest due thereon	9	7
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	3,627	711
Amount of interest due and payable on delayed payments	38	12
Amount of interest accrued and remaining unpaid as at year end	78	31
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.

Note 27: Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to:

	31 March 2021	31 March 2020
(a) Deferred tax assets	(1,813)	(2,546)
(b) Deferred tax liabilities	4,856	4,009
Net deferred tax liabilities	**3,043**	**1,463**

Movements in deferred tax liabilities:

Movements during the year ended 31 March 2021:

	1 April 2020	Charge/ (credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) in the Other Comprehensive Income	31 March 2021
Property, plant and equipment, investment property and intangibles assets	3,518	356	-	-	3,874
Business loss	(1,176)	1,176	-	-	-
Financial assets at fair value through profit or loss	(260)		-	-	(260)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,110)	23	-	(129)	(1,216)
MAT credit	-	-	-	-	-
Foreign Currency Convertible Bonds	459	(88)	505		876
Impairment Provision	-	(255)	-	-	(255)
Financial assets at fair value through OCI	-	-	-	107	107
Others	32	(115)	-	-	(83)
Net deferred tax liabilities	**1,463**	**1,097**	**505**	**(22)**	**3,043**

Movements during the year ended 31 March 2020:

	1 April 2019	Charge/ (credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) 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	-	26	433	-	459
Others	(261)	293	-	-	32
Deferred tax liabilities (net)	**418**	**759**	**433**	**(147)**	**1,463**

* Includes MAT credit of ₹ 1,637 lakhs which was utilized in earlier period.

Note 28: Other Current Liabilities

	31 March 2021	31 March 2020
Advances from customers	392	717
Unclaimed dividend (#)	731	767
Statutory dues payable	1,282	1,201
Other payables	118	9
Total	**2,523**	**2,694**

(#) ₹ 100 Lakhs (31 March 2020 ₹. 90 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 2020 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 29: Revenue from Opertations

	31 March 2021	31 March 2020
Sale of products		
Finished goods	120,926	97,812
Traded goods	58,906	70,666
Power generated from windmills	253	745
Revenue from realty business	881	1,498
Other operating revenues	165	54
Total	**181,131**	**170,775**

Contracts with customer

	31 March 2021	31 March 2020
Revenue recognised from contracts with customers	181,131	170,775
Disaggregation of revenue		
Based on type of goods		
- Sale of industrial chemicals	129,575	97,812
- Sale of traded products		
(i) Industrial chemicals	50,066	70,001
(ii) Value added real estate (VARE) - Sale of furniture	191	665
- Revenue from power generated from windmills	253	745
- Revenue from realty operation	881	1,498
- Other operating revenues	165	54
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	666	632

Details of contract balances:

	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance of receivables	41,245	43,734
Closing balance of receivables	25,205	41,245

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

	Year ended 31 March 2021	Year ended 31 March 2020
Contract liabilities at the beginning of the year	717	612
Revenue recognised that was included in the contract liability balance at the beginning of the year	717	612
Increase due to cash received, excluding amounts recognised as revenue during the year	392	717
Contract liabilities at the end of the year	392	717

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 customer 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 have 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:

	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	183,372	178,481
Less: Amount recognised as Discounts / shortages	2,241	7,706
Revenue recognised in the statement of profit and loss	**181,131**	**170,775**

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 2021	31 March 2020
Interest income from financial assets measured at amortized cost	2,941	561
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	8	-
Net gain on sale of investments#	519	1,112
Gain on sale of land and property, plant and equipment*	-	3,566
Unwinding of discount on security deposits	113	269
Foreign exchange fluctuation gain (net)	314	-
Corporate Guarantee income	288	294
Other non-operating income	407	970
Total	**4,590**	**6,772**

Includes profit on sale of investment in an associate amounting to ₹ 351 lakhs (31 March 2020: ₹ 1,053 lakhs).

* Includes profit on sale of plot of industrial leasehold land at Dahej, Gujarat in the previous year as part of the strategy to divest non-core assets amounting to ₹ 3,544 Lakhs

Note 31: Cost of Materials Consumed

	31 March 2021	31 March 2020
Raw materials as at the beginning of the year	2,943	2,128
Add: Purchases during the year	66,200	74,818
Less: Raw material as at the end of the year	2,087	2,943
Total	**67,056**	**74,003**

Note 32: Purchase of Stock-in-Trade

	31 March 2021	31 March 2020
Purchases of stock-in- trade	52,907	62,071
Total	52,907	62,071

Note 33: Changes in Inventories of Stock-in-Trade and Finished Goods

	31 March 2021	31 March 2020
Opening balance		
Finished goods	1,020	1,560
Stock-in-trade	2,670	5,867
Total opening balance	**3,690**	**7,427**
Closing balance		
Finished goods	1,397	1,020
Stock-in-trade	4,429	2,670
Total closing balance	**5,826**	**3,690**
Total	**(2,136)**	**3,737**

Note 34: Employee Benefit Expenses

	31 March 2021	31 March 2020
Salaries, wages and bonus * #	7,362	5,732
Contribution to provident fund & other funds	541	433
Gratuity (refer note 25)	530	336
Post-employment pension benefits (refer note 25)	39	40
Staff welfare expenses	333	303
Total	**8,805**	**6,844**

(*) Net of recharges of ₹ 7,844 Lakhs (31 March 2020 : ₹ 6,401 Lakhs) to subsidiary company - Smartchem Technologies Limited.

(#) Salary of NIL (31 March 2020 : ₹ 163 Lakhs) capitalised in property, plant and equipment during the year.

Note 35: Finance Costs

	31 March 2021	31 March 2020
Interest cost on financial liabilities measured at amortized cost	7,655	7,452
Less: Interest capitalised	-	(112)
Finance charges on finance leases	187	223

	31 March 2021	31 March 2020
Increases in the decommissioning liabilities	45	(22)
Interest others	-	64
Other borrowing costs	806	879
Exchange differences regarded as an adjustment to borrowing costs	(33)	41
Total	**8,660**	**8,525**

Note 36: Depreciation And Amortisation Expense

	31 March 2021	31 March 2020
Depreciation on property, plant and equipment*	6,399	6,379
Amortisation of right of use assets	663	659
Amortisation on intangible assets	236	190
Total	**7,298**	**7,228**

(*) Net of recharges of ₹1,181 lakhs (31 March 2020 : ₹1,473 Lakhs) to a subsidiary company - Smartchem Technologies Limited.

Note 37: Other Expenses (Net)

	31 March 2021	31 March 2020
Consumption of stores and spares	3,372	2,407
Power, fuel and water*	1,908	886
Repairs to :		
- Building	175	165
- Plant and machinery	2,146	1,749
- Others	672	535
Rent	98	270
Insurance	703	522
Rates, taxes and duties #	1,070	204
Travelling and conveyance	84	233
Legal and professional fees	1,316	588
Payments to auditors (note 37(a) below)	39	41
Directors' fees	97	40
Carriage outward (net)	916	573
Warehouse and handling charges	628	911
Loss on disposal of property, plant and equipment	82	-
Commission on sales	37	42
Sales and promotion expenses	179	365
Utility services	214	293
Communiation expenses	35	59

	31 March 2021	31 March 2020
Corporate social responsibility expenditure (note 37(b) below)	81	62
Foreign exchange fluctuations loss (net)	-	1,350
Bad Debts Written Off	57	-
Provision for doubtful debts	34	318
Provision for doubtful loans, advances and other receivable (including write off)	504	37
Miscellaneous expenses @	1,448	1,296
Total	**15,895**	**12,946**

Other expenses are net of recharges of ₹ 4,050 Lakhs (31 March 2020 : ₹3,909 Lakhs) to subsidiary company - Smartchem Technologies Limited.

* net of reversal of MSEB electricity duty provision NIL (31 March 2020 : ₹ 1,923 Lakhs)

\# net of reversal of provision for local body tax of Nil (31 March 2020 : ₹ 949 Lakhs)

@ Miscellaneous expenses include Provision for impairment of capital work in progress amounting to ₹ 1,015 Lakhs (31 March 2020 :₹ 575 Lakhs)

Note 37(a): Details of Payments to Auditors

	31 March 2021	31 March 2020
Payment to auditors*		
As auditor:		
Audit fee	33	32
Certification fees in the capacity of statutory auditors	4	6
In other capacities		
Reimbursement of expenses	2	3
Total	**39**	**41**

* Payment to auditors for current year include payment to previous auditor of ₹ 16 Lakhs.

Note 37(b): Corporate Social Responsibility Expenditure

	31 March 2021	31 March 2020
Contributions to Ishanya Foundation	75	40
Others	6	22
Total	**81**	**62**
Amount required to be spent as per Section 135 of the Act	46	222
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	81	62

Note 37(c): Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of The Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2021	31 March 2020
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	20,899	3,071
Add: Adjustment for interest on Foreign currency convertible bonds post tax	1,073	-
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for dilutes EPS	21,972	3,071
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	96,531,814	91,124,605
Add: Adjustment for Foreign currency convertible bonds	8,324,718	-
Weighted average number of equity shares for diluted EPS	104,856,532	91,124,605
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	21.65	3.37
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	20.95	3.37

Note 38: Fair Value Measurements

(i) Financial instruments by category

	31 March 2021			31 March 2020		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in subsidiaries and associates*	-	-	-	-	69	-
- Mutual funds	10,504	-	-	-	-	-
Trade receivables	-	-	25,205	-	-	41,245
Cash and cash equivalents	-	-	2,580	-	-	9,005
Other bank balances	-	-	7,672	-	-	9,617
Loans	-	-	51,687	-	-	4,165
Other financial assets	-	-				
- Derivative financial asset, not designated as hedges	12	-	-	370	-	-
- Derivative financial asset, designated as hedges	229	494	-	-	-	-
- Embedded derivative	102	-	-	-	-	-
- Others	-	-	4,585	-	-	2,029
Total financial assets	**10,847**	**494**	**91,729**	**370**	**69**	**66,061**
Financial liabilities						
Borrowings	-	-	64,186	-	-	75,063
Lease Liabilities			1,477			1,924
Trade payables	-	-	25,229	-	-	32,133

	31 March 2021			31 March 2020		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Other financial liabilities	-	-	-			
- Current maturities of long term debt	-	-	12,308			3,076
- Capital creditors	-	-	470	-	-	1,883
- Security deposits	-	-	581	-	-	748
- Interest accrued	-	-	615	-	-	269
- Embedded derivative	17	-	-	190		
- Financial guarantee liability	1,157	-	-	544	-	-
- Others	-	-	3,848	-	-	2,501
Total financial liabilities	**1,174**	**-**	**108,714**	**734**	**-**	**117,597**

* Investment in Subsidiaries and Associates are shown at Cost in balance sheet as per Ind AS 27 : Separate Financial Statements

(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 2021				31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Mutual funds	10,504	-	-		-	-	-	-
Financial Investments at FVOCI								
Equity instruments			-	-	-	-	69	69
Derivatives								
Foreign exchange forward contracts/options	-	12	-	12	-	370	-	370
Commodity Hedge contract	-	723	-	723	-	-	-	-
Embedded derivative	-	102	-	-	-	-	-	-
Total financial assets	**10,504**	**837**	**-**	**735**	**-**	**370**	**69**	**69**
Financial liabilities								
Derivatives								
Embedded derivative	-	17	-	17	-	190	-	190
Financial guarantee liability	-	1,157	-	1,157	-	544	-	544
Total financial assets	**-**	**1,174**	**-**	**1,174**	**-**	**734**	**-**	**734**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.

d) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: Financial Risk Management

Risk management framework

The Company's Board of Directors have 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:

(i) credit risk;

(ii) liquidity risk; and

(iii) 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 creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, considers the credit risk for trade receivables to be low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ 549 lakhs (31 March 2020: ₹ 503 lakhs)

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2021	31 March 2020
Balance at the beginning of the year	632	314
Add: Provided during the year (net of reversal)	34	318
Less: Amount written off	-	-
Balance at the end of the year	666	632

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the 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 periodically 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 2021	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	76,494	12,459	44,396	19,640	76,495
Lease Liabilities	1,477	429	1,048		1,477
Trade payables	19,182	19,182			19,182
Other financial liabilities	6,688	5,899	764	25	6,688
Total non-derivative liabilities	**103,841**	**37,969**	**46,208**	**19,665**	**103,841**
Derivatives financial liabilities					
Trade payables	6,047	6,047	-	-	6,047
Total derivative liabilities	**6,047**	**6,047**	**-**	**-**	**6,047**

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	**110,174**	**53,976**	**33,052**	**23,146**	**110,174**
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**

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.

a. 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 45.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
USD sensitivity		
₹ /USD -appreciated by 1% (31 March 2020-1%)	(184)	89
₹ /USD -depreciated by 1% (31 March 2020-1%)	184	(89)
	-	-

b. 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 2021	31 March 2020
Variable rate borrowings	76,494	60,752
Fixed rate borrowings	-	17,387
Total borrowings	**76,494**	**78,139**

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 Company's profit for the year ended 31 March 2021 before tax would decrease / increase by ₹ 382 lacs (for the year ended 31 March 2020: decrease / increase by ₹ 304 lacs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 40: Capital Management

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2021	31 March 2020
Net debt	66,242	59,517
Total equity	201,094	163,814
Net debt to equity ratio	**0.33**	**0.36**

(b) Dividends

	31 March 2021	31 March 2020
(i) Equity shares		
Final dividend for the year ended 31 March 2020 of ₹ 3 per fully paid equity share (31 March 2019 of ₹ 3 per fully paid equity share)	2,679	2,646
(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 ₹ 7.50 per fully paid equity share (31 March 2020 : ₹ 3). The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	7,701	2,679

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. The Finance Act, 2020 in India has repealed Dividend Distribution Tax (DDT). The Companies are now required to pay/ distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates as per Finance Act, 2020.

