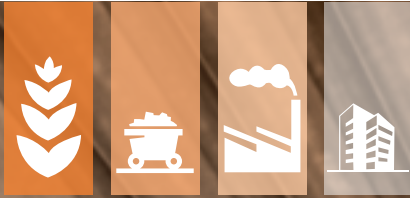




DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED



# Customer Centricity

Annual Report 12/13

## CORPORATE INFORMATION

### Board of Directors

S. C. Mehta, *Chairman & Managing Director*  
 Partha Bhattacharyya, *Executive Director*  
 R. A. Shah  
 D. Basu  
 N. C. Singhal  
 U. P. Jhaveri  
 S. R. Wadhwa  
 Dr. S. Rama Iyer  
 Smt. Parul S. Mehta  
 Anil Sachdev  
 Pranay Vakil

### Company Secretary

R. Sriraman  
*Executive Vice-President (Legal) & Company Secretary*

### Management Team

Somnath Patil, *President & CFO*  
 Rajendra Sinh, *President - HRD & Corporate Services*  
 Dr. Rajeev Chemburkar, *President - Chemicals*  
 Guy R. Goves, *President - Agribusiness*  
 Pandurang Landge, *President - Projects*  
 Carl Anders Lindgren, *President & Technical Advisor for TAN*  
 Alok Goel, *President - Strategy & Business Development*

### Bankers

Bank of Baroda  
 IDBI Bank Limited  
 The Hongkong and Shanghai Banking Corporation Limited  
 DBS Bank Limited  
 ICICI Bank Limited

### Solicitors

Crawford Bayley & Co.  
 J. Sagar Associates

### Auditors

B. K. Khare & Co.

### Registered Office

Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.  
 Phone : +91 - 20 - 6645 8000  
 Fax : +91 - 20 - 2668 3727  
 E-mail : [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com)  
 Website : [www.dfpcl.com](http://www.dfpcl.com)

### Plants

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

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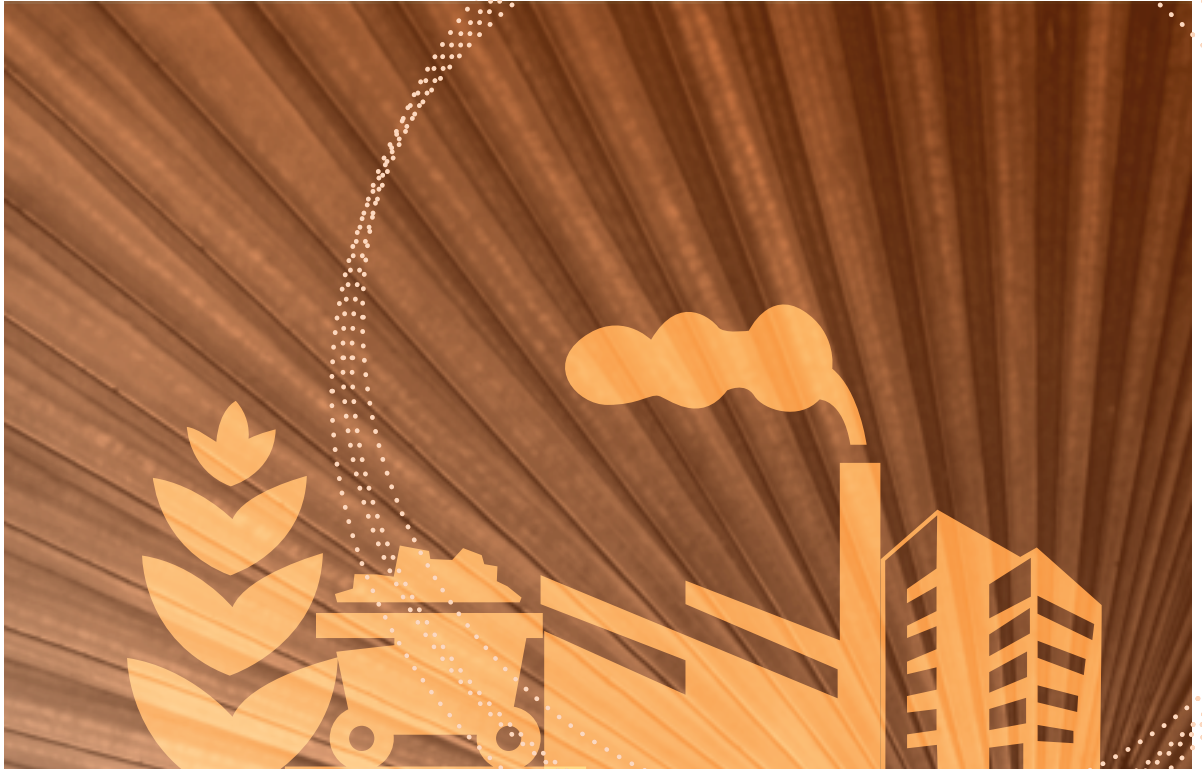


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# Customer

## Centricity at the Core

**Customers, in the ultimate analysis will remain the key essence of business.**

Unless the customer remains at the centre of attention, at the core of thought, strategy and action, business will not survive in the long run.

At DFPCl we constantly strive to understand who our customer is; what is the value we bring to him; how do we sustain the bond and finally take it beyond pure pricing towards ultimate value creation. The following pages unfold our journey towards customer centricity.



## Feel like a Customer

BEYOND SIMPLY UNDERSTANDING THE BASIC CUSTOMER NEEDS OF QUALITY, PRICE, TIMELY DELIVERIES ETC., WE AT DFPCL HAVE ALWAYS CRAVED TO UNDERSTAND OUR CUSTOMERS' END-USE, END-EXPECTATIONS AND END-DELIVERABLES AND THEN WORKED BACKWARDS AND BENT BACKWARDS TO DELIVER!