Note 41(a): Names of the Related Parties and Relationships

A	**Significant influence over the entity**	**G**	**Key management personnel**
1	Nova Synthetic Limited	(a)	**Executive directors**
			Mr. Sailesh Chimanlal Mehta
B	**Associates**		
1	Ishanya Realty Corporation Limited	(b)	**Non-executive directors**
			Mrs. Parul Sailesh Mehta
C	**Subsidiaries**		Mr. Madhumilan Parshuram Shinde
	Direct		
1	Smartchem Technologies Limited (STL)	(c)	**Non-executive Independent directors**
2	SCM Fertichem Limited		
3	Ishanya Brand Services Limited		Mr. Berjis Minoo Desai
4	Deepak Mining Services Private Limited (DMSPL)		Mr. Ashok Kumar Purwaha
5	Deepak Nitrochem Pty Limited		Mr. Mahesh Ramchand Chhabria (upto 31/07/2020)
			Mr. Pranay Dhansukhlal Vakil (upto 21/09/2020)
	Indirect		Mr. Alok Perti
1	Performance Chemiserve Limited		Dr. Amit Biswas
2	Australian Mining Explosives Pty Ltd (Subsidiary of PBS)		Mr. Partha Sarathi Bhattacharyya
3	Platinum Blasting Services Pty Limited [PBS] (Subsidiary of STL)		Mr. Bhuwan C Tripathi
4	Mahadhan Farm Technologies Private Limited (Subsidiary of STL)		Ms. Renu Chullu (from 13/05/20 to 31/10/2020)
5	Complete Mining Solution Private Limited (Subsidiary of DMSPL)		Mr. Sujal Shah (w.e.f 30/06/2020)
			Ms. Varsha Vasant Purandare (w.e.f 31/01/2021)
D	**Jointly Controlled Entity**		
1	Yerrowda Investments Limited	(c)	**Company Secretary**
			Mr. K Subharaman (upto 06/11/2020)
E	**Entities over which key managerial personnel are able to exercise significant influence:**		Mr. Gaurav Munoli (From 07/11/2020 to 03/02/2021)
1	Nova Synthetic Limited		Mr. Ritesh Chaudhry (w.e.f 03/02/2021)
2	Ishanya Foundation		
3	Robust Marketing Services Private Limited	(d)	**Chief Finance Officer**
4	Deepak Agro Solution Ltd		Mr. Amitabh Bhargava
F	**Entities over which relatives of key managerial personnel are able to exercise significant influence:**	**H**	**Relatives of key management personnel**
1	Deepak Nitrite Limited	1	Mr. Yeshil Mehta
2	Deepak Phenolics Limited	2	Ms. Rajvee Mehta
3	Ishanya Foundation		

Note 41(b): Related Party Transactions

Sr. No.	Nature of Transactions	31 March 2021 Subsi-diaries	31 March 2021 Jointly Controlled Entity	31 March 2021 Key Manage-ment Personnel	31 March 2021 Relative of Key Manage-ment Personnel	31 March 2021 Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	31 March 2021 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2021 Total	31 March 2020 Subsi-diaries	31 March 2020 Jointly Cont-rolled Entity	31 March 2020 Key Manage-ment Personnel	31 March 2020 Relative of Key Manage-ment Personnel	31 March 2020 Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	31 March 2020 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2020 Total
1	**Sale of goods**														
	Smartchem Technologies Limited	40,358	-	-	-	-	-	40,358	58,140	-	-		-	-	58,140
	Deepak Nitrite Limited	-	-	-	-	-	7,701	7,701	-	-	-		-	6,953	6,953
	Deepak Phenolics Limited	-	-	-	-	-	-	-						21	21
	Ishanya Brand Services Ltd	140	-	-	-	-	-	140	438						438
2	**Rendering of services/ reimbursement of expenses**														
	Smartchem Technologies Limited	14,238	-	-	-	-	-	14,238	13,736	-	-		-	-	13,736
	Performance Chemiserve Private Limited	356	-	-	-	-	-	356	340	-	-		-	-	340
	SCM Fertichem Limited	52	-	-	-	-	-	52	53	-	-		-	-	53
	Ishanya Foundation	-	-	-	-	-		-	-	-	-		-	4	4
	Yerrowda Investments Limited	-	24.00	-	-	-	-	24.00	-	-	-	-	-	-	-
	Ishanya Brand Services Ltd	136	-	-	-	-	-	136	171						171
	Complete mining solution pvt ltd	21	-	-	-	-	-	21	-	-	-		-	-	-
3	**Interest on loan given**														
	Deepak Mining Services	2	-	-	-	-	-	2	1	-	-		-	-	1
	Smartchem Technologies Limited	2,426	-	-	-	-	-	2,426	98	-	-		-	-	98
	SCM Fertichem Limited	36	-	-	-	-	-	36	11	-	-		-	-	11
4	**Interest on loan taken**														
	Deepak Agro Solution Ltd	-	-	-	-	(15)	-	(15)	-	-	-		(14)	-	(14)
	Robust Marketing Services Private Limited	-	-	-	-	(421)	-	(421)	-	-	-		-	-	-
	Nova synthetic limited	-	-	-	-	(112)	-	(112)	-	-	-		-	-	-
5	**Purchase of goods and services**														
	Smartchem Technologies Limited	(11,446)	-	-	-	-	-	(11,446)	(14,564)	-	-		-	-	(14,564)
	Ishanya Foundation	-	-	-	-	(3.00)		(3)	-	-	-	-	-	-	-

Sr. No.	Nature of Transactions	31 March 2021 Subsi-diaries	31 March 2021 Jointly Controlled Entity	31 March 2021 Key Manage-ment Personnel	31 March 2021 Relative of Key Manage-ment Personnel	31 March 2021 Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	31 March 2021 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2021 Total	31 March 2020 Subsi-diaries	31 March 2020 Jointly Cont-rolled Entity	31 March 2020 Key Manage-ment Personnel	31 March 2020 Relative of Key Manage-ment Personnel	31 March 2020 Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	31 March 2020 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2020 Total
6	**Receiving of services/reimbursement of expenses**														
	Yerrowda Investments Limited	-		-	-	-	-	-		(86)	-	-	-	-	(86)
	Performance Chemiserve Private Limited	(313)	-	-	-	-	-	(313)	(239)	-	-	-	-	-	(239)
	M P Shinde	-	-	(6)	-	-	-	(6)	-	-	(8)	-	-	-	(8)
	Ishanya Foundation	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
7	**Asset Sale**														
	Smartchem Technologies Limited	-	-	-	-	-	-	-	686	-	-		-	-	686
	Deepak Nitrate Limited	-	-	-	-	-	-	-	-	-	-		-	9,925	9,925
	SCM Fertichem Limited	-	-	-	-	-	-	-	461	-	-		-	-	461
8	**Donation given**														
	Ishanya Foundation	-	-	-	-	(75)	-	(75)	-	-	-		(40)	-	(40)
9	**Remuneration & commission (including perquisites)***														
	Mr Sailesh Chimanlal Mehta	-	-	(1,318)	-	-	-	(1,318)	-	-	(415)	-	-	-	(415)
	Mr Amitabh Bhargava	-	-	(292)	-	-	-	(292)	-	-	(316)	-	-	-	(316)
	Mr K Subharaman	-	-	(65)	-	-	-	(65)	-	-	(71)	-	-	-	(71)
	Mr Ritesh Choudhary	-	-	(10)	-	-	-	(10)	-	-	-	-	-	-	-
	Mr Gaurav Munoli			(5.00)	-	-	-	(5.00)	-	-	-	-	-	-	-
	Ms. Rajvee Sailesh Mehta	-	-	-	(30)	-	-	(30)	-	-	-	(26)	-	-	(26)
	Other Directors			(157.00)				(157.00)	-	-	-	-	-	-	-
10	**Lease rental income**														
	Deepak Nitrite Ltd.	-	-	-	-	-	7	7	-	-	-	-	-	7	7
11	**Lease rental expenses**														
	Robust Marketing Services Private Limited	-	-	-	-	(99)	-	(99)	-	-	-	-	(76)	-	(76)

Sr. No.	Nature of Transactions	31 March 2021							31 March 2020						
		Subsi-diaries	Jointly Controlled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsi-diaries	Jointly Cont-rolled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
12	**Loan or Advances Taken**														
	Robust Marketing Services Private Limited	-	-	-	-	12,500	-	12,500	-	-	-	-	-	-	-
	Nova synthetic Limited	-	-	-	-	7,500	-	7,500	-	-	-	-	-	-	-
	Deepak Agro Solution limited	-	-	-	-	-	-	-	-	-	-	-	265	-	265
13	**Loan or Advances Repaid**														
	Robust Marketing Services Private Limited	-	-	-	-	(12,500)	-	(12,500)	-	-	-	-	-	-	-
	Nova synthetic Limited					(7,500)		(7,500)	-	-	-	-	-	-	-
14	**Loan or Advances Given**														
	Smartchem Technologies Limited	(47,736)	-	-	-	-	-	(47,736)	(815)						(815)
	Deepak Mining Services	(4)	-	-	-	-	-	(4)	-	-	-	-	-	-	-
	SCM Fertichem Limited	-	-	-	-	-	-	-	(500)	-	-	-	-	-	(500)
15	**Loan or Advances received back/ (written off)**														-
	Smartchem Technologies Limited	-	-	-	-	-	-	-	6,000						6,000
	SCM Fertichem Limited	(450)	-	-	-	-	-	(450)	-	-	-	-	-	-	-
16	**Shared subscribed in Right shares**														
	Ishanya Brand solution limited	(400)	-	-	-	-	-	(400)	-	-	-	-	-	-	-
17	**Allotment of equity shares**														
	Robust Marketing Services Private Limited	-	-	-	-	4,917	-	4,917	-	-	-	-	3,333	-	3,333
	Nova synthetic Limited	-	-	-	-	7,562	-	7,562	-	-	-	-	-	-	-
18	**Purchase of equity shares Ishanya Brand Services Limited**														-
	Mr Sailesh Mehta	-	-	-	-	-	-	-	-	-	(3)	-	-	-	(3)
19	**Advance paid for equity shares Ishanya Brand Services Limited**														-

Sr. No.	Nature of Transactions	31 March 2021							31 March 2020						
		Subsi-diaries	Jointly Controlled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsi-diaries	Jointly Cont-rolled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	Mrs Parul Mehta	-	-	-	-	-	-	-	-	-	-	(3)	-	-	(3)
20	**Money received against share warrant**														
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	(4,167)	-	(4,167)
21	**Leasehold improvements (CWIP) to Key Management Personal**	-	-	-	-	-	-	-			541.00	-	-	-	541.00
22	**Amount outstanding**														-
	Trade payables														
	Performance Chemiserve Private Limited	(540)	-	-	-	-	-	(540)	(137)	-	-		-	-	(137)
	SCM Fertichem Limited	-	-	-	-	-	-	-	(19)	-	-	-	-	-	(19)
	Remunerations payable														-
	Mr Sailesh Mehta	-	-	(679)	-	-	-	(679)	-	-	-		-	-	-
	Other Directors	-	-	(157)	-	-	-	(157)							
	Trade receivables														-
	Smartchem Technologies Limited	8,086	-	-	-	-	-	8,086	15,775	-	-	-	-	-	15,775
	Deepak Nitrite Ltd.	-	-	-	-	-	1,360	1,360	-	-	-	-	-	877	877
	SCM Fertichem Limited	35	-	-	-	-	-	35	-	-	-	-	-	-	-
	Yerrowda Investments Limited	-	8	-	-	-	-	8	-	65	-	-	-	-	65
	Deepak Mining Services	15	-	-	-	-	-	15	22	-	-	-	-	-	22
	Ishanya Brand Services Ltd	80	-	-	-	-	-	80	349	-	-	-	-	-	349
	Deepak agro solution limited	-	-	-	-	5	-	5	-	-	-	-	-	-	-
	Deepak Phenolics Limited	-	-	-	-	-	-	-	-	-	-	-	-	25	25
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	3	-	3
	Interest Receivable														-
	Deepak Mining Services	2	-	-	-	-	-	2							-
	Smartchem Technologies Limited	2,426	-	-	-	-	-	2,426	98	-	-	-	-	-	98

Sr. No.	Nature of Transactions	31 March 2021							31 March 2020						
		Subsi-diaries	Jointly Controlled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsi-diaries	Jointly Cont-rolled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	SCM Fertichem Limited	43	-	-	-	-	-	43	11	-	-	-	-	-	11
	Deepak Mining Services	9						9	-	-	-	-	-	-	-
	Interest Payable														-
	Deepak Agro Solution Ltd.	-	-	-	-	-	-	-	-	-	-	-	(12)		(12)
	Deposits Receivables														-
	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	25	-	-	-	-	-	25	21	-	-	-	-	-	21
	Smartchem Technologies Limited	48,551	-	-	-	-	-	48,551	815	-	-	-	-	-	815
	SCM Fertichem Limited	50	-	-	-	-	-	50	500	-	-	-	-	-	500
	Loan Payable														-
	Deepak Agro Solution Ltd	-	-	-	-	-	-	-	-	-	-	-	(265)	-	(265)
	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 ₹ 97 Lakhs (31 March 2020 : ₹ 40 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.

Note :The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 22 point no (b)

All Transactions are in ordinary course and on an arm's length basis

(*) Includes transaction with enterprises over which relatives are able to exercise significant influence

Note 42(a): Contingent Liabilities and Commitments

	31 March 2021	31 March 2020
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts	8,197	31,976
Income Tax Demands	7,196	7,223
Excise/Service Tax/Custom Demands #	5,320	4,798
Sales Tax/ VAT Demands	10,042	4,661
Local Body Tax	1,543	1,543
Penalty on Entry Tax	1,551	1,551
Total	**33,849**	**51,752**
B. Capital commitments		
Related to Projects	803	5,621
Related to Realty	551	601
C. Other Commitments		
Commitments to Supplier	15,577	-
Total	**16,931**	**6,222**

includes ₹1,881 Lakhs (31 March 2020 : ₹1,881 Lakhs) which pertains to service tax liabilities. Company has received a favourable order from CESTAT against which the department has gone into appeal on December 04, 2019.

C. Other Commitments

During the year, the company has received a letter of waiver from a supplier for offtake liability and consequently, the company now has to complete its purchase obligation over a period of eight years.

Note 43(a): Right issue of Shares

The Company has, issued 1,33,92,663 equity shares of face value of ₹ 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at.an issue price of ₹ 133 per Rights

Equity Share (including premium of ₹ 123 per Rights Equity Share). There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Following are the details of utilization of proceeds from rights issue raised on October 20, 2020

Purpose for which proceeds are used	(Amount ₹ in Lakhs)
1) Repayment of ICD received from related parties	12,500
2) Reduction of the consolidated borrowings of the Company by way of issuing an ICD to wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness	1,500
3) General Purpose (as mentioned in the Objects Clause of Letter of Offer dated 11th September 2020)	3,623
Total	**17,623**

Note 44: Disclosure Required Under Section 186(4) of Companies Act, 2013 and Schedule V read with Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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	Due date and amount payable	Purpose	31 March 2021	31 March 2020
SmartChem Technologies Limited	9.18% - 10%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements. The loan is repayable on demand.	48,551	815
Deepak Mining and Services Pvt Ltd	9.20%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements. The loan is repayable on demand.	25	21
SCM Fertichem Ltd	9.20%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements. The loan is repayable on demand.	50	500
			Total	**48,626**	**1,336**

The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	31 March 2021		31 March 2020	
	Foreign currency (Lakhs)	Amount	Foreign currency (Lakhs)	Amount
Platinum Blasting Services Pty. Ltd (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	AUD 93.5	5,200	AUD 93.5	4,327
Smartchem Technologies Limited (wholly owned subsidiary)	-	74,010	-	76,052

Note 45: Foreign Currency Balances Outstanding

	31 March 2021		31 March 2020	
	Amount in foreign currency	Equivalent Amount in INR	Amount in foreign currency	Equivalent Amount in INR
Hedged Position*				
Creditors (in USD)	83	6,047	106	8,036
Interest on borrowing (USD)	-	-	2	121
Total	**83**	**6,047**	**108**	**8,157**
Un-hedged Position				
Creditors (in USD)	5	400	21	1,601
Creditors (in EURO)#	-	-	0	26
Borrowings and interest (USD)	256	18,755	127	9,581
Exports Receivables (in USD)	(8)	(606)	(9)	(661)
Bank Balance (in USD)#	-	-	(0)	(12)
Total	**253**	**18,549**	**139**	**10,535**

less than ₹ 50,000/-

*The above transactions are hedged by following derivative contracts

	31 March 2021		31 March 2020	
	Amount in foreign currency	Equivalent Amount in INR	Amount in foreign currency	Equivalent Amount in INR
Forward Contracts -USD	14	1,005	15	1,148
Options Contracts - USD	69	5,042	93	7,009
Total	**83**	**6,047**	**108**	**8,157**

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

	Amount in foreign currency	31 March 2021	Amount in foreign currency	31 March 2020
Payables and borrowings (including interest)	261	19,155	148	11,208
Receivables and bank balances	(8)	(606)	(9)	(673)

Note 46: Impact of Hedging activities

The company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The company therefore performs a qualitative assessment of effectiveness. There was no ineffectiveness during financial year ended March 31, 2021 in relation to commodity rate hedge. The company has not entered into any Cash flow Hedge contracts during financial year 2019-20.