EMERGING FROM THIS DRIVE HAVE COME UP VALUE ADDED PRODUCTIONS SUCH AS THE VARIOUS CONCENTRATIONS OF OUR NITRIC ACIDS, VARIOUS GRADES OF OUR TECHNICAL AMMONIUM NITRATE AND CROP-SPECIFIC, SOIL-SPECIFIC FERTILISERS.

“**T**he use of Mahapower, Bensulf and spraying of Mahadhan Josh and Amruta has greatly improved the length and girth of banana fingers in my farm. This has resulted in an increase in per acre net income from ₹ 3.06 lac to ₹ 3.78 lac. DFPCL, through its expertise, helped improve the morale and standard of living of the farmers in our region. DFPCL is a company where the farmers' needs are given top priority.”



Avinash Maruti Padval, Mahalunge Padval, District Pune



Ghevar Singh, Tirupati Trading

“**T**here is no comparison to DFPCL's product quality (OPTIMEX). We are extremely confident of DFPCL's services – be it on-time delivery or quality. This enables us to take orders from customers without hesitation at any time of the year.”



# Value like a Customer

BEYOND MERELY GIVING DISCOUNTS TO MATCH COMPETITION, AT DFPCL, WE HAVE LEARNT THE HARD WAY TO STRIVE TOWARDS CREATING A VALUE PROPOSITION FOR OUR CUSTOMERS. BUNDLING PRODUCTS TO MAKE HIS LIFE EASY, MAKING SERVICES TO IMPROVE PRODUCT EFFICACY AND COMBINING FINANCIAL PRODUCTS TO CREATE VALUE PROPOSITIONS HAVE BEEN SOME OF THE WAYS WE HAVE MADE CUSTOMERS TO PAY, WITH JOY!

C. S. Dadheech, Mines Manager - Ambuja Cement Limited



“The performance of DFPCL’s product TAN (OPTIMEX) is outstanding. It has helped us improve productivity from our mining operations along with efficiency and OMS. We now have improved our powder factor considerably, also saving man hours utilised in the blasting process. DFPCL always ensures complete techno-commercial help right from the commencement, from procurement up to usage. DFPCL has ensured the optimum usage of the product, achieving good results for us.”



“I am a sugarcane grower and have been trying to get optimum crop productivity in the past, but in vain. Having attended a single crop seminar on Sugarcane Integrated Nutrient Management System, organised by DFPCL has altered my crop productivity to a great extent. I have tested my soil samples from the Agri-lab at DFPCL and have used the fertilisers recommended based on the test results. This has not only minimised my expenditure on fertilisers but also increased the productivity of my fields manifold – improving the yield per acre. I am a staunch believer in quality and recommend the farmers in my territory to seek help from DFPCL, owing to my great experience with them.”

Gokuldas Ramchandra Nikam, Farmer – Nagapur, Pune



# Innovate like a Customer

BEYOND CREATING NEW PRODUCTS AND THEN FINDING CUSTOMERS, AT DFPCL, WE HAVE WORKED HARD TO INVOLVE OUR CUSTOMERS' VOICE TO STIMULATE INNOVATIONS. INNOVATIONS IN PRODUCTS, IN SERVICES, IN SUPPLY CHAIN AND IN FINANCIAL OFFERINGS! AT THE ROOT OF INNOVATIONS IS A STRONG CUSTOMER VOICE GUIDING THE STRATEGIC DIRECTIONS.



“Our Accessories store at Ishanya, our first in Pune, has given me a lot of confidence in the customers of Pune. This is mainly due to the quality of footfalls that we get at our Ishanya store, leading me to believe that there is huge potential for products related to Home décor at Ishanya and Pune. I am quite confident that our new store will gain momentum and be one of our best performing stores in the country. The efforts of Ishanya to conduct engagement events with the interior designer fraternity is commendable.”



“My experience with DFPCL has been extremely fulfilling. I have always received timely guidance from the Company representatives about implementation of Integrated Pest Management (IPM), Integrated Nutrient Management (INM), the doses of fertiliser required for the crops cultivated, as well as knowledge of grading and packaging of the harvested produce.”

Anasaheb Raghunath Padwal, Farmer – Ambegaon



# Lead like a Customer

BEYOND BEING A LEADING VOICE FOR THE SALES DEPARTMENT, OUR CUSTOMER VOICE LEADS THE UNDERCURRENT DISCUSSIONS DEEP DOWN WITH MANUFACTURING, FINANCE, LOGISTICS EVEN PROJECTS. WHEN TO PRODUCE, WHAT GRADES, HOW TO REACH OUT, CHANNELS, SUPPLY-CHAINS, STORAGES, FUNDING OPTIONS, ALL GET LED BY THE CUSTOMER VOICE IN DFPCL. BUSINESS DRIVE AND STRATEGIC PROCESSES GET CLEARLY LED BY THE CUSTOMER VOICE AT DFPCL.



**“W**e are a trusted pharmaceutical ingredient manufacturer, based out of Hyderabad. DFPCL has established itself as a trustworthy and reliable supplier of Nitric Acid for us. We have derived great benefits from DFPCL in terms of consistent supplies. It is difficult to find vendors like DFPCL who are regular suppliers and who do not let us down whenever we face a crisis. Their Technical Staff is extremely competent and very responsive.”