A. Disclosure of effects of Hedge accounting on Financial position:

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	**Units**	**Quantity**	**Asset**	**Liabilities**				
Propane	MT	3000	315	-	July 31, 2021	1:4.4	USD 399	USD 351.6
Butane	MT	4500.00	408	-	July 31, 2021	1:4.4	USD 398	USD 352.6

B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk	1,193	-	698	Cost of material consumed

C. **Movement in cash Flow hedging reserve**

Risk category	Commodity rate risk
1. Cash Flow Hedging reserve	
As at April 1 , 2020	-
Add: Changes in fair value of commodity hedge contracts	1,193
Less: Amount reclassified to profit or loss	698
Less: Deferred tax relating to above	124
As at March 31, 2021	370

Note 47: Income Taxes

A. **Components of Income Tax Expenses**

	31 March 2021	31 March 2020
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	5,240	-
Adjustments/(credits) related to previous year - (net)	-	-
Total (A)	**5,240**	**-**
Deferred tax charge/(credit)	1,097	(878)
Total (B)	**1,097**	**(878)**
Total (A+B)	**6,337**	**(878)**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	(129)	(147)
(Gain)/Loss on debt instruments through other comprehensive income	107	-
Total	**(22)**	**(147)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2021 and 31 March 2020

	31 March 2021	31 March 2020
Accounting profit before tax	27,236	2,193
At India's statutory income tax rate of 25.17% (31 March 2017: 34.608%) (A)	**6,855**	**552**
Effects of non-deductible business expenses	(122)	383
Effect of adopting new tax rates from Taxation Laws (Amendment) Act (refer note below)	-	(520)
Long term capital profit not subjected to income tax	(131)	(1,157)
Permanent adjustment of PPE Block	(165)	-
Effect of Depreciation recharges	(231)	(150)
Others	131	14
Total (B)	**(518)**	**(1,430)**
Income Tax expense reported in the statement of profit or loss (A+B)	**6,337**	**(878)**

During the year 2019-20, 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 previous 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 in 2019-20.

Note 48:

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by t he Income Tax Department during the period from 15 November 2018 to 21 November 2018.

Block assessment of the company is in progress, assessment orders are awaited. Management is of the view that this will not have any significant impact on the Company's financial position and performance as at and for the year ended 31 March 2021 and hence no provision has been recognized as at 31 March 2021.

Note 49:

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Note 50:

Entry tax liabilities have been classified as provisions (refer Note 25) during previous year.

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 51:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes 3 to 51 form an integral part of the standalone financial statements.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 10111W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

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

P.S. Bhattacharyya
Director
DIN : 00329479

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

INDEPENDENT AUDITORS' REPORT

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company"), its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its Joint Operation, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 and on the other financial statements/ financial information prepared by the management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Operation as at March 31, 2021, of the consolidated profit and other comprehensive income, consolidated changes in equity and its 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 Standards 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 and its Joint Operation 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 Consolidated 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 obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 47 to the Consolidated Financial Statements which describes that a Search Operation was carried out by the Income Tax Department on the Holding Company and a Subsidiary in November 2018. Pursuant to notices received in the last quarter of the year 2019-20, the Holding Company and its Subsidiary have filed revised tax returns for Assessment Years 2013-14 to 2018-19.

A. The Holding Company's Management does not expect any significant additional liability to devolve on the Holding Company and no provision has been recognised as of March 31, 2021. Though the Holding Company has not received any demand and notices till date, the uncertainty in the matter remains till the proceedings are concluded.

B. During the year, the Subsidiary Company has filed an application with the Income Tax Settlement Commission (ITSC) for the earlier years to conclude the final assessment for these years and offered additional income in its application filed with ITSC and paid tax and interest thereon. The amount of income tax and interest so paid has been provided for in its financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on consideration of the reports of other auditors, 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.

Key Audit Matter	Our Principal Audit Procedures
a. Contingent Liabilities The Holding Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations;

Key Audit Matter	Our Principal Audit Procedures
In this complex regulatory environment, there is a high risk of litigations and claims. The Holding 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 Holding Company 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. Refer note 42 and note 50 to the Consolidated Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	ii. Obtained the Holding Compnay's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2020-21 and post year-end status of litigations; iii. Inquired with the Holding Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Holding Company's assessment of the litigations and claims; iv. Evaluated the Holding Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Holding Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations /disclosures made in the Consolidated Financial Statements; and vi. Assessed the adequacy of the disclosures relating to contingent liabilities in the Consolidated Financial Statements.
b. Revenue Recognition: as reported by component auditors of Smartchem Technologies Limited Revenue is measured at the fair value of the consideration received or receivable as reduced by dealer discounts and other similar allowances. Subsidy income is booked as revenue when the sale to dealer/retailer is recognised and is subject to the Company ensuring compliance with relevant regulatory requirements. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership. The application of Indian accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized over a period.	**Principle Audit Procedures by component auditors of Smartchem Technologies Limited** ● Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. ● Analyzed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates. ● Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account. ● Performed procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers and in the correct period. ● Performed cut-off procedures to ensure that revenue is accounted in the correct period. ● Selected a sample of contracts and performed the following procedures: a. Analysed and identified the distinct performance obligations in these contracts. b. Compared such performance obligations with that identified and recorded by the Company. c. Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. ● Reviewed disclosures included in the notes to the accompanying financial statements.

Key Audit Matter	Our Principal Audit Procedures
c. Impairment of Assets: as reported by component auditor of Performance Chemiserve Limited PCL has significant Capital Work in Progress relating to the Ammonia Project. As the amount is significant, an assessment of the carrying value of assets of Ammonia Project was required.	**Principle Audit Procedures by component auditors of Performance Chemiserve Limited** ● Evaluated the reasonableness of management's conclusions on key assumptions, including forecast cashflows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary financial information, current market conditions and growth rates. ● Assessed the reliability of the management's forecast, whilst considering the risk of management bias. ● Assessed the competence, capabilities, objectivity of the independent professionals who provided the valuation report. ● Evaluated the appropriateness of impairment model prepared by the independent professional.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the 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, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's 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 financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Joint Operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Operation 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for assessing the ability of the Group and its Joint Operation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group and its Joint Operation 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 its Joint Operation are responsible for overseeing the financial reporting process of the Group and its Joint Operation.

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

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

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

We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Operation 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 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 Joint Operation 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 the entities or business activities within the Group and its Joint Operation to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements 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 section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company and other companies 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 and based on audit reports of other auditors, 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 auditor's 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

1. We did not audit the financial statements and financial information of nine subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 740,911 Lakhs and net assets of ₹ 360,326 Lakhs as at March 31, 2021, revenues from operation of ₹ 429,708 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 22,582 Lakhs and net cash inflows of ₹ 7,622 Lakhs, for the year ended as on that date. These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 reports of the other auditors.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

2. The Consolidated Financial Statements include the financial statements and financial information of one subsidiary which have not been audited by us, whose financial statements reflect total assets of ₹ 27 Lakhs and net assets of ₹ 27 Lakhs as at March 31, 2021, total revenues of ₹ Nil Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ Nil Lakhs and net cash inflows of ₹ 5 Lakhs, for the year ended as on that date. The financial statements and financial information of this subsidiary are management drawn. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

3. We did not audit the financial statements and financial information of one joint operation included in the Standalone Financial Statements. The management of the Holding Company recorded its share based on Management drawn financial statements of the joint operation. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

4. The management has not consolidated its Associate, Ishanya Realty Corporation Limited in which the Holding Company holds 5 Lakhs. According to the information and explanations given to us by the management and in our opinion, the share in the financial profit/(loss) of this Associate is not material to the Group.

5. The Consolidated Financial Statements of the Group and its Joint Operation for the year ended March 31, 2020, were audited by other auditors who had expressed an unmodified opinion on those statements on June 30, 2020.

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

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 and the other financial statements/ financial information prepared by the management, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.

g) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us, and on the consideration of reports of the other auditors on separate financial statements; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:

(i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group and its Joint Operation - Refer Note 42 and 50 to the Consolidated Financial Statements.

(ii) The Group and its Joint Operation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021.

(iii) There are no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group and its Joint Operation during the year ended March 31, 2021 except the following:

Year	Type of dividend	Dividend unpaid 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

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 21136835AAAABO4481

Place: Pune
Date: 28 May 2021

Annexure I to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Consolidated Financial Statements

under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiaries incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the companies incorporated in India included in the Group and its Joint Operation incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about 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 with reference to Consolidated Financial Statements, 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 Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of subsidiaries incorporated in India, referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and subsidiary companies incorporated in India's internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Consolidated Financial Statements 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 Consolidated 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 the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the audit reports of other auditors, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

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 four subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 21136835AAAABO4481

Place: Pune
Date: 28 May 2021

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,25,347	2,42,500
Capital work-in-progress	4	1,61,574	1,30,940
Investment property	5	3,607	3,607
Right of use of assets	5(a)	27,100	19,095
Goodwill on consolidation	5(b)	4,368	4,093
Other intangible assets	6	1,663	1,887
Intangible asset under development	4a	312	16
Investment in equity accounted investees	7	5	5
Financial assets			
i. Investments	8	3	72
ii. Loans	12	2,823	3,140
iii. Other financial assets	15	1,740	1,590
Deferred tax assets (net)	26	4,703	4,589
Income tax assets (net)		11,069	12,112
Other non-current assets	16	29,067	28,924
Total non-current assets		**4,73,381**	**4,52,570**
Current assets			
Inventories	17	63,722	68,369
Investment in equity shares (held-for-sale)	9	-	149
Financial assets			
i. Investments	10	44,920	1,011
ii. Trade receivables	11	90,612	1,27,580
iii. Cash and cash equivalents	13	16,959	15,757
iv. Other bank balances	14	7,672	10,169
v. Loans	12	1,018	144
vi. Other financial assets	15	1,861	2,501
Other current assets	18	14,177	14,873
Total current assets		**2,40,941**	**2,40,553**
Total assets		**7,14,322**	**6,93,123**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	10,268	8,928
Other equity	20	2,59,991	2,09,150
Equity attributable to owners of the Company		**2,70,259**	**2,18,078**
Non controlling interest		9,701	4,313
Total equity		**2,79,960**	**2,22,391**

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	31 March 2021	31 March 2020
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	2,18,659	2,08,425
ii. Lease liabilities	5(a)	6,619	6,784
iii. Other financial liabilities	23	4,409	170
Provisions	24	6,708	5,687
Total non-current liabilities		**2,36,395**	**2,21,066**
Current liabilities			
Financial liabilities			
i. Borrowings	22	11,019	71,930
ii. Lease liabilities	5(a)	1,333	1,944
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	1,436	762
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,28,240	1,28,687
iv. Other financial liabilities	23	43,048	33,722
Other current liabilities	27	4,936	4,476
Provisions	24	7,375	7,901
Current tax liabilities (net)		580	244
Total current liabilities		**1,97,967**	**2,49,666**
Total liabilities		**4,34,362**	**4,70,732**
Total equity and liabilities		**7,14,322**	**6,93,123**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 53		

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN : 00128204

P. S. Bhattacharyya
Director
DIN : 00329479

Place: Pune
Date: 28 May 2021

Amitabh Bhargava
President & CFO

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	28	5,80,849	4,68,538
Other income	29	3,267	9,545
Total income		**5,84,116**	**4,78,083**
EXPENSES			
Cost of materials consumed	30	2,89,212	2,61,470
Purchases of stock-in-trade	31	84,351	55,471
Changes in inventories of finished goods & stock-in-trade	32	6,826	14,017
Employee benefits expense	33	36,513	30,617
Finance costs	34	18,771	24,293
Depreciation and amortisation expense	35	21,195	21,353
Other expenses	36	68,416	60,537
Total expenses		**5,25,284**	**4,67,758**
Profit before share of (loss) of equity accounted investees and income tax		**58,832**	**10,325**
Share of (loss) of equity accounted investees		-	(17)
Profit before tax		**58,832**	**10,308**
Tax expense			
Current tax		18,672	381
Deferred tax (credit)/charge		(484)	1,026
Total tax expense		**18,188**	**1,407**
Profit for the year		**40,644**	**8,901**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(840)	(1,121)
Income tax relating to these item		243	334
Total (A)		**(597)**	**(787)**
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		882	(191)
Changes in fair value of investments carried at fair value through OCI		(69)	-
Cash Flow hedge		494	-
Income tax relating to this item		(107)	-
Total (B)		**1,200**	**(191)**
Other comprehensive income for the year (A+B), net of tax liability		**603**	**(978)**
Total comprehensive income for the year		**41,247**	**7,923**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year attributable to:			
- Owners of the Company		40,031	8,726
- Non controlling interests		613	175
Other comprehensive income (net of tax) attributable to:			
- Owners of the Company		294	(911)
- Non controlling interests		309	(67)
Total comprehensive income for the year attributable to:			
- Owners of the Company		40,325	7,815
- Non controlling interests		922	108
Earnings per equity share of ₹ 10 each	37(c)		
i) Basic (in ₹)		41.47	9.58
ii) Diluted (in ₹)		39.20	9.58
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 53		

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN : 00128204

P. S. Bhattacharyya
Director
DIN : 00329479

Amitabh Bhargava
President & CFO

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

A. EQUITY SHARE CAPITAL

	31 March 2021	31 March 2020
Balance at the beginning and at the end of the year	8,928	8,820
Shares issued during the year	-	108
Right issues of shares during the year	1,340	-
Balance as at the end of the year	**10,268**	**8,928**

B. OTHER EQUITY

	Reserves and surplus							Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Compre-hensive Income			
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
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Other compre-hensive income	-	-	-	-	-	-	-	-	(911)	(911)	(67)	(978)
Exchange difference on account of issue of share	-	-	-	-	-	-	-	-	-	-		
Total compre-hensive income for the year	**-**	**-**		**-**		**-**	**8,726**	**-**	**(911)**	**7,815**	**108**	**7,923**
Issue of Share warrants	-	-	-	-	-	-	-	-	-	-	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 Con-vertible Bonds	-	-	-	-	1,286	-	-	-	-	1,286	-	1,286
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(108)	(108)
Dividend paid including tax on dividend	-	-	-	-	-	-	(3,190)	-	-	(3,190)	-	(3,190)
Balance as at 1 April 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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Reserves and surplus							Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Fair value through OCI	Other Items of Comprehensive Income			
Profit for the year	-	-	-	-	-	-	40,031	-	-	40,031	613	40,644
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	891	(597)	294	309	603
Total comprehensive income for the year	**-**	**-**	**-**		**-**	**-**	**40,031**	**891**	**(597)**	**40,325**	**922**	**41,247**
Premium on allotment of shares under Right issue	16,473	-	-		-	-	-	-	-	16,473	-	16,473
Share issue expenses	(190)	-	-		-	-	-	-	-	(190)	-	(190)
Increase in non-controlling interest due to issuance of share capital	-	-	-		-	-	(4,592)	-	-	(4,592)	4,592	-
Equity portion of Foreign Currency Convertible Bonds	-	-	-		1,504	-	-	-	-	1,504	-	1,504
Share warrant forfeiture transferred to Capital reserve	-	-	(4,167)	4,167	-	-	-	-	-	-	-	-
Dividend payable to non-controlling interest	-	-	-		-	-	-	-	-	-	(126)	(126)
Dividend	-	-	-		-	-	(2,679)	-	-	(2,679)	-	(2,679)
Balance as at 31 March 2021	**30,044**	**1,950**	**-**	**4,167**	**2,790**	**17,922**	**2,04,771**	**846**	**(2,499)**	**2,59,991**	**9,701**	**2,69,692**

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN : 00128204

P. S. Bhattacharyya
Director
DIN : 00329479

Place: Pune
Date: 28 May 2021

Amitabh Bhargava
President & CFO

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	58,832	10,308
Adjustments for		
Depreciation and amortisation expense	21,195	21,353
(Profit)/Loss on sale of property, plant and equipment (net)	562	(3,516)
Provision for doubtful trade receivables	2,474	801
Provision for doubtful advances, loans and other receiveable	52	-
Bad debts	50	-
Gain on sale of investments	(1,220)	(2,907)
Changes in fair value of financial assets at fair value through profit or loss	48	89
Provision for stores and spares	(28)	303
Provision for capital work-in-progress	1,015	575
Unrealised (gain)/loss on embedded derivative contracts	(788)	908
Share of loss of associates	-	17
Interest income	(923)	(1,048)
Finance costs	18,771	24,293
Unrealized foreign exchange fluctuations (gain)/loss (net)	(919)	1,504
Cash generated from operations before working capital changes	**99,122**	**52,680**
Change in trade receivables	34,810	10,988
Change in inventories	4,675	14,118
Change in trade payables	844	(21,978)
Change in other financial liabilities	2,441	1,310
Change in other financial assets	1,576	(1,579)
Change in other non-current assets	(1,627)	(12,918)
Change in other current assets	696	18,313
Change in other security deposits	(609)	-
Change in provisions	(345)	424
Change in other current liabilities	460	(1,820)
Cash generated from operations	**1,42,043**	**59,538**
Income taxes paid (net)	(17,293)	(1,711)
Net cash generated from operating activities	**1,24,750**	**57,827**
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	-	(1,383)
Purchase of property, plant and equipment, intangible assets (including Capital work-in- progress)	(23,654)	(44,897)
Proceeds from sale of property, plant and equipment	270	9,812
Proceeds from sale of investments in mutual fund	2,27,002	(2,26,753)
Purchase of investments in mutual fund	(2,70,534)	2,50,826
Loans to employees and other loans given	-	30
Proceeds from issue of shares to non controlling interest	-	24
Proceeds from sale of investment in associate	944	2,820
Fixed deposit placed	(36,356)	(30,622)
Fixed deposit matured	38,757	23,169
Interest received	1,179	1,409
Net cash (used in) investing activities	**(62,392)**	**(15,565)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

(ALL AMOUNTS IN ₹ LAKHS UNLESS OTHERWISE STATED)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from financing activities		
Proceeds from borrowings - non current	12,700	23,528
Repayment of borrowings - non current	(13,604)	(8,239)
Proceeds from issue of foreign currency convertible bonds (FCCB)	11,150	10,549
Proceeds from issue of compulsory convertible debentures	10,500	10,500
Proceeds from borrowings - current	48,923	3,14,676
Repayment of borrowings - current	(1,10,054)	(3,60,337)
Payment of lease	(2,144)	(1,900)
Proceeds of call on Share capital	-	2,500
Proceeds from Right issue of Equity shares	17,623	-
Interest paid	(33,758)	(23,391)
Dividends paid (including dividend distribution tax)	(2,643)	(3,157)
Dividends paid to non-controlling interests	-	(108)
Net cash (used in) from financing activities	**(61,307)**	**(35,379)**
Net (decrease) in cash and cash equivalents	1,051	6,883
Cash and cash equivalents at the beginning of the year	15,757	8,874
Cash and cash equivalents at end of the year	**16,808**	**15,757**
The accompanying notes form an integral part of the consolidated financial statements.		
Reconciliation of cash and cash equivalents as per the Cash flow statement		
Cash and cash equivalents at the end of year	16,959	15,757
Bank overdraft	(151)	-
	16,808	**15,757**
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 **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

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

P. S. Bhattacharyya
Director
DIN : 00329479

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

1. Corporate Information

Deepak Fertilisers 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 Holding Company and its subsidiaries (together referred to as “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 2021 were approved for issue in accordance with the resolution of the Board of Directors on 28 May 2021.

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.

Equity method of accounting (equity accounted investees)

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.

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	88.91%
9	Ishanya Brand Services Limited	India	100.00%
10	Mahadhan Farm Technologies Private Limited (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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 “Revenue from contracts with customers”.

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:

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:

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.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

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 including office and laboratory equipments	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 8
License fees	3 to 8
Technical know-how/ engineering fees	3 to 8

(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. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

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 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 arangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(l) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

- 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 insurancecontract, 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.

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 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.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the 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.

(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

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(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

1. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021.

2. 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.

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.

Note 3: Property, Plant and 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 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)	-	(258)	-	-	-	-	-	-	-	(16,812)
Adjustment (Transfer to Investment property)*	(3,096)	-	-	-	-	-	-	-	-	-	-	(3,096)
Gross carrying amount as at 31 March 2020	**27,120**	**94**	**91**	**53,591**	**2,17,299**	**210**	**5,002**	**1,389**	**3,012**	**631**	**3,077**	**3,11,516**
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	-	143	-	-	-	-	-	-	-	664
Exchange differences	-	-	-	-	(4)	-	-	-	7	-	-	3
Accumulated depreciation as at 31 March 2020	-	(33)	(11)	(6,807)	(54,928)	(17)	(2,375)	(720)	(1,974)	(299)	(1,852)	(69,016)
Net carrying amount as on 31 March 2020	**27,120**	**61**	**80**	**46,784**	**1,62,371**	**193**	**2,627**	**669**	**1,038**	**332**	**1,225**	**2,42,500**
Gross carrying amount												
As at 1 April 2020	27,120	94	91	53,591	2,17,299	210	5,002	1,389	3,012	631	3,077	3,11,516
Additions	4,068	-	20	47	5,768	-	8	12	243	37	358	10,560
Disposals	-	-	(88)	(186)	(265)	(173)	-	-	(105)	(15)	(697)	(1,530)
Reclassified on account of adoption of Ind AS 116	(8,808)	-	-	-	-	-	-	-	-	-	-	(8,808)
Adjustment (Transfer to Investment property)*	-	(94)	94	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	17	-	975	-	-	-	8	-	55	1,056
Gross carrying amount as at 31 March 2021	**22,380**	**-**	**133**	**53,452**	**2,23,777**	**37**	**5,010**	**1,401**	**3,158**	**653**	**2,793**	**3,12,794**

Note 3: Property, Plant and Equipment

	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	-	(33)	(11)	(6,807)	(54,928)	(17)	(2,375)	(720)	(1,974)	(299)	(1,852)	(69,016)
Depreciation charge for the year	-	-	(16)	(2,441)	(14,912)	(20)	(417)	(134)	(406)	(78)	(502)	(18,926)
On disposals	-	-	-	160	198	-	-	-	88	14	362	822
Exchange differences	-	-	(7)		(262)	-	-	-	(6)	-	(52)	(327)
Accumulated depreciation as at 31 March 2021	-	(33)	(34)	(9,088)	(69,903)	(37)	(2,792)	(854)	(2,298)	(363)	(2,045)	(87,447)
Net carrying amount as on 31 March 2021	**22,380**	**(33)**	**99**	**44,364**	**1,53,873**	**(0)**	**2,218**	**547**	**860**	**290**	**749**	**2,25,347**

Refer Note 2.3(c) for policy on depreciation

*During the year ended March 31, 2020, the management categorised the Freehold vacant land parcel located at Yerwada, Pune as Investment property as per Ind AS 40, based on the re-assessment of use of respective vacant land parcel.

The above does not include stamp duty on the assets (land and other assets) transferred under a restructuring scheme from the Holding Company to Smartchem Technologies Limited, the subsidiary company for which an application for adjudication has been made to the Collector of Stamps (Enforcement), Mumbai. The order in respect of the same is awaited. After completion of the aforesaid process, title deeds of leasehold and freehold land having Gross Block of ₹ 3,213 Lakhs (Net Block 3,199 Lakhs) will be transferred in the name of the subsidiary company.

Refer Note 21 foot note for information on Property, plant and equipment provided as security by the Group.

Refer Note 34 for finance cost capitalized.

Refer Note 33 for salary cost capitalized.

Note 4: Capital Work-in-Progress

	31 March 2021	31 March 2020
Projects (Mainly comprising of building and plant and machinery)#*	1,55,667	1,27,196
Others	5,907	3,744
Total	**1,61,574**	**1,30,940**

Includes borrowing cost of ₹ 38,256 Lakhs (31 March 2020 ₹ 25,790 Lakhs)

* Includes salary cost of ₹1,343 Lakhs. (31 March 2020 ₹ 533 Lakhs)

Note 4a: Intangible Assets Under Development

	31 March 2021	31 March 2020
Intangible assets under Development	312	16
Total	**312**	**16**

Note 5: Investment Properties

	31 March 2021	31 March 2020
Gross carrying amount		
Opening gross carrying amount	3,607	511
Additions	-	3,096
Closing gross carrying amount	**3,607**	**3,607**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount	**3,607**	**3,607**

(i) Fair value

	31 March 2021	31 March 2020
Investment properties	9,480	9,484

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property is ₹ 9,480 Lakhs (31 March 2020: ₹ 9,484 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 neither earned any rental income nor incurred any direct operating expense on the above properties.

Note 5(a): Leases

A) Right of use assets

	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	115	-	16,033	-	16,148
Add: Additions during the year	-	302	168	-	470
Less: Disposals	-	-	(5,115)	-	(5,115)
Gross carrying amount as at 31 March 2020	**5,466**	**302**	**11,086**	**3,966**	**20,820**
Accumulated amortization					
Balance as at 1 April 2019	-	-	-	-	-
Amortisation for the year	(952)	(32)	(176)	(565)	(1,725)
Accumulated depreciation as at 31 March 2020	(952)	(32)	(176)	(565)	(1,725)
Net carrying amount as at 31 March 2020	**4,514**	**270**	**10,910**	**3,401**	**19,095**
Gross carrying amount					
Balance as at 1 April 2020	5,466	302	11,086	3,966	20,820
Add: Additions	8,825	-	436	531	9,792
Less: Disposals	(245)	-	-	-	(245)
Exchange differences	315	-	8	-	323
Gross carrying amount as at 31 March 2021	**14,361**	**302**	**11,530**	**4,497**	**30,690**
Accumulated amortization					
Balance as at 1 April 2020	(952)	(32)	(176)	(565)	(1,725)
Amortisation for the year	(1,102)	(60)	(588)	(108)	(1,858)
Exchange differences	(4)	-	(3)	-	(7)
Accumulated depreciation as at 31 March 2021	(2,058)	(92)	(767)	(673)	(3,590)
Net carrying amount as at 31 March 2021	**12,303**	**210**	**10,763**	**3,824**	**27,100**

B) Lease liabilities

	31 March 2021	31 March 2020
Current	1,333	1,944
Non Current	6,619	6,784
Total	**7,952**	**8,728**

C) Interest expenses on lease liabilities

	31 March 2021	31 March 2020
Interest on lease liabilities	644	793

D) Expenses on short term leases / low value assets

	31 March 2021	31 March 2020
Short term lease	1,628	2,731

E) Amounts recognised in the statement of cash flow

	31 March 2021	31 March 2020
Total cash outflow for leases	2,144	1,900

F) Maturity analysis – contractual undiscounted cash flows

	31 March 2021	31 March 2020
Less than one year	1,465	1,991
One to five years	4,577	8,440
More than five years	2,438	1,024
Total undiscounted lease liabilities at March 31, 2021	**8,480**	**11,455**

Other Information:

The Group has leases mainly for Land, Corporate building, furniture items and other equipments. These lease contracts provide for payment to increase each year by inflation.

Leases not yet commenced to which the lessee is committed

At 31 March 2021 the Holding company had committed to leases which had not yet commenced. The total future cash outflows for leases that had not yet commenced is amounting to ₹ 85 lakhs.

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 Group has chosen to apply the practical expedient as per the standard.

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.There are no variable lease payments and guaranteed residual value in existing lease agreements.

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

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 2021	31 March 2020
Opening balance	4,093	2,632
Goodwill on acquisition of Mahadhan Farm Technologies Private Limited	-	1,541
Adjustment for foreign exchange (Platinum Blasting Services Pty Limited)	275	(80)
Total	**4,368**	**4,093**

Goodwill of ₹ 4,368 Lakh (2020: ₹ 4,093 Crore) relates to the CGUs namely Mahadhan Farm Technologies Private Limited ₹ 1,542 lakh (31 March 2020: ₹ 1,542 Lakh), Performance Chemiserve Limited ₹ 1,190 Lakh (31 March 2020: ₹ 1,190 Lakh) and Australian Minning Explosives Pty Ltd ₹ 1,637 Lakh (31 March 2020: ₹ 1,362 Lakhs) respectively.