Navin Shah, Vice President (Commercial) - Aarti Industries

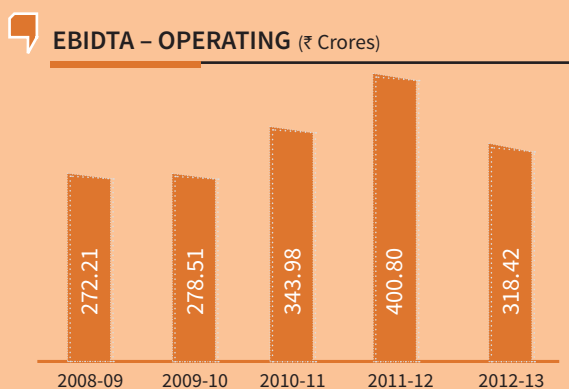
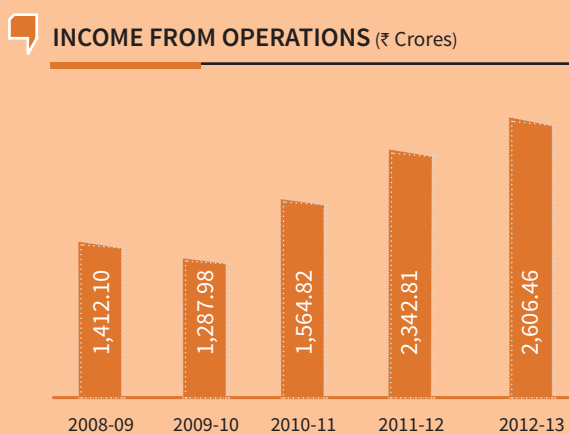


Dr. N. V. Reddy, Managing Director (Commercial) - Virchow Laboratories Ltd., Hyderabad



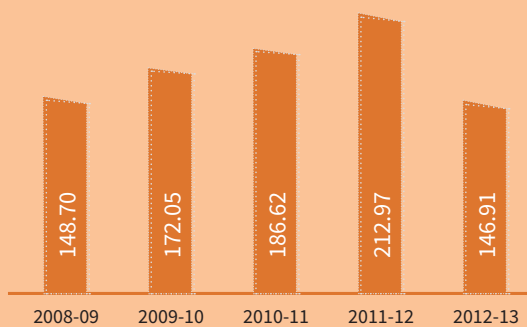
**“H**aving a diversified customer base with over 150 export customers and 500 domestic customers, consistent supply of raw material is critical. DFPCL has always stood by us for timely delivery. They respond quickly and they are genuinely interested in serving their customers.”

# Financial Snapshot

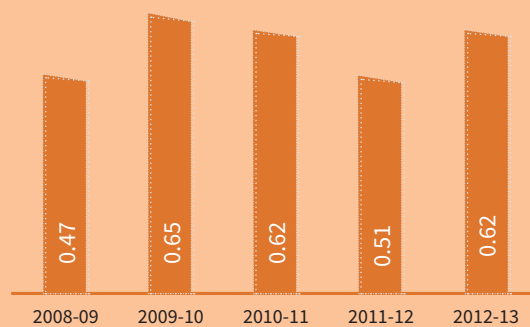




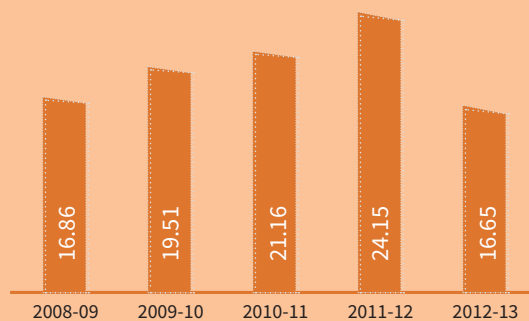
### NET PROFIT (₹ Crores)



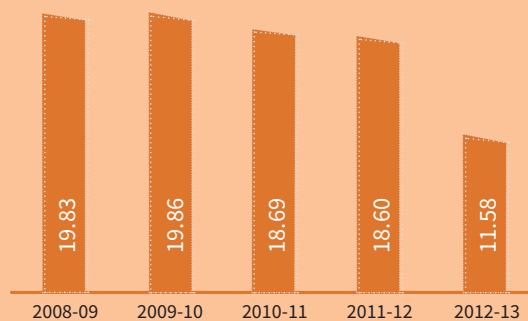
### LONG TERM DEBT-EQUITY RATIO (Figures in times)



### EARNINGS PER SHARE (₹)



### RETURN ON NET WORTH (%)



## Message from the Chairman & Managing Director



**S. C. Mehta**

Chairman & Managing Director



IT WAS CLEARLY THE CUSTOMER BONDS BUILT  
OVER DECADES THAT HELPED US WITHSTAND  
THE STRONG HEADWINDS



# When the going gets tough...

Last year turned out to be very challenging from multiple perspectives.

Global raw material prices zoomed to unprecedented levels, Natural Gas supplies from the KG-Basin nose-dived to unexpected lows; there was a severe drought situation and an overall global and domestic economic downturn... all happening in the same year. These events shook up even your Company despite its complementary portfolio.

And yet an 11% increase in the top line firmly proved:

- the solid fundamentals of your Company's business
- its strong and resilient customer bonds

It was clearly the customer bonds built over decades that helped us withstand the strong headwinds. Thus the theme of this year's Annual Report – Customer Centricity.

## ...let the tough get going.

Last year's challenges made us further introspect and ponder on our value propositions to our customers in each of our sectors. Do we provide intrinsic value both in the short and long term? How do we combine products along with services to improved product efficacy? What uniqueness can we bring to our supply chain management? How can we provide financial help to customers? Such questions become everyday topics for heated debate and action.

Last year's challenges have left us stronger with renewed energy and commitment to serve our customers even more diligently.

As the new financial year dawned, it has brought a range of new opportunities emerging out of the domestic and global emerging scenario.

- The Chemical business has picked up new growth opportunities based on feed stocks other than gas such as propylene
- The TAN business is moving into downstream services and growth opportunities in the Mining sector
- The Fertiliser sector is broad basing its offering along with inroads into the high value agriculture space
- And above all, the USA Shale Gas opportunities are opening up unique prospects that strengthens and reassure us on our raw material

As the world gets more and more competitive in every product offering, every product will get commoditised with price being the sole relationship criteria with its customer.

The game changers will be the ones:

- Who can focus on the intrinsic customer needs to help differentiate and segment the market
- Who can bundle unique services with products to provide overall a better value proposition
- Who can synergise the supply-chain to maximise convenience and timeliness
- Whose end-to-end management bandwidth is focused on the customer needs

Going forward, those who will survive and thrive will be those who remain steadfastly **Customer Centric!**

Warm Regards,



**S. C. Mehta**

Chairman & Managing Director

# Management Discussion and Analysis



Banana Packhouse

ON THE DOMESTIC FRONT, THE MONSOON IS EXPECTED TO BE FAVOURABLE AFTER TWO YEARS OF DROUGHT. ALL INDICATIONS ARE THAT THE DOMESTIC MINING SECTOR EXCEPT FOR IRON ORE IS NOW IN A RECOVERY MODE. WITH INFLATION MODERATING, MONETARY PRESSURE IS ALSO EASING. DESPITE THE UNEVEN PACE OF REFORMS BEING A CAUSE OF CONCERN, THE INVESTMENT CLIMATE IS TURNING MILDLY POSITIVE. ALL THESE AUGUR WELL FOR THE SECTORS YOUR COMPANY OPERATES IN.

## THE BUSINESS ENVIRONMENT

The year 2012-13 saw a challenging business environment in the sectors your Company operates in. The global economy is yet to show firm conclusive signs of recovery with the US economy still uncertain and the EU zone is struggling with its own difficulties. The monetary restraints undertaken by emerging markets economies in previous years did ease, though new corporate investment and consumer spending remained subdued.

Trade flows to the EU zone did not grow as expected leading to a pressure on exports for the emerging market nations. China's growth showed the first signs of relative slowdown, impacting global growth as well. At a sectoral level, ammonia demand outstripped supply. Overall, all these developments led to pressures in some of the sectors that your Company operates in.

The Indian scenario too was challenging. The Indian rupee continued to remain weak. Reserve Bank of India's tight monetary policy continued for a large part of 2012-13 and though inflation moderated, global supply side constraints in key raw materials that your Company requires continued to pose problems. Two consecutive years of drought hit the Indian fertiliser industry hard negatively impacting sales volume of fertiliser, a key product of your Company. The Government delayed fertiliser subsidy payments which had its own negative impact on the fertiliser industry's cash flows. India's mining sector too maintained an uneven tempo where coal sector growth was not matched by other mining segments and the overall growth in the country's mining sector stood at a negative 1.9 percent. Cost pressures in raw materials like ammonia and sluggish demand also put pressure on both growth and profitability of Technical Ammonium Nitrate (TAN), another key product of your Company.

The year 2013-14, however, is expected to be promising. The shale gas finds in the USA have already begun transformation in the ammonia derivatives space that your Company operates in. New investment in downstream products from natural gas are fast lining up in the North American markets and the medium-to-long term outlook for ammonia is likely to turn positive in the next two-to-three years with considerably improved availability and price stability.

On the domestic front, the monsoon is expected to be favourable after two years of drought. All indications are that the domestic mining sector except for iron ore is now in a recovery mode. With inflation moderating, monetary pressure

is also easing. Despite the uneven pace of reforms being a cause of concern, the investment climate is turning mildly positive. All these augur well for the sectors your Company operates in.

### THE SCENARIO FOR DFPCL

The year under review saw a tough economic scenario. Your Company maintained its topline and market share in a year that saw drought and unusually high ammonia prices. Its strong customer-centric approach and loyal customer relationships saw it through tough times with commendable resilience. Its ability to derive scale advantages, its proximity to customers, distribution strengths, product quality and technical services saw it gain market share in key products like Iso Propyl Alcohol and Technical Ammonium Nitrate and retain market share in Nitric Acid, under tough operating conditions. Its strong fertiliser brand, Mahadhan Mahapower 24:24:0 also saw marginal growth in a year where most of its competitors saw severe volume pressures.

### RAW MATERIALS

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

The natural gas scenario in India today continues to remain somewhat

uncertain. Though potential for the KG Basin remains high, the gas extraction levels are far from optimal. Policy and pricing uncertainties remain.

But the easing of global gas scenario with the new shale gas finds in the USA should be a game changer for the industry. This has the potential to positively impact the global fertiliser sector, including India, by way of reasonably priced ammonia in the medium term. The huge gas finds in East African countries also offer opportunities to benefit India since these are in its freight-economic zone. Your Company is studying these developments closely and will seek out optimal ways to gain from these emerging prospects.

Globally, ammonia shortages driven by lower gas output in Trinidad and the delayed commissioning of new capacities in the Middle East and Algeria saw prices rise abnormally through the first ten months of the financial year under review. However, with the Middle East capacities coming online around February 2013 and Algerian capacities expected to come online around second half of 2013, the situation is expected to ease somewhat. The lower demand for bulk fertilisers from major importers like India and China also saw some easing of ammonia prices and greater volume availability during February and March 2013.

While your Company has firm quantity contracts for Ammonia with a leading global player, domestic availability of ammonia also remains strong. With supply side constraints easing considerably and prices turning reasonably favourable, your Company is now poised to fully exploit its supply chain assets, including its well-connected tankages at JNPT and Taloja. These provide flexibility for both global or domestic sourcing efficiently as per market conditions.

In line with falling global DAP prices, Phosphoric acid prices are also expected to soften in 2013-14. Your Company is confident of being able to manage the procurement of phos acid efficiently.

Your Company's long-term contract with BPCL for propylene, apart from alternative sources available domestically, gives it a strong edge as the leading player in the Iso Propyl Alcohol market. Demand for the product remains strong and with your Company's domestic scale and marketing skills, the product should be a strong driver for future growth of the business.

### AGRI-BUSINESS

Your Company operates in sectors that closely impact people's lives. In the agri-sector, it operates in critical markets for foodgrains and cash crops and connects directly with the Indian farmer. Its fruits and vegetables output management business touches the Indian and global consumer directly. Thus, despite the drought and the consequent pressure on the domestic fertiliser industry, the overall prospects remain favourable. Food demand is growing and diversifying beyond staples like rice and wheat. Demand for world-class produce in fruits and vegetables is growing. The growth of supply chains for retail within India will also create opportunities in fresh produce marketing. Demand conditions in cash crops like cotton and sugarcane too remain favourable and show promise of growth.