The management has performed the impairment testing of all the companies identified as CGUs based on the revenue generated, profit earned, return on investment, market valuation of ongoing projects and net worth of these companies. Based on assesment of all these factors, management is of the view that there is no indicator of impairment in any of the companies and did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

Note 6: Other Intangible Assets

	Computer Software	Technical Know-How / Engineering fees	License Fees	Total
Gross carrying amount as on 1 April 2019	**883**	**332**	**1,326**	**2,541**
Additions during the year	1,480	-	316	1,796
Disposals/ Transfers/ Adjustments	(37)	(4)	-	(41)
Gross carrying amount as on 1 April 2020	**2,326**	**328**	**1,642**	**4,296**
Additions during the year	100	-	87	187
Gross carrying amount as on 31 March 2021	**2,426**	**328**	**1,729**	**4,483**
Accumulated Amortisation				
Accumulated amortisation as at 1 April 2019	**281**	**128**	**1,268**	**1,677**
Amortisation charge for the year	602	34	100	736
Disposals/ Transfers/ Adjustments	(4)	-	-	(4)
Accumulated amortisation as at 1 April 2020	**879**	**162**	**1,368**	**2,409**
Amortisation charge for the year	268	27	116	411
Closing accumulated amortisation as at 31 March 2021	**1,147**	**189**	**1,484**	**2,820**
Net Block as at 31 March 2020	**1,447**	**166**	**274**	**1,887**
Net Block as at 31 March 2021	**1,279**	**139**	**245**	**1,663**

Refer Note 2.3(d) for policy on amortisation

Note 7: Investment In Equity Accounted Investees

	31 March 2021	31 March 2020
Investments in equity shares (unquoted) of Associates (fully paid up) at Cost		
49,994 (31 March 2020: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
Total (equity instruments)	5	5
Aggregate amount of unquoted investments	5	5
Aggregate amount of impairment in the value of investments	-	-

Note 8: Investments

	31 March 2021	31 March 2020
Investment in equity shares (quoted) (fully paid up) (fair value through profit and loss)		
4,715 (31 March 2020: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	3
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
88,448 (31 March 2020: 88,448) equity shares of Deepak International Limited of AUD 1 each	-	69
Total (equity instruments)	**3**	**72**
Total	**3**	**72**
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	-	69
Aggregate amount of impairment in the value of investments	**-**	**-**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 9: Investment In Associate (Held-for-Sale)

	31 March 2021	31 March 2020
Investment in equity shares (unquoted) of Associates (fully paid up) carried at lower of cost or net realisable value		
NIL (31 March 2020: 12,70,341) equity shares of Desai Fruit and Vegetables Private Limited of ₹ 10 each	-	149
Total	**-**	**149**

The Group had 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 Lakh. During the year 2020-21, the Group has transferred 12,70,341 shares to Contract Farming India A.G. (CFI) at consideration of ₹ 74 per share for total consideration of ₹ 940 Lakh (31 March 2020: 38,11,022 shares of ₹ 74 per share for total consideration of ₹ 2,820 Lakh).

Note 10: Current Investments

	31 March 2021	31 March 2020
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	44,920	1,011
Total	**44,920**	**1,011**
Aggregate carrying value of unquoted investments	44,920	1,011
Aggregate market value of unquoted investments	44,920	1,011
Aggregate amount of impairment in the value of investments	-	-

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 11: Trade Receivables

	31 March 2021	31 March 2020
Unsecured, considered good	90,612	1,27,580
Unsecured, credit Impaired	4,784	2,310
Less: Impairment loss allowance	(4,784)	(2,310)
Total	**90,612**	**1,27,580**

Movement in allowance for expected credit loss:

	31 March 2021	31 March 2020
Balance at beginning of the year	2,310	1,509
Add: Allowance for expected credit loss	2,474	1,192
Less: Reversed / utilized during the year	-	(391)
Balance as at the end of the year	**4,784**	**2,310**

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer Note 22).

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 39(i) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 41(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

Note 12: Loans

	31 March 2021		31 March 2020	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to employees	59	-	98	-
Security deposits	952	2,823	26	3,140
Other loans	7	-	20	-
Unsecured, considered doubtful				
Other loans	192	-	138	-
Less: Provision for doubtful loans	(192)	-	(138)	-
Total	**1,018**	**2,823**	**144**	**3,140**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 41(b) for Security deposits receivable from related parties.

Note 13: Cash & Cash Equivalents

	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	10,235	12,415
- in EEFC accounts	-	12
Deposits with original maturity upto three months	6,712	3,316
Cash on hand	12	14
Total	**16,959**	**15,757**

Note 14: Other Bank Balances

	31 March 2021	31 March 2020
Earmarked balances with banks		
Unclaimed dividend	731	767
Deposits with remaining maturity upto 12 months from the reporting date	6,941	9,402
Total	**7,672**	**10,169**

Note 15: Other Financial Assets

	31 March 2021		31 March 2020	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Derivatives				
(i) Foreign-exchange forward contracts	-	-	29	-
(ii) Foreign-exchange option contracts	151	-	2,016	-
(iii) Commodity hedge contracts	723	-	-	-
(iv) Embedded Derivative	788	-	-	-
Unsecured, considered good				
Interest receivable				
(i) From bank	25	-	126	-
(ii) From others	124	-	280	-
Unsecured, considered good				
Deposit with banks with maturity after 12 months from the reporting date	-	136	-	76
Amount paid under protest for claims from supplier*	-	1,507	-	1,507
Others	50	97	50	**7**
Total	**1,861**	**1,740**	**2,501**	**1,590**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

*Included in supplier claim (Refer Note 42)

Note 16: Other Non-Current Assets

	31 March 2021	31 March 2020
Capital advances	5,718	7,202
Balance with government authorities	23,102	21,707
Prepaid Expenses	247	15
Total	**29,067**	**28,924**

Note 17: Inventories

	31 March 2021	31 March 2020
Raw materials ((includes ₹295 Lakhs in transit) (31 March 2020: ₹6,094 Lakhs))	22,575	22,861
Finished goods	8,460	21,650
Stock-in-trade ((includes ₹ 1,997 Lakhs) (31 March 2020: NIL))	14,103	7,739
Stores and spares ((includes ₹ 381 Lakhs) (31 March 2020: ₹ 16 Lakhs))	16,150	14,224
Packing material	2,434	1,895
Total	**63,722**	**68,369**

(i) The cost of inventories recognised as an expense includes ₹ 382 Lakhs (31 March 2020: ₹ 6 Lakhs) in respect of write-down of inventories to net realisable value.

(ii) 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 2021	31 March 2020
Advances for supply of goods and services	2,329	1,696
Balances with government authorities	8,476	10,467
Prepaid expenses	2,400	2,582
Other receivables	972	128
Total	**14,177**	**14,873**

Note 19: Share Capital

	31 March 2021	31 March 2020
Authorised		
13,50,50,000 equity shares of ₹ 10/- each. (31 March 2020: 13,50,50,000 equity shares of ₹10/- each)	13,505	13,505
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
10,26,77,088 equity shares of ₹ 10/- each. (31 March 2020: 8,92,84,425 equity shares of ₹ 10/- each)	10,268	8,928
Fully paid-up share capital as at year end	**10,268**	**8,928**

(i) Reconciliation of the number of Equity Shares

	31 March 2021		31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning and at the end of the year	8,92,84,425	8,928	8,82,04,943	8,820
Add: Issued during the year	-	-	10,79,482	108
Add: Right issue of shares during the year	1,33,92,663	1,340	-	-
Balance as at the end of the year	10,26,77,088	**10,268**	**8,92,84,425**	8,928

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 shareholder.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2021		31 March 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Nova Synthetic Limited	4,35,92,875	42.46%	4,27,06,848	47.83%
Robust Marketing Services Private Limited	1,07,59,301	10.48%	-	-

Note 20: Other Equity (Refer Statement of Changes in Equity for Reserves movement)

(ii) 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 2018-19, the Group has issued 64,76,893 convertible warrants at an issue price of ₹ 308.79 per warrant each to a promoter group company. These warrants are convertible into equal number of fully paid equity shares of ₹ 10 each upon exercise of the option of conversion of warrants held by the holders within a period of 18 months from the date of allotment of warrants. Out of 64,76,893 warrants issued, 10,79,482 are converted in equity shares during the preious year 2019-20. Since, the Group did not receive the balance subscription amount of ₹ 12,500 lakhs from the Warrant holder before the extended due date, the balance lying in the Group paid as Upfront Warrant Subscription Amount towards 25% of the issue price of the warrants and still not converted by the warrant holder into equity amounting to ₹ 4,166 lakhs, was forfeited and transferred to Capital reserve in current year in terms of Regulation 169 (3) of the aforesaid SEBI Regulations.

(d) **Equity portion of non-current borrowings (FCCB):** During the year, the Group has received tranche 2 subscription amount $15,000,000 (31 March 2020: Trache 1 $15,000,000) towards Foreign Currency Convertible Bonds ("FCCBs") issued by the Group to International Finance Corporations ("IFC"). The same 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 shareholder.

(g) **Retained earnings**: This represents equity instruments carried at fair value through OCI, foreign currency exchange differences, Hedge income and remeasurement of employee benefits (gratuity & post retirement benefit).

FINANCIAL LIABILITIES

Note 21: Non-Current Borrowings

		Terms of repayment	Coupon/ Interest rate	31 March 2021	31 March 2020
Secured					
Term loans					
(i)	State Bank of India (refer note 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	10.25% per annum 9.60% to 9.80% per annum	18,073	25,405
(ii)	Export Import Bank of India (Loan 1) (refer note 1)			4,288	5,716
(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	27,049	28,662
(iv)	Bank of Baroda (refer note 3)	Repayable in quarterly instalment starting from March 2023	10.72% per annum	68,694	66,735
(v)	Export Import Bank of India (Loan 3) (refer note 3)	Repayable in quarterly instalment starting from March 2023	9.53% per annum	18,215	18,346
(vi)	Bank of Baroda (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.15% to 9.40% per annum	19,302	19,350
(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	8.85% to 9.35% per annum	22,179	22,186
(viii)	Bank of Baroda (refer note 6)	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	16,722	9,904
(ix)	Term Loan - State Bank of India, Sydney (refer note 5)	Repayable from calendar year 2018 to 2022	4.55% per annum	5,483	4,605
Unsecured					
(i)	Foreign currency convertible bonds - IFC (refer note 7)		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per annum and Compound Interest :Upto March 12, 2021 : 1.75% compound interest per annum From March 13, 2021 onwards : 2.25% compound interest per annum	18,140	9,312
(ii)	Compulsory convertible debentures - International Finance Corporation (IFC), USA (refer note 8)		8% per annum (IRR : 15.25%)	22,180	10,638
Total				**2,40,325**	**2,20,859**
Less: Current maturities of long-term debt (included in note 23)				21,666	12,434
Total				**2,18,659**	**2,08,425**

1) The term loans from State Bank of India and Export Import Bank of India have been availed for financing NPK project. The term loans are secured by pari passu first charge to be created on the entire fixed assets pertaining to Nitro phosphate plant (NPK project), being all present and future immovable and movable fixed assets pertaining to NPK project from Plot K1 to Plot K5., MIDC Industrial Area, Taloja, Dist. Raigad.

2) The term loan from Export Import Bank of India is secured by hypothecation of movable fixed assets i.e Plant and machinery located at Plot no 7 Haryana Industrial development corporation Panipat and original title deeds of Panipat land given to Export Import Bank of India. Further term loan is secured by pari passu charge to be created on the fixed assets located at Plot K7, K8 MIDC Taloja.

3) The term loan from Bank of Baroda and Exim Bank 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 all lenders movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

4) The term loans from Bank of Baroda (Dahej) and Export Import Bank of India (Dahej) have been availed for financing of Nitric Acid project at Dajej. The term loans are secured by pari pasu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

5) The term loan availed from State Bank of India, Sydney is secured by pari pasu first charge on the movable and immovable fixed assets of the subsidiary, second charge on current assets of subsidiary.

6) The term loan from Bank of Baroda 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.

7) The FCCB's will be pari-passu with the senior unsecured creditors of the Company. The Company has received Tranche 2 subscription amount $15,000,000 during current financial year (31 March 2020: Trache 1 $15,000,000). 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 ₹ 195 per share (₹ 250 per share till July 16, 2020) 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 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 4.5% simple interest p.a.(5% p.a. upto March 12, 2021), payable semi annually and 2.25% compound interest p.a.(1.75% p.a. upto March 12, 2021), payable on redemption.

8) The Subsidiary Company (Smartchem Technologies Limited) has received tranche 2 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 2021	31 March 2020
Loans repayable on demand - at amortized cost		
Secured		
- Short term loan	10,868	70,255
- Cash credit facilities	151	1,410
Unsecured		
- From related parties	-	265
Total	**11,019**	**71,930**

Reconciliation of Borrowings as required by Ind AS 7 "Statement of Cash Flows"

Particulars	31 March 2021	31 March 2020
Non-current borrowings	2,40,325	2,20,859
Current borrowings	11,019	71,930
Interest accrued (refer note 23)	1,257	2,004
	2,52,601	**2,94,793**
Cash and Non-cash adjustments		
Equity portion of non-current borrowings	(1,504)	(1,286)
Deferred tax on equity portion of non-current borrowings	(505)	(432)
Unrealized forex Loss	15,190	481
Proceeds from borrowings	83,273	3,59,253
Repayment of borrowings	(1,23,658)	(3,68,576)
Interest expense	18,771	138
Interest paid	(33,759)	-
Movement of borrowings (net)	**(42,192)**	**(10,422)**

(i) Short term loan from bank is repayable on demand, carries average interest rate of 9.14% (31 March 2020 - 9.19%) and is secured by a first charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

(ii) Cash credit is repayable on demand and carries variable rate of interest. Average interest rate for the year is 8.50% (31 March 2020 - NIL). 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.