Farmer Training Programme





Straddling synergies from the nutrient/ input business right across the output space, the agri-business remains an attractive focus area for future growth of your Company. At one level it is augmenting fertiliser capacity with work in progress for a new 6,00,000 MT NPK Plant at Taloja and a new 30,000 MT Bentonite Sulphur Plant in the North. At another level it is climbing the value chain of outputs like quality fruits and vegetables. Supporting both ends would be a stronger brand and distribution network.

Though the Central Government's nutrient based subsidy policy has created healthy competition for all fertiliser manufacturers across India, your Company is ideally placed to grow its market share. It has a carefully chosen basket of fertiliser inputs, from its unique nitrate-delivery product Mahadhan 24:24:0, to its strong portfolio of water soluble and other speciality fertilisers. Its ability to manage its supply chain through the import of other bulk fertilisers is also proven.

Your Company's emerging business model will exploit opportunities at each level of the food value chain from farm nutrient inputs, to services and fresh produce management. This integrated value chain will remain the critical differentiator that should spell success in the Indian market.

Last-mile connectivity to farmers is being enhanced with its 17 Saarthie Centres and strong relationships with nearly 10,000 farmers through its services model and its fresh fruits and vegetables business. The services and output management model enhances brand loyalty for your Company's fertiliser products. The policy of creating effective mechanisms to deliver vital nutrient inputs coupled with services and advice has proven to increase farm yields and profitability, enhancing credibility and net back earning of the farmers.

### TECHNICAL AMMONIUM NITRATE (TAN)

This business of your Company is vital to the Indian economy. TAN remains the blasting agent of choice globally and therefore it is among the most critical inputs into mines (including coal, iron ore, limestone, etc.) and infrastructure including construction and cement. Your Company's long term business outlook for TAN remains strong with both demand drivers and capacities in place, with a potential to serve close to 70% of the market share of total consumption in the country today. Your Company is strongly poised to exploit the emerging opportunities in the Indian and global mining and construction industry through its scale as a major producer of TAN. The outlook for the global mining and construction industry continues to be promising with SE Asia, Africa and Australia, all natural markets for India, continuing to show growth in the mining and construction sectors. Besides meeting the growing domestic demand, export is also being targeted as a key focus area.

India's mining industry, despite low to negative growth in 2012-13, is still promising a medium-to-long term growth of 7-8%, which in turn creates opportunities for similar growth rates for TAN.

Domestic regulations for TAN, notified by the Government as Ammonium

Nitrate Rules, 2012, shall come into force from January, 2014 and your Company is ready with its processes to comply.

Your Company has the vision to become the most preferred supplier of TAN and its downstream products and services, both in India and abroad. In order to achieve this, it will emphasise customer focus and will exploit every possible aspect of the value chain in the explosives industry. Your Company is also exploring improved service to customers by way of Bulk Mixing Device trucks in the domestic market. It is moving to acquire the necessary skills and know-how required to complete the value chain and enable the derivation of comprehensive value in the explosives sector from the TAN business. Improved logistics management systems and processes have also been put into place. To provide a just-in-time product, your Company has augmented its distribution chain with warehouses close to the customer, which gives a proximity advantage.

Your Company, through its subsidiary Deepak Mining Services Pvt. Ltd., has entered into a JV, namely, RungePincockMinarco India Private Limited, with an Australia based renowned global mining consultancy provider, RungePincockMinarco Limited which will enable it augment mine services and consulting services and capture a part of the mining value chain.

### Control Room for TAN plant & facilities operations



## INDUSTRIAL CHEMICALS

Your Company's industrial chemicals products too have a direct impact on the Indian consumers' lives. While Iso Propyl Alcohol is among the most critical ingredients to pharmaceutical formulations, cosmetics, dyes and printing inks, Carbon Dioxide is a key component of soft drinks and dry ice. Nitric Acid is crucial to the nitro-aromatics sector, used in the manufacture of drugs like Paracetamol and Vitamin B6. Nitric Acid also finds application in the textile industry to produce coloured fabrics and CNA is used mainly for production of TDI (Toluene Di Isocyanate) which is used to produce polyurethane used in shoes and other footwear, as well as automobile and aircraft interiors and insulating foam in refrigerators. With continuing demand for IPA from the strongly growing Indian pharma sector, growth estimates for the product continue to be robust and market growth is expected to remain in 6% range for 2013-14. In order to augment its market share, your Company has started importing IPA beyond its own manufacturing. Capacity growth in this product is being closely examined, given the promise for the future.

The sales of Nitric Acid, a basic commodity chemical, with widespread use across several sectors, faced some challenges due to sluggish downstream growth in the export segments of nitro-aromatics and dyestuffs largely due to the Euro zone crisis. Your Company enjoys a strong scale advantage as Asia's largest single-location manufacturer of Dilute Nitric Acid (DNA). Its customer relationships and its domestic geographical advantages are proving to be key strengths.

The food-grade CO<sub>2</sub> product continues to enjoy strong customer loyalty and growth. Its product quality is world-class and with growing demand this could be a product that will derive steady growth and satisfactory margins in the years to come.

TOTAL REVENUE FOR FY 13 STOOD AT ₹ 2,606.46 CRORES AGAINST ₹ 2,342.53 CRORES IN FY 12, AN INCREASE OF 11%. SALES FOR THE AGRI-BUSINESS GREW 2% TO ₹ 993.48 CRORES IN FY 13 FROM ₹ 969.50 CRORES IN FY 12 WHILE SALES FOR THE CHEMICALS BUSINESS GREW 18% TO ₹ 1,688.53 CRORES IN FY 13 FROM ₹ 1,430.49 CRORES IN FY 12.

Methanol continues to remain an opportunistic product in a market dominated by imports. Given the market conditions, this product is unlikely to be a focus area for the future.

## VALUE ADDED REAL ESTATE

The shopping-centre / mall business in India continues to be a challenge. Despite emerging competition and oversupply in the market, your Company's mall, Ishanya, continues to enjoy brand loyalty in the home and interiors segment. This segment remains a focus area for Ishanya's growth although a concerted approach to value enhancement through the addition of inter-related categories like food, entertainment, accessories and contiguous fashion is being actively pursued.

Despite the fears of economic slowdown, the home furnishings sector has registered more or less steady growth, with organised retail players consolidating their operations during the last year. There is a concerted effort by them to offer more value to the customers and more emphasis is being placed on differentiation by design, offering and experience.

Ishanya is keenly exploring the possibility of enabling a differentiated brand-led home and interior retail model as part of the business improvement strategies.

## DETAILED FINANCIAL AND OPERATIONAL ANALYSIS

### Financial Analysis

During the Financial Year 2012-13 (FY 13), your Company showed a marginal growth of 2% in its revenue from fertiliser segment, despite a tough environment and good growth in TAN and IPA. Volumes of other products like Nitric Acid remained steady though market conditions were tough.

Total Revenue for FY 13 stood at ₹ 2,606.46 Crores against ₹ 2,342.53 Crores in FY 12, an increase of 11%. Sales for the agri-business grew 2% to ₹ 993.48 Crores in FY 13 from ₹ 969.50 Crores in FY 12 while sales for the chemicals business grew 18% to ₹ 1,688.53 Crores in FY 13 from ₹ 1,430.49 Crores in FY 12.

Profit Before Tax stood at ₹ 200.58 Crores in FY 13 against ₹ 290.06 Crores in FY 12, while Net Profit stood at ₹ 146.91 Crores in FY 13 against ₹ 212.97 Crores in FY 12. Against FY 12, about ₹ 65 Crores erosion was contributed by unprecedented ammonia price hike and about ₹ 24 Crores by way of reduced methanol production with unviable LNG prices.

Higher ammonia prices and weak demand conditions in both fertilisers and TAN impacted profitability adversely. Earnings Per Share stood at ₹ 16.65 compared to ₹ 24.15 in the previous year. Your Company continues to remain financially sound. The average debt cost stood at 8.06% for FY 13 against 9% for FY 12. During FY 13, long term debt stood at ₹ 714.15



Agronomist monitoring the crop

Crores against ₹ 509.84 Crores in FY 12. The debt-equity ratio stood at 0.62 as compared to 0.51 in the previous year. The current ratio (excluding short term borrowings) was 2.82 in FY 13 as against 2.12 in FY 12.

During the year under review, your Company mobilised ₹ 350 Crores through private placement of Secured Non-Convertible Debentures for General Corporate Purpose (including long term working capital). The instrument carries AA rating from CRISIL.

#### Operational Analysis

As compared to 0.64 MMSM<sup>3</sup> per day of Natural Gas (NG) during FY 12, your Company received 0.52 MMSM<sup>3</sup> per day of NG during the year under review on an average.

Ammonia requirements were met through both in-house manufacture and outsourcing. Production of Ammonia increased during FY 13 to 1,15,606 MT from 1,14,684 MT in FY 12. Your Company outsourced 80,478 MT of Ammonia from the market against 83,800 MT in FY 12.

#### PRODUCT-WISE BUSINESS REVIEW

Production volumes grew across TAN and Nitro Phosphate fertilisers (NP) for the year under review. Capacity utilisation in IPA has now been maximised.

##### Fertiliser/Agri-Sector

The total fertiliser sales volume for FY 13 was 3,66,775 MT against 3,95,495 MT in FY 12. This must be considered in the background of an industry in which complex fertilisers other than DAP declined by 33.4% while DAP declined by 15.4%.

Production volumes of Nitro-Phosphate Fertiliser (NP) rose to 1,78,503 MT in FY 13 from 1,77,908 MT in FY 12 with steady availability of phos acid. The Company's 24:24:0 grade of NP introduced during the second half of FY 11 remains a strong performer and its nitrate content with its direct application into the soil remains a unique property. Production volumes of Bentonite Sulphur stood at 10,336 MT in FY 13 against 13,036 MT in FY 12. The product, given the inadequacy of

sulphur in Indian soil, has good promise for growth in the future. Your Company's performance in speciality fertilisers remains strong.

Your Company has successfully expanded its business into States like Punjab and Haryana, in addition to the traditional markets of Maharashtra, Gujarat, Karnataka and Goa.

#### INDUSTRIAL CHEMICALS

The total revenue for the chemical segment increased to ₹ 1,688.53 Crores in FY 13 against ₹ 1,430.49 Crores in FY 12 registering a growth of 18%.

##### Technical Ammonium Nitrate (TAN)

Your Company's TAN business continued to show positive growth despite market constraints. Overall sales volumes for TAN stood at 2,33,337 MT in FY 13 against 2,02,717 MT in FY 12, a growth of 15%. Your Company, along with its subsidiary, Smartchem Technologies Ltd., enjoys around 37% market share in the domestic market.

During the year under review, the scenario for this product was quite challenging with the mining industry facing regulatory problems and demand growth for mining products coming under pressure as the Indian economy turned sluggish. However, growth prospects for the TAN business continue to remain strong both in India and globally as coal mining for power and limestone mining for the cement/ infrastructure sector will continue to be fundamental for any economic growth.

##### Methanol

Methanol markets saw considerable price volatility and your Company's Methanol production during FY 13 remained constrained owing to market conditions as also in view of high gas prices. Production volumes for FY 13 stood at 13,431 MT against 63,733 MT in FY 12.