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

Note 23: Other Financial Liabilities

	31 March 2021	31 March 2020
Non-current		
Security deposits	4,292	-
Embedded Derivative liability	117	170
Total	**4,409**	**170**
Current		
Current maturities of non-current borrowings	21,666	12,434
Interest accrued	1,257	2,004
Security deposits	2,276	5,872
Capital creditors	10,654	8,141
Commission payable (refer Note 41(b))	1,944	19
Foreign-exchange forward contracts payables	-	22
Salary payables	5,037	3,978
Others	214	1,252
Total	**43,048**	**33,722**

Note 24: Provisions

	31 March 2021		31 March 2020	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	757	4,148	1,017	3,200
Compensated absences	592	1,782	986	2,028
Defined pension benefits	283	306	242	32
Total (A)	**1,632**	**6,236**	**2,245**	**5,260**
Provisions for tax contingencies (Refer Note below)	5,743	-	5,656	-
Provision for site restoration (Refer Note below)	-	472	-	427
Total (B)	**5,743**	**472**	**5,656**	**427**
Total (A+B)	**7,375**	**6,708**	**7,901**	**5,687**

Movement in Provision

	Tax contingencies#	Site restoration*	Compensated absences
As at 1 April 2019	**5,656**	**454**	**2,629**
Additional provisions recognised	-	41	385
unsed amounts reversed	-	(68)	-
As at 1 April 2020	**5,656**	**427**	**3,014**
Additional provisions recognised	87	45	-
Unsed amounts reversed	-	-	(640)
As at 31 March 2021	**5,743**	**472**	**2,374**

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

* 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 (refer Note 33)

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:

	31 March 2021	31 March 2020
Employer's contribution to provident fund	809	773
Employer's contribution to employee's pension scheme	264	233
Employer's contribution to superannuation fund	938	1,057
Employer's contribution to employee state insurance	7	8
Total	**2,018**	**2,071**

(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 6.60% p.a. (31 March 2020: 6.40% 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 2020: 60 years), withdrawal rate is 8% p.a. (31 March 2020: 14% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2020: 8% 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 in respect of gratuity scheme of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 6.40% p.a. (31 March 2020: 7.50% p.a).

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

Particulars	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	8,796	7,309
Current service cost	737	528
Interest cost	537	521
Actuarial loss	595	1,154
Benefits paid	(787)	(716)
Present value of obligation at the end of the year	9,878	8,796

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

Particulars	31 March 2021	31 March 2020
Present value of obligation at the end of the year	9,878	8,796
Fair value of plan assets at the end of the year	4,973	4,579
Net liabilities recognised in the Balance Sheet	4,905	4,217

Fair value of Plan assets :

Particulars	31 March 2021	31 March 2020
Plan assets at the beginning of the year	4,579	4,232
Interest income	49	33
Expected return on plan assets	250	274
Contribution by employer	765	669
Actual benefits paid	(702)	(685)
Actuarial gain/(loss)	32	56
Plan assets at the end of the year	4,973	4,579

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

Particulars	31 March 2021	31 March 2020
Current service cost	737	528
Interest cost	243	205
Expense recognised in the Statement of Profit and Loss	980	733

Amount recognised in the other comprehensive income:

Particulars	31 March 2021	31 March 2020
Actuarial loss on defined benefit obligation	595	1,154
Actuarial (gain) on plan assets	(36)	(47)
Amount recognised in the Other Comprehensive Income	559	1,107

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

Particulars	31 March 2021	31 March 2020
Experience Loss on plan liabilities	520	231
Demographic Loss on plan liabilities	174	74
Financial (Gain) / Loss on plan liabilities	(99)	848
Experience (Gain) / Loss on plan assets	(86)	(47)
Financial Loss on plan assets	50	-

Categories of the fair value of total plan assets:

Particulars	31 March 2021	31 March 2020
Funds managed by insurer	4,973	4,579
(%) of total plan assets	100%	100%

Sensitivity analysis :

Particulars	31 March 2021 Discount rate		31 March 2020 Discount rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(466)	516	(343)	372

Particulars	31 March 2021 Future salary increase		31 March 2020 Future salary increase	
Assumptions				
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	422	(389)	283	(266)

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 2021	31 March 2020
Within the next 12 months (next annual reporting period)	2,314	2,539
Later than 1 year and not later than 5 years	5,135	5,155
Later than 5 year and not later than 9 years	6,958	5,349
Total expected payments	**14,406**	**13,043**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.22 years (31 March 2020: 6.17 years)

Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. **Liability Risks**

   a. **Asset-Liability Mismatch Risk**

   Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

   b. **Discount Rate Risk**

   Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

   c. **Future Salary Escalation and Inflation Risk**

   Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2. **Asset Risks**

   Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India and partly managed by a private sector insurer viz; India First Life Insurance.

   The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

   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 year. The liability is provided for on the basis of an independent actuarial valuation.

   In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 6.60% p.a. (31 March 2020: 6.40% 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 2020: 60 years), withdrawal rate is 8% p.a. (31 March 2020: 14% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

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

	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	274	228
Current service cost	51	57
Past service cost	-	-
Interest cost	16	15
Actuarial loss	281	13
Benefits paid	(33)	(39)
Present value of obligation at the end of the year	589	274

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

Particulars	31 March 2021	31 March 2020
Current service cost	51	57
Interest cost	16	15
Expense recognised in the Statement of Profit and Loss	68	72

Amount recognised in the other comprehensive income:

Particulars	31 March 2021	31 March 2020
Remeasurements Cost / (Credit)	281	14
Amount recognised in the Other Comprehensive Income	281	14

Sensitivity analysis :

	31 March 2021		31 March 2020	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(140)	196	(58)	79

Note 25: Trade Payables

	31 March 2021	31 March 2020
Trade payables		
(a) total outstanding dues of micro and small enterprises	1,436	762
(b) total outstanding dues of creditors other than micro and small enterprises	1,28,240	1,28,687
Total	**1,29,676**	**1,29,449**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of principal and interest outstanding during the year is given below :

	31 March 2021	31 March 2020
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	1,436	762
- Interest due thereon	24	7
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	9,015	2,441
Amount of interest due and payable on delayed payments	127	53
Amount of interest accrued and remaining unpaid as at year end	249	98
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)

	31 March 2021	31 March 2020
The balance comprises temporary differences attributable to:		
(a) Deferred tax assets	59,506	58,954
(b) Deferred tax liabilities	(54,803)	(54,365)
Net deferred tax assets	**4,703**	**4,589**

Movements during the year ended 31 March 2021

	1 April 2020	Credit/ (charge) in the statement of Profit and Loss	Credit/ (Charge) in equity	Credit/(charge) in the Other Comprehensive Income	31 March 2021
Property, plant and equipment, investment property and intangibles assets	(54,365)	545	-	-	(53,820)
Business loss	33,930	9,626	-	-	43,556
Financial assets at fair value through profit or loss	668	(93)	-	114	689
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,300	(126)	-	129	2,303
MAT credit	3,460	(3,460)	-	-	-
Equity portion of Foreign Currency Convertible Bonds	(459)	88	(505)	-	(876)
Impairment Provision	-	255	-	-	255
Financial assets at fair value through OCI	-	-	-	(107)	(107)
Reversal of deferred tax on goodwill adjustment and other intangible assets	19,084	(7,281)	-	-	11,803
Others	(29)	930	-	-	900
Net deferred tax assets	**4,589**	**484**	**(505)**	**136**	**4,703**

Movements during the year ended 31 March 2020:

	1 April 2019	Credit/ (charge) in the statement of Profit and Loss	Credit/ (Charge) in equity	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)
Business losses comprising Unabsorbed tax depreciation	30,505	3,425	-	-	33,930
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*	5,013	(1,553)	-	-	3,460
Equity portion of Foreign Currency Convertible Bonds	-	(26)	(433)	-	(459)
Reversal of deferred tax on intangible assets	20,728	(1,644)			19,084
Others	328	(357)	-	-	(29)
Net deferred tax assets	**7,353**	**(2,665)**	**(433)**	**334**	**4,589**

* Includes MAT credit of ₹ 1,637 lakhs which was utilized in earlier period.

Note 27: Other Current Liabilities

	31 March 2021	31 March 2020
Advances from customers	1,546	1,582
Unclaimed dividend (#)	731	767
Statutory dues payable	2,527	2,113
Other payables	132	14
Total	**4,936**	**4,476**

(#) ₹ 100 Lakhs (31 March 2020: ₹ 90 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 Holding Company except for ₹ 0.37 Lakhs (31 March 2020: ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 28: Revenue from Opertations

	31 March 2021	31 March 2020
Sale of products		
- Finished goods	4,82,762	3,84,753
- Traded goods	96,505	81,387
Power generated from windmills	253	745
Revenue from realty business	786	1,396
Other operating revenues	543	257
Total	**5,80,849**	**4,68,538**

Contracts with customer

Particulars	31 March 2021	31 March 2020
Revenue recognised from contracts with customers	5,80,849	4,68,538
Disaggregation of revenue		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	2,65,708	2,26,200
(ii) Sale of fertilisers	2,17,054	1,58,553
Sale of traded goods -		
(i) Industrial Chemicals	49,897	48,155
(ii) Fertilisers	46,214	32,467
(iii) Value added real estate (VARE) - Sale of furniture	394	765
- Revenue from power generated from windmills	253	745
- Income from realty operation	786	1,396
- Other operating revenues	543	257
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	4,784	2,310

Details of contract balances:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance of receivables	1,27,580	1,39,626
Closing balance of receivables	90,612	1,27,580

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contract liabilities at the beginning of the year	1,582	821
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,582	821
Increase due to cash received, excluding amounts recognised as revenue during the year	1,546	1,582
Contract liabilities at the end of the year	1,546	1,582

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 customer. 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 2021	31 March 2020
Contract price	6,07,942	4,97,709
Less: Amount recognised as Discounts / shortages	27,093	26,053
Revenue recognised in statement of profit and loss	**5,80,849**	**4,68,538**

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 2021	31 March 2020
Interest income from financial assets measured at amortized cost	922	1,048
Fair value loss on financial assets mandatorily measured at fair value through profit or loss	(48)	-
Net gain on sale of investments#	1,220	2,907
Gain on on disposal of property, plant and equipment*	-	3,566
Unwinding of discount on security deposits	113	269
Foreign exchange fluctuation gain (net)	394	-
Other non-operating income	667	1,755
Total	**3,267**	**9,545**

Includes profit on sale of investment in an associate amounting to ₹ 795 Lakh (31 March 2020: ₹ 2,372 Lakh).

* Includes profit on sale of plot of industrial leasehold land at Dahej,Gujarat in the previous year as part of the strategy to divest non-core assets amounting to ₹ 3,544 Lakh.

Note 30: Cost of Materials Consumed

	31 March 2021	31 March 2020
Raw materials as at the beginning of the year	22,861	25,895
Add: Purchases during the year	2,88,926	2,58,436
Less: Raw material as at the end of the year	22,575	22,861
Total	**2,89,212**	**2,61,470**

Note 31: Purchase of Stock-in-Trade

	31 March 2021	31 March 2020
Purchases of stock-in- trade	84,351	55,471
Total	**84,351**	**55,471**

Note 32: Changes in Inventories of Stock-in-Trade and Finished Goods

	31 March 2021	31 March 2020
Opening balance		
Finished goods	21,650	29,842
Stock-in-trade	7,739	13,564
Total opening balance	**29,389**	**43,406**
Closing balance		
Finished goods	8,460	21,650
Stock-in-trade	14,103	7,739
Total closing balance	**22,563**	**29,389**
Total changes in inventories of stock-in-trade and finished goods	**6,826**	**14,017**

Note 33: Employee Benefits Expenses

	31 March 2021	31 March 2020
Salaries, wages and bonus#	32,132	26,473
Contribution to provident fund & other funds	2,018	2,071
Gratuity (ReferNnote 24)	980	733
Post-employment pension benefits (Refer Note 24)	68	72
Staff welfare expenses	1,315	1,268
Total	**36,513**	**30,617**

(#)Salary of ₹ NIL (31 March 2020: ₹163 Lakh) capitalised in property, plant and equipment during the year.

Note 34: Finance Costs

	31 March 2021	31 March 2020
Interest cost on financial liabilities measured at amortized cost	24,960	29,939
Less: Interest capitalised	(12,466)	(9,674)
Finance charges on finance leases	644	793
Increases in the decommissioning liabilities	45	(22)
Interest others	3,525	1,490
Other borrowing costs	2,096	1,726
Exchange differences regarded as an adjustment to borrowing costs	(33)	41
Total	**18,771**	**24,293**

Note 35: Depreciation and Amortisation Expense

	31 March 2021	31 March 2020
Depreciation on property, plant and equipment	18,926	18,892
Amortisation on right of use asset	1,858	1,725
Amortisation on intangible assets	411	736
Total	**21,195**	**21,353**

Note 36: Other Expenses

	31 March 2021	31 March 2020
Consumption of stores and spares	9,477	7,274
Power, fuel and water*	8,309	6,188
Repairs to :		
- Building	706	670
- Plant and machinery	7,085	5,960
- Others	1,705	1,309
Rent	1,277	1,922
Insurance	2,167	1,748
Rates, taxes and duties #	2,379	1,658

	31 March 2021	31 March 2020
Travelling and conveyance	529	1,238
Legal and professional fees	3,444	3,390
Payments to auditors (Note 37(a) below)	96	81
Directors' sitting fees	132	69
Carriage outward (net)	19,740	15,502
Warehouse and handling charges	768	1,234
Loss on disposal of property, plant and equipment	562	50
Commission on sales	377	381
Sales and promotion expenses	1,205	1,386
Utility services	1,299	1,294
Communication expenses	57	307
Corporate social responsibility expenditure (Note 37(b) below)	166	67
Bad debts	50	403
Provision for doubtful debts	2,474	801
Provision for doubtful loans	54	37
Foreign exchange fluctuations loss (net)	-	4,270
Miscellaneous expenses@	4,358	3,298
Total	**68,416**	**60,537**

* net of reversal of MSEB electricity duty provision of NIL (31 March 2020 : 2,552 Lakhs)

\# net of reversal of provision of local body tax NIL (net of reversal of provision for penalty on entry tax 31 March 2020 : 949 Lakhs)

@ Miscellaneous expenses include ₹ 1,015 Lakhs of Provision for capital work in progress (31 March 2020 : ₹ 575 Lakhs)

Note 37(a): Details of Payments to Auditors

	31 March 2021	31 March 2020
Payment to auditors		
As auditor:		
Audit fee	68	59
Tax audit fee	6	6
Certification fees in the capacity of statutory auditors	14	11
In other capacities		
Taxation matters	6	1
Re-imbursement of expenses	2	4
Total	**96**	**81**

* Payment to auditors for current year include payment to previous auditor of ₹ 16 Lakhs

Note 37(b): Corporate Social Responsibility Expenditure

	31 March 2021	31 March 2020
Contributions to Ishanya Foundation	133	40
Others	33	27
Total	**166**	**67**
Amount required to be spent as per Section 135 of the Act	129	289
Amount spent during the year on		
(i) Construction/acquisition of an asset		-
(ii) On purposes other than (i) above	166	67

Note 37(c): Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity shareholders of the group by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

	31 March 2021	31 March 2020
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	40,031	8,726
Add: Adjustment for interest on Foreign currency convertible bonds post tax	1,073	-
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for diluted EPS	41,104	8,726
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	9,65,31,814	9,11,24,605
Add: Adjustment for Foreign currency convertible bonds	83,24,718	-
Weighted average number of equity shares for diluted EPS	10,48,56,532	9,11,24,605
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	41.47	9.58
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	39.20	9.58