## Production

| Product                    | Quantity (MT) |          |
|----------------------------|---------------|----------|
|                            | FY 13         | FY 12    |
| Ammonia                    | 1,15,606      | 1,14,684 |
| Methanol                   | 13,431        | 63,733   |
| Iso Propyl Alcohol         | 70,327        | 71,075   |
| Propane                    | 13,233        | 14,962   |
| Dilute Nitric Acid         | 3,75,506      | 3,79,431 |
| Concentrated Nitric Acid   | 65,016        | 76,257   |
| Technical Ammonium Nitrate | 2,27,955      | 2,08,718 |
| Nitro Phosphate Fertiliser | 1,78,503      | 1,77,908 |
| Bentonite Sulphur          | 10,336        | 13,036   |
| Liquid Carbon Dioxide      | 30,208        | 31,398   |

## Sales

| Product                    | Quantity (MT) |             |
|----------------------------|---------------|-------------|
|                            | FY 13         | FY 12       |
| Methanol                   | 14,933        | 62,226      |
| Iso Propyl Alcohol         | 67,904        | 71,016      |
| Propane                    | 13,228        | 14,962      |
| Dilute Nitric Acid         | 41,556        | 43,014      |
| Concentrated Nitric Acid   | 55,614        | 66,992      |
| Technical Ammonium Nitrate | 2,33,337      | 2,02,717    |
| Bulk Fertiliser            | 3,55,954      | 3,85,355    |
| Bentonite Sulphur          | 10,821        | 10,140      |
| Liquid Carbon Dioxide      | 30,125        | 31,493      |
| Windmill Power (KWH)       | 1,83,14,044   | 1,60,17,615 |

## Iso-Propyl Alcohol

During the year, your Company continued its good production and sales levels for this product. The total production of IPA was 70,327 MT in FY 13 compared to 71,075 MT in FY 12. During the year, the sales volume dropped to 67,904 MT against 71,016 MT in FY 12 due to lower production in 2<sup>nd</sup> and 3<sup>rd</sup> quarter.

## Acids

Production of DNA which is largely captively consumed was recorded at 3,75,506 MT in FY 13 against 3,79,431

MT in FY 12. The total sales volume of Nitric Acid of different grades stood at 1,18,675 MT against 1,31,083 MT in FY 12. Your Company's market share of Nitric Acid put together is about 40% in the Indian market.

Liquid CO<sub>2</sub>

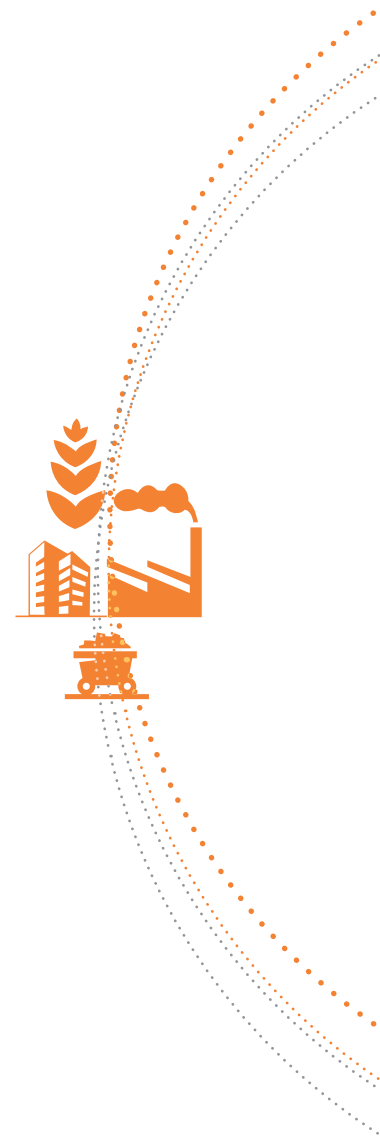
Demand for liquid CO<sub>2</sub> product, a by-product of Ammonia, continues to be strong. Total sales volume stood at 30,125 MT in FY 13 against 31,493 MT in FY 12.

## VALUE ADDED REAL ESTATE

Total revenues from this segment stood at ₹ 2.62 Crores in FY 13 against ₹ 6.80 Crores in FY 12. This segment of your Company's business is now in a turnaround phase. Efforts to maximise customer acquisition are in full swing.

## INTERNAL CONTROLS

Your Company's systems and processes are backed by a strong internal audit system ensuring effective internal controls. The internal audit reports are regularly reviewed by the management



as also by the Audit Committee of your Company.

As a continuous process, the Company reviews all its systems and processes and updates them keeping in line the dynamic nature of the business environment. Your Company's SAP based systems provide strong control and decision-making tools.

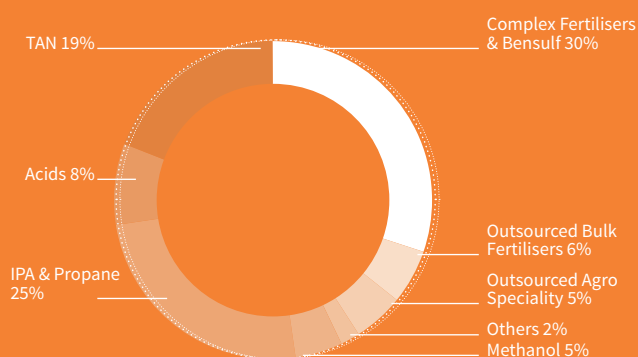
To further strengthen its risk management practices, your Company is in the process of adopting the best global practices for risk identification and mitigation.