Note 38: Fair Value Measurements

(i) Financial instruments by category

	31 March 2021			31 March 2020		
	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						
- Equity instruments other than investments in associates	3	-	-	3	69	-
- Mutual funds	44,920	-	-	1,011	-	-
Trade receivables	-	-	90,612	-	-	1,27,580
Cash and cash equivalents	-	-	16,959	-	-	15,757
Other bank balances	-	-	7,672	-	-	10,169
Loans	-	-	3,841	-	-	3,284
Other financial assets						
- Derivative financial assets, not designated as hedges	151	-	-	2,045	-	-
- Derivative financial asset, designated as hedges	229	494	-	-	-	-
- Embedded derivative	788	-	-	-	-	-
- Others	-	-	1,939	-	-	2,046
Total financial assets	**46,091**	**494**	**1,21,023**	**3,059**	**69**	**1,58,836**
Financial liabilities						
Borrowings	-	-	2,29,678	-	-	2,80,355
Lease Liabilities	-	-	7,952	-		8,728
Trade payables	-	-	1,29,676	-	-	1,29,449
Other financial liabilities						
- Current maturities of long term debt	-	-	21,666	-	-	12,434
- Derivative financial liabilities, not designated as hedges	-	-	-	22	-	-
- Capital creditors	-	-	10,654	-	-	8,141
- Security deposits	-	-	6,568	-	-	5,872
- Interest accrued	-	-	1,257	-	-	2,004
- Embedded derivative	117	-	-	170	-	-
- Others	-	-	7,195	-	-	5,249
Total financial liabilities	**117**	**-**	**4,14,646**	**192**	**-**	**4,52,232**

(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 2021				31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Equity instruments other than investments in associates	3	-	-	3	3	-	-	3
Mutual funds	44,920	-	-	44,920	1,011	-	-	1,011
Financial Investments at FVOCI				-	-	-	-	-
Equity instruments	-	-	-	-	-	-	69	69
Derivatives	-			-	-	-	-	-
Foreign exchange forward contracts/options	-	151	-	151	-	2,045	-	2,045
Commodity Hedge contract	-	723	-	723	-	-	-	-
Embedded derivative	-	788	-	788	-	-	-	-
Total financial assets	**44,923**	**1,662**	**-**	**46,585**	**1,014**	**2,045**	**69**	**3,128**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/options	-	-	-	-	-	22	-	22
Embedded derivative	-	117	-	117	-	170	-	170
Total financial liabilities	**-**	**117**	**-**	**117**	**-**	**192**	**-**	**192**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.

d) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: Financial Risk Management

Risk management framework

The 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), ₹3,542 Lakhs (31 March 2020: ₹1,009 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2021 or 31 March 2020.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2021	31 March 2020
Balance at the beginning of the year	2,310	1,509
Add: Provided during the year (net of reversal)	2,474	1,192
Less: Amount written off	-	(391)
Balance at the end of the year	4,784	2,310

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly there are no significant provisions for expected credit loss on these balance financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the 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 periodically 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 2021	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,51,344	29,317	1,39,894	82,133	2,51,344
Lease Liabilities	7,952	1,333	6,619		7,952
Trade payables	65,069	65,069	-	-	65,069
Interest accrued	1,211	1,211			1,211
Security deposits	2,276	2,276			2,276
Capital creditors	10,654	10,654	-	-	10,654
Other financial liabilities	11,604	11,604	117	-	11,721
Total non-derivative liabilities	**3,50,110**	**1,21,464**	**1,46,630**	**82,133**	**3,50,227**
Derivatives financial liabilities					
Interest accrued	46	46	-	-	46
Trade payables	64,607	64,607	-	-	64,607
Total derivative liabilities	**64,653**	**64,653**	**-**	**-**	**64,653**

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**

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.

a. 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. 44.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
USD sensitivity		
₹ / USD - appreciated by 1% (31 March 2020 - 1%)	620	736
₹ / USD - depreciated by 1% (31 March 2020 - 1%)	(620)	(736)
EUR sensitivity		
₹ / EUR - appreciated by 1% (31 March 2020 - 1%)	-	1
₹ / EUR - appreciated by 1% (31 March 2020 - 1%)	-	(1)

b. 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 2021	31 March 2020
Variable rate borrowings	2,21,666	1,25,158
Fixed rate borrowings	29,680	1,67,631
Total borrowings	**2,51,346**	**2,92,789**

(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 before tax for the year ended 31 March 2021 would decrease / increase by ₹ 1,108 Lakhs (for the year ended 31 March 2020: decrease / increase by ₹ 626 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.

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 2021	31 March 2020
Net debt	2,26,713	2,66,863
Total equity	2,79,960	2,22,391
Net debt to equity ratio	**0.81**	**1.20**

(b) Dividends

		31 March 2021	31 March 2020
(i)	Equity shares		
	Final dividend paid for the year ended 31 March 2020 of ₹ 3 per fully paid equity share (31 March 2019 of ₹ 3 per fully paid equity share)	2,679	2,646
(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 ₹ 7.50 per fully paid equity share (31 March 2020 : ₹ 3). The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	7,701	2,679

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. The Finance Act, 2020 in India has repealed Dividend Distribution Tax (DDT). The Companies are now required to pay/ distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates as per Finance Act, 2020.

Note 41(a): Names of the Related Parties and Relationships

A Significant influence over the entity

1 Nova Synthetic Limited

B Associates

1 Ishanya Realty Corporation Limited

C Jointly Controlled Entity

1 Yerrowda Investments Limited

D Entities over which key managerial personnel are able to exercise significant influence:

1 Nova Synthetic Limited

2 Ishanya Foundation

3 Robust Marketing Services Private Limited

4 Deepak Agro Solution Ltd

E Entities over which relatives of key managerial personnel are able to exercise significant influence:

1 Deepak Nitrite Limited

2 Deepak Phenolics Limited

3 Ishanya Foundation

F Relatives of key management personnel

1 Ms. Rajvee Mehta

G Key management personnel

(a) **Executive directors**

Mr. Sailesh Chimanlal Mehta

Mr. Yeshil Mehta

(b) **Non-executive directors**

Mr. Parul Sailesh Mehta

Mr. Madhumilan Parshuram Shinde

Mr Tapan Kumar Chatterjee

Mr. Ashok Shah

Mr. Rahgunath Kelkar

Mr. Amitabh Bhargava

Mr. K Subharaman

(c) **Non-executive Independent directors**

Mr. Berjis Minoo Desai

Mr. Ashok Kumar Purwaha

Mr. Mahesh Ramchand Chhabria (upto 31/07/2020)

Mr. Pranay Dhansukhlal Vakil (upto 21/09/2020)

Mr. Alok Perti

Dr. Amit Biswas

Mr. Partha Sarathi Bhattacharyya

Mr. Bhuwan C Tripathi

Ms. Renu Challu (from 13/05/20 to 31/10/2020)

Mr. Sujal Shah (w.e.f 30/06/2020)

Ms. Varsha Vasant Purandare (w.e.f 31/01/2021)

Mr. Sewak Ram Wadhwa

Mr. Urmilkumar Purushottamdas Jhaveri

Mr. R Shriraman

(d) **Company Secretary**

Mr. K Subharaman (upto 06/11/2020)

Mr. Gaurav Munoli (From 07/11/2020 to 03/02/2021)

Mr. Ritesh Chaudhry (w.e.f 03/02/2021)

Mr. Pankaj Gupta

(e) **Chief Finance Officer**

Mr. Amitabh Bhargava

The above list includes the Companies with whom the Company has entered into the transactions during the year

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2021					31 March 2020				
		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**										
	Deepak Nitrite Limited	-	-	-	7,839	7,839	-	-	-	7,105	7,105
	Mahadhan Farm Technologies Private Limited*	-	-	-	-	-	-	-	-	548	548
	Deepak Phenolics Limited	-	-	-	-	-	-	-	-	21	21
2	**Rendering of services/reimbursement of expenses**										
	Ishanya Foundation	-	-	-	-	-	-	-	-	4	4
	Yerrowda Investments Limited	24	-	-	-	24	-	-	-	-	-
3	**Interest on loan taken**										
	Deepak Agro Solution Ltd	-	-	-	(15)	(15)	-	-	-	(14)	(14)
	Robust Marketing Services Private Limited	-	-	-	(421)	(421)	-	-	-	-	-
	Nova Synthetic Limited	-	-	-	(112)	(112)	-	-	-	-	-
4	**Asset Sale**										
	Deepak Nitrite Limited	-	-		-	-	-	-		9,925	9,925
5	**Purchase of goods and services**										
	Mahadhan Farm Technologies Private Limited	-	-	-	-	-	-	-	-	(1,017)	(1,017)
	Ishanya Foundation	-	-	-	(3)	(3)	-	-	-	-	-
6	**Receiving of services/ reimbursement of expenses**										
	M P Shinde	-	(20)	-	-	(20)	-	(15)	-	-	(15)
	Yerrowda Investments Limited	-	-	-	-	-	(86)	-	-	-	(86)
7	**Donation given**										
	Ishanya Foundation	-	-	-	(128)	(128)	-	-	-	(40)	(40)
8	**Remuneration & commission (including perquisites)**										
	Mr Sailesh Chimanlal Mehta	-	(1,318)	-	-	(1,318)	-	-	-	(415)	(415)
	Mr Yeshil Mehta	-	(1,077)	-	-	(1,077)	-	-	-	(102)	(102)

Sr. No.	Nature of Transactions	31 March 2021					31 March 2020				
		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
	Mr Amitabh Bhargava	-	(292)	-	-	(292)	-	-	-	(316)	(316)
	Mr K Subharaman	-	(65)	-	-	(65)	-	-	-	(71)	(71)
	Mr Ritesh Choudhary	-	(10)	-	-	(10)	-	-	-	-	-
	Mr Pankaj Gupta	-	(53)	-	-	(53)	-	-	-	(44)	(44)
	Mr Gaurav Munoli	-	(5)	-	-	(5)	-	-	-	-	-
	Ms. Rajvee Sailesh Mehta	-	-	(30)	-	(30)	-	-	(26)	-	(26)
	Other directors commission	-	(292)	-	-	(292)	-	-	-	-	-
9	**Lease rental income**										
	Deepak Nitrite Ltd.	-	-	-	7	7	-	-	-	7	7
10	**Lease rental expenses**										
	Robust Marketing Services Private Limited	-	-	-	(99)	(99)	-	-	-	(76)	(76)
11	**Loan or Advances Taken**										
	Robust Marketing Services Private Limited	-	-	-	12,500	12,500	-	-	-	-	-
	Nova Synthetic Limited	-	-	-	7,500	7,500	-	-	-	-	-
	Deepak Agro Solution Limited	-	-	-	-	-	-	-	-	265	265
12	**Loan or Advances Repaid**										
	Robust Marketing Services Private Limited	-	-	-	(12,500)	(12,500)	-	-	-	-	-
	Nova Synthetic Limited	-	-	-	(7,500)	(7,500)	-	-	-	-	-
13	**Shares Allotted in Right Issue**										
	Robust Marketing Services Private Limited	-	-	-	4,917	4,917	-	-	-	3,333	3,333
	Nova Synthetic Limited	-	-	-	7,562	7,562	-	-	-	-	-
14	**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)

Sr. No.	Nature of Transactions	31 March 2021					31 March 2020				
		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
15	**Advance paid for Equity Share of Ishanya Brand Services Limited**										
	Ms. Parul Mehta	-	-	-	-	-	-	(3)	-	-	(3)
16	**Leasehold improvements (CWIP) to Key management personnel**	-	-	-	-	-	-	541	-	-	541
17	**Amount outstanding Remunerations payable**										
	Mr Sailesh Mehta	-	(679)	-	-	(679)	-	-	-	-	-
	Mr Yeshil Mehta	-	(973)	-	-	(973)	-	-	-	-	-
	Other directors commission	-	(292)	-	-	(292)	-	-	-	-	-
	Trade receivables										
	Deepak Nitrite Ltd.	-	-	-	1,390	1,390	-	-	-	910	910
	Yerrowda Investments Limited	8	-	-	-	8	65	-	-	-	65
	Deepak Agro Solution Limited	-	-	-	5	5	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	3	3
	Deepak Phenolics Limited	-	-	-	-	-	-	-	-	25	25
	Deposits Receivables										
	Mr Sailesh Mehta	-	1,500	-	-	1,500	-	-	1,500	-	1,500
	Robust Marketing Services Private Limited	-	-	-	650	650	-	-	-	650	650
	Interest Payable										
	Deepak Agro Solutions Limited	-	-	-	-	-	-	-	-	(12)	(12)
	Loan Payable										
	Deepak Agro Solutions Limited	-	-	-	-	-	-	-	-	(265)	(265)
	Money received against share warrant										
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	(4,167)	(4,167)

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 ₹ 132 Lakh (31 March 2020 : ₹ 69 Lakh). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.

Note :The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer Note 21 point no. 6)

Note 42: Contingent Liabilities and Commitments

	31 March 2021	31 March 2020
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts*	14,519	37,645
Income Tax Demands	7,295	7,244
Excise/Service Tax/Custom Demands#	5,320	4,798
Sales Tax/ VAT Demands	11,979	6,589
Local Body Tax	2,176	2,176
Penalty on Entry Tax	1,551	1,551
Total	**42,840**	**60,003**
B. Capital Commitments		
Related to Projects	1,31,072	48,256
Related to Realty	551	601
C. Other Commitments*		
Other Commitment	18,824	2,038
Total	**1,50,447**	**50,895**

includes ₹1,881 Lakhs (31 March 2020 : ₹1,881 Lakhs) which pertains to service tax liabilities. Subsequent to the year end, the Holding Company has received a favourable order from CESTAT against which the department has not gone into appeal.

* During the year, the Holding company has received a letter of waiver from a supplier for offtake liability and consequently, the company now has to complete its purchase obligation over a period of eight years.

Note 43: Right Issue of Shares

The Holding company has, issued 1,33,92,663 equity shares of face value of ₹ 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at.an issue price of ₹ 133 per Rights Equity Share (including premium of ₹ 123 per Rights Equity Share). There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Following are the details of utilization of proceeds from rights issue raised on October 20, 2020

Purpose for which proceeds are used	(Amount ₹ in Lakhs)
1) Repayment of ICD received from related parties	12,500
2) Reduction of the consolidated borrowings of the Holding company by way of issuing an ICD to wholly owned Subsidiary, STL, for repayment / prepayment of portion of their outstanding indebtedness	1,500
3) General Purpose (as mentioned in the Objects Clause of Letter of Offer dated 11th September 2020)	3,623
Total	**17,623**

Note 44: Foreign Currency Balances Outstanding

Particulars	31 March 2021		31 March 2020	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Hedged Position*				
Creditors (in USD)	884	64,607	796	60,223
Interest on borrowing (USD)	1	46	2	121
Un-hedged Position				
Creditors (in USD)	5	400	35	2,660
Creditors (in EURO)	-	41	1	109
Interest accrued (in EURO)	-	19	2	171
Creditors (in GBP)	-	1	-	-
Borrowings and interest (USD)	256	18,755	151	11,445
Exports receivable (in USD)	(13)	(1,020)	(12)	(871)
Bank Balance (in USD)#	-	-	-	(12)

less than ₹ 50,000/-

*The above transactions are hedged by following derivative contracts

Particulars	31 March 2021		31 March 2020	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	297	21,676	53	4,024
Options Contracts - USD	588	42,977	745	56,320
Total	**885**	**64,653**	**798**	**60,344**

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	Amount in foreign currency	31 March 2021	Amount in foreign currency	31 March 2020
Payables and borrowings (including interest)	261	19,216	189	14,385
Receivables and bank balances	(13)	(1,020)	12	883

Note 45: Impact of Hedging Activities

The Holding company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the Holding company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of Propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the Holding company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The Holding company therefore performs a qualitative assessment of effectiveness. There was no ineffectiveness during financial year ended March 31, 2021 in relation to commodity rate hedge. The Holding company has not entered into any Cash flow Hedge contracts during financial year 2019-20.

A. **Disclosure of effects of Hedge accounting on Financial position:**

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	**Units**	**Quantity**	**Asset**	**Liabilities**				
Propane	MT	3000	315	-	July 31, 2021	1:4.4	USD 399	USD 351.6
Butane	MT	4500	408	-	July 31, 2021	1:4.4	USD 398	USD 352.6

B. **Disclosure of effects of Hedge accounting on financial performance**

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk	1,193	-	698	Cost of material consumed

C. **Movement in cash Flow hedging reserve**

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
As at April 1 , 2020	-
Add: Changes in fair value of commodity hedge contracts	1,193
Less: Amount reclassified to profit or loss	698
Less: Deferred tax relating to above	124
As at March 31, 2021	370

Note 46: Income Taxes

A. **Components of Income Tax Expenses**

	31 March 2021	31 March 2020
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current tax on profits for the year	18,672	381
Total (A)	**18,672**	**381**
Deferred tax (credit)/charge	(484)	1,026
Total (B)	**(484)**	**1,026**
Total (A+B)	**18,188**	**1,407**
II. Tax on Other Comprehensive Income		
Deferred Tax		
Loss on remeasurement of defined benefit obligations	(243)	(334)
Gain on debt instruments through other comprehensive income	107	-
Total	**(136)**	**(334)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2021 and 31 March 2020

	31 March 2021	31 March 2020
Accounting profit before tax	58,832	10,325
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%) (A)	**14,808**	**2,599**
Effects of non-deductible business expenses	(118)	392
Effect of adopting new tax rates from Taxation Laws (Amendment) Act (refer note below)	-	(520)
Long term capital profit not subjected to income tax	(131)	(1,157)
Permanent adjustment of PPE Block	(165)	-
Effect of Depreciation recharges	(231)	(150)
Impact on current and deferred tax of earlier years (Refer Note 47)	1,259	-
Deferred tax recognized on reasonable certainity	(5,652)	-
Deferred tax asset reversal on Goodwill	5,617	-
Tax rate difference	2,391	144
Reversal of earlier year tax provision	-	(103)
Others	410	202
Total (B)	**3,380**	**(1,192)**
Income Tax expense reported in the statement of profit or loss (A+B)	**18,188**	**1,407**

During the year 2019-20, 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 previous financial year, and the Holding 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 in 2019-20 and 2020-21.

Note 47:

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018.

(a) Block assessment of the Holding company is in progress, assessment orders are awaited. Management is of the view that this will not have any significant impact on the Holding company's financial position and performance as at and for the year ended 31 March 2021 and hence no provision has been recognized as at 31 March 2021.

(b) Material subsidiary company, M/s Smartchem Technologies Limited (STL) filed the application with the Income Tax Settlement Commission (ITSC) for the earlier years to conclude the final assessment and to avoid protracted and expensive litigation for these years. The applicable tax and interest paid has been provided for in the financial statements

Note 48: Consolidated Segment Reporting

Sr. No.		Particulars	Chemicals	Fertilisers	Realty	Windmill	Common	Total
1		**Revenue**						
	a)	**External Sales**						
	I)	**Manufactured**	**2,65,708**	**2,17,054**	**786**	**253**		**4,83,801**
		Previous Year	*2,26,200*	*1,58,553*	*1,396*	*745*	-	*3,86,894*
	ii)	**Traded**	**49,897**	**46,214**	**394**	**-**	**-**	**96,505**
		Previous Year	*48,155*	*32,467*	*765*	-	-	*81,387*
	b)	**Inter-segment sales**	**-**	**-**	**-**	**-**	**-**	**-**
		Previous Year	-	-	-	-	-	-
	c)	**Other operating income**	**144**	**399**	**-**	**-**	**-**	**543**
		Previous Year	*54*	*203*	-	-	-	*257*
	d)	**Unallocated Corporate other income**	**-**	**-**	**-**	**-**	**3,267**	**3,267**
		Previous Year	-	-	-	-	*9,545*	*9,545*
		Total Income	**3,15,749**	**2,63,667**	**1,180**	**253**	**3,267**	**5,84,116**
		Previous Year	*2,74,409*	*1,91,223*	*2,161*	*745*	*9,545*	*4,78,083*

Sr. No.	Particulars	Chemicals	Fertilisers	Realty	Windmill	Common	Total
2	**Segment Result**	**74,439**	**19,751**	**(1,806)**	**(176)**	**3,267**	**95,475**
	Previous Year	*41,358*	*3,344*	*(1,428)*	*353*	*9,545*	*53,172*
3	**Interest**	**-**	**-**	**-**	**-**	**18,771**	**18,771**
	Previous Year	*-*	*-*	*-*	*-*	*24,293*	*24,293*
4	**Unallocated Corporate expenses**	**-**	**-**	**-**	**-**	**17,872**	**17,872**
	Previous Year	-	-	-	-	18,554	18,554
5	**Profit before share of (loss) of equity accounted investees and income tax**	**-**	**-**	**-**	**-**	**-**	**58,832**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*10,325*
6	**Other Information**						
	a) Segment Assets	**3,93,930**	**1,73,032**	**21,937**	**1,423**	**1,24,000**	**7,14,322**
	Previous Year	*3,69,794*	*2,03,873*	*22,494*	*1,663*	*95,299*	*6,93,123*
	b) Segment Liabilities	**1,97,644**	**1,19,642**	**887**	**108**	**1,16,081**	**4,34,362**
	Previous Year	*2,27,400*	*1,60,183*	*3,268*	*3*	*79,878*	*4,70,732*
	c) Capital Expenditure incurred during the year	**10,456**	**6,134**	**18**	**-**	**1,870**	18,478
	Previous Year	*52,844*	*3,266*	*833*	*-*	*2,633*	*59,576*
	d) Depreciation/ Amortisation	**13,101**	**6,656**	**1,213**	**225**	**-**	21,195
	Previous Year	*10,793*	*9,241*	*1,094*	*224*	*-*	*21,353*

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
b) Bulk Fertilisers	Iso-propyl alcohol, Propane, Bulk and Speciality Chemical. Nitro phosphate, Mutriate of potash, Diammonium phosphateAP, Single super phosphate, Sulphur, Micronutrients, SSF, Bio Fertilisers
c) Realty	Real Estate Business
d) Windmill	Windmill Power

2 Secondary Segment Information: There are no reportable geographical segments since the Group caters mainly to needs of Indian Markets.

Note 49:

GAIL has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014 (inclusive of interest till 2016), alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the subsidiary company, Smartchem Technologies Limited (STL) and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that STL; as per the industrial license, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration.

Claims by GAIL were divided into two parts by STL while challenging arbitration. Claim under Gas Sales and Transportation Agreement of 2006 is non-arbitrable. Similarly, the claim for the period from 2011 to 2013; are barred by limitation. Accepting STL's stand, the Arbitration Tribunal has rejected the claims of GAIL vide orders dated 05.09.2017 and 13.12.2017. Thereafter GAIL filed Arb Appeal (COMM) No. 3/2018 challenging the order dated 05.09.2017 and OMP (COMM) No. 31/2018 before Hon'ble Delhi High Court, which dismissed both the appeals vide its order dated 20.12.2018 and upheld the order of Arbitrator.

Consequently, GAIL has preferred a Special Leave petition before the Hon'ble Supreme Court against dismissal of Arb Appeal (COMM) 3/2018 and also preferred an appeal before Divisional bench of Hon'ble Delhi High Court against dismissal of OMP (COMM) No. 31/2018. Both the petitions are pending adjudication as at the reporting date.

Note 50:

Entry tax liabilities have been classified as provisions (refer Note 24) during previous year.

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Holding company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 51:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 52: Additional information pursuant to Schedule III of the Companies Act, 2013

Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

F.Y: 2020-21

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	72%	2,01,094	51%	20,899	(11%)	(67)	51%	20,832
Subsidiaries								
Indian								
Smartchem Technologies Limited	101%	2,83,988	7%	20,041	(35%)	(212)	48%	19,829
Deepak Mining Services Private Limited	0%	(49)	0%	(29)	0%	-	0%	(29)
SCM Fertichem Limited	0%	(88)	0%	(65)	0%	-	0%	(65)
Ishanya Brand Services Limited	0%	253	0%	(111)	0%	-	0%	(111)
Performance Chemiserve Limited	25%	69,979	0%	268	0%	-	1%	268
Mahadhan Farm Technologies Private Limited	0%	5	0%	118	0%	-	0%	118
Foreign								
Deepak Nitrochem Pty Limited	0%	26	0%	-	0%	-	0%	-
Platinum Blasting Services Pty Limited	2%	6,238	0%	1,077	95%	573	4%	1,650
	129%	3,60,352	8%	21,299	60%	361	53%	21,660

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consoli-dated net assets	Amount	As % of consolidated P&L	Amount	As % of consoli-dated OCI	Amount	As % of consolidated Total com-prehensive Income	Amount
Non-controlling interests in all subsidiaries	3%	9,701	2%	613	51%	309	2%	922
Adjustment arising out of Consolidation	(104%)	(2,91,187)	39%	(2,167)	0%	-	(5%)	(2,167)
Total after elimination on account of consolidation	**100%**	**2,79,960**	**100%**	**40,644**	**100%**	**603**	**100%**	**41,247**

F.Y: 2019-20

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consoli-dated net assets	Amount	As % of consolidated P&L	Amount	As % of consoli-dated OCI	Amount	As % of consolidated Total com-prehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	74%	1,63,814	35%	3,071	45%	(439)	33%	2,632
Subsidiaries								
Indian								
Smartchem Technologies Limited	118%	2,63,259	11%	938	36%	(348)	7%	590
Deepak Mining Services Private Limited	0%	(20)	0%	(5)	0%	-	0%	(5)
SCM Fertichem Limited	0%	(22)	0%	(2)	0%	-	0%	(2)
Ishanya Brand Services Limited	0%	(36)	0%	(34)	0%	-	0%	(34)
Performance Chemiserve Limited	20%	44,972	4%	317	0%	-	4%	317
Mahadhan Farm Technologies Private Limited	0%	(113)	1%	45	0%	-	1%	45
Foreign								
Deepak Nitrochem Pty Limited	0%	22	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited	2%	4,062	3%	247	13%	(124)	2%	123
	140%	3,12,124	17%	1,505	48%	(472)	13%	1,033
Non-controlling interests in all subsidiaries	2%	4,313	2%	175	7%	(67)	1%	108
Adjustment arising out of Consolidation	(116%)	(2,57,860)	47%	4,150	0%	-	52%	4,150
Total after elimination on account of consolidation	**100%**	**2,22,391**	**100%**	**8,901**	**100%**	**(978)**	**100%**	**7,923**

Note 53: Group Informations

Particulars of subsidiaries and joint operation which have been considered in the preparation of the Consolidated Financial Statements:

	Country of incorporation	Nature of business	% Equity interest	
			31 March 2021	31 March 2020
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	100.00	74.99
Indirect				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	88.91	85.64
Australian Mining Explosives Pty Ltd	Australia	Services	65.00	65.00
Complete Mining Solution Private Limited	India	Services	100.00	100.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	100.00
Entity with joint control				
Yerrowda Investments Limited	India	Realty	85.00	85.00

The company has not consolidated its associate, Ishanya Realty Corporation Limited in which it holds 49.99% (₹ 5 lakhs) as it has not started its operations yet and does not have any material impact on the consolidated financial statements.

Notes 3 to 53 form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **P. G. BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 28 May 2021

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

P. S. Bhattacharyya
Director
DIN : 00329479

Ritesh Choudhary
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 28 May 2021

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
(Upto 21st September, 2020)

Berjis Desai
Independent Director

Ashok Kumar Purwaha
Independent Director

Alok Perti
Independent Director

Dr. Amit Biswas
Independent Director

Bhuwan Tripathi
Independent Director

Renu Challu
Woman Independent Director
(Upto 31st October, 2020)

Sujal Shah
Independent Director
(w.e.f. 30th June, 2020)

Varsha Purandare
Independent Woman Director
(w.e.f. 31st January, 2021)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ritesh Chaudhry
Vice President & Head - Legal & Secretarial
(w.e.f. 3rd February, 2021)

MANAGEMENT TEAM

Amitabh Bhargava
President – Finance & CFO

Arun Vijayakumar
President – Projects

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 – Commercials & Strategic Growth

Rajiv Rao
President – Industrial Chemicals

Romy Sahay
President – Human Resource

Shyam Sharma
President – Strategy & Transformation

Tarun Sinha
President – Technical Ammonium Nitrate

BANKERS

State Bank of India
Bank of Baroda
HDFC Bank Limited
IDFC First Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
IDBI Bank Limited
Export Import Bank of India
IndusInd Bank

LEGAL ADVISORS

Crawford Bayley & Co.
Agarwal Law Associates
Zeus Law Associates
Hariani & Co.
Samvad Partners
Argus Partners
Link Legal

AUDITORS

P G BHAGWAT LLP
Chartered Accountants

SECRETARIAL AUDITOR

SVD & Associates

COST AUDITOR

Y R Doshi & Company
(FY 2020-21)
Harshad Deshpande & Associates
(FY 2021-22)

INTERNAL AUDITOR

Ernst & Young LLP

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

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

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: 2020 -2021
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 : ₹ 102.68 Crore
2. Total Turnover : ₹ 1,811.31 Crore
3. Total Profit after Taxes : ₹ 208.99 Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

   Please refer to the Annual Report on CSR forming part of the Annual Report for the FY 2020-21.
5. List of activities in which expenditure in 4 above has been incurred:

   Please refer to the CSR Report forming part of the Annual Report for the FY 2020-21.

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. Details of Director / Directors responsible for the implementation of Business Responsibility Policy:

DIN	:	00128204
Name	:	Shri S. C. Mehta
Designation	:	Chairman and Managing Director

2. 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**

3. Principle wise BR policies: Included in this report
4. 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 Policy) Amendment Rules, 2021 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.