### FUTURE GROWTH

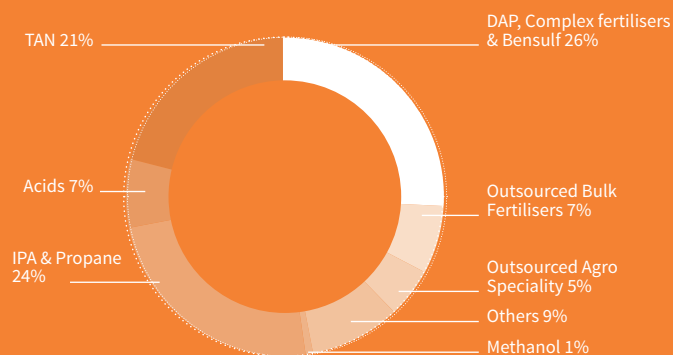
Your Company remains committed to growth and augmenting the shareholder value. It will continue to seek ways to

enhance market share and profitability through its product quality and service, brands, distribution network and relationships. New avenues for growth are being continually explored both in the fertilisers and chemicals space. Your Company has a track record of having continuously paid dividend for the last 16 years. Your Company remains committed to the highest standards of ethics and transparent financial management.

### THE REVENUE MIX FROM VARIOUS PRODUCTS FY 2011 - 12



### THE REVENUE MIX FROM VARIOUS PRODUCTS FY 2012-13



### CAUTIONARY STATEMENT

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



# Corporate Social Responsibility

FOR OVER THREE DECADES, AS A SOCIALLY RESPONSIBLE AND SENSITIVE CORPORATE YOUR COMPANY CONTINUES TO REMAIN COMMITTED TO SOCIAL THOUGHT AND ACTION TO SERVE SOCIETY THROUGH THE ISHANYA FOUNDATION (PUNE AND TALOJA) AND THE DEEPAK FOUNDATION (VADODARA). CONSTANTLY ENDEAVOURING TO CREATE SELF SUFFICIENT AND SELF RELIANT COMMUNITIES.

## ISHANYA FOUNDATION

The mission of Ishanya Foundation is to enhance security of livelihood and secondary sources of income for women, youth and marginal farmers.

### Job Oriented Vocational Skills Development Programme

During the year 2012-13, 15 livelihood enhancement programmes were conducted, including 5 new courses namely Home Assistants, IT, Diploma in IT, Craft Teachers Course and Tailoring. Out of 321 aspirants, who attended these programmes, 119 got placed in jobs, 71 are nearing training completion and the remaining are self employed. They are earning an average income of ₹ 5,000 to ₹ 7,000 per month.

### Cow Breeding and Fodder Management

44 cows (Holstein Friesian) with calves and mineral mixture were donated to marginal farmers' families, during the year 2012-13. Training to manage the cows and their health & hygiene and calves breeding was also provided, resulting in an average income of ₹ 3,500 per month by sale of milk and an average income of ₹ 500 per month by sale of cow dung. Medical check-ups are regularly provided.

### Horticulture

Ishanya Foundation has adopted the "Wadi Model" developed by BAIF. The beneficiaries - 62 women from marginal farmers' families, have been given 60 saplings of "Kesar" variety of Mango and 50 saplings of Drumsticks each. They have also been provided with inter crop seeds of vegetables.

The inter crop vegetables – Bitter Gourd, Bottle Gourd, Summer Cucumber, Cluster Beans and Eggplants have been already harvested and sold by them in the local market earning them an average income of ₹ 8,000 per month.

### Yellow Ribbon NGO Fair

The fifth year of the Yellow Ribbon NGO Fair with the theme "Ecology to Economy" was organised from 26<sup>th</sup> to 29<sup>th</sup> October, 2012 and supported by NABARD. The Fair witnessed participation by 120 NGOs / SHGs from across Maharashtra, Jharkhand, Goa, Gujarat and Karnataka.



Home Assistant Course in  
Progress at Ishanya Foundation

The Fair provides a platform to the NGOs/ SHGs to showcase and sell their products made as part of their income generation programme.

#### **Income Generation Programme - Gifting Articles (IGP)**

The IGP programme by Ishanya Foundation is now sustainable in which 8 groups consisting of approx. 10 persons in each group were formed. The programme for up-gradation of existing skills in gifting articles was conducted by Anjuman Polytechnic. The gifting articles are now customised. They are earning an income of ₹ 3,000 to ₹ 4,000 per month.

#### **Muskaan Project - A Unique Initiative**

Muskaan: Store-on-Wheels, an innovative project was launched last year to help women earn a secondary source of income. 28 Brand Ambassadors have volunteered to make the project sustainable. The pre-owned garments donated by the Brand Ambassadors are sold at fixed affordable prices. Muskaan Paris, from the economically weaker section, sell these pre-owned garments and get part of the sale proceeds. The Foundation facilitates between Brand Ambassadors and Muskaan Paris. The average income of a Muskaan Pari is close to ₹ 3,000 per month. Around 10,000 underprivileged have benefitted from this project.

#### **Health Initiative Around Talaja**

Three Cataract Detection Camps were conducted in Pale Khurd, Wakadi and Dundre villages, wherein 512 patients were screened. 49 patients were operated for cataract and 69 patients were given spectacles for correction of refraction error. 650 children of Wavanje High School were screened for eye ailments. 62 children were diagnosed with refraction errors, night blindness and other ailments. They were further referred to the LCT

Hospital and tracked till completion of treatment.

#### **Skilling Rural India (SRI)**

SRI is a project, which the Foundation has undertaken in collaboration with Dr. Reddy's Foundation (DRF). The project is funded and monitored by Ishanya Foundation. DRF mobilises aspirants, training them on soft skills training and referring them to the employers and arrange on-the-job training 99 young girls and boys have completed training and are employed at various organisations. They are earning an average income of ₹ 5,000 to ₹ 8,000 per month and a few are earning in the range of ₹ 9,000 to ₹ 12,000 per month.

#### **DEEPAK FOUNDATION**

Deepak Foundation continues to ensure the promotion of women empowerment, livelihood generation and providing quality healthcare services among the most marginalised groups of the society. The Public Health Training Institute of Deepak Foundation has taken strides with a motto of capacity building among healthcare providers.

#### **Apna Kisan Malls**

With the motto of supplying good quality seeds, pesticides and other agricultural input to poor tribal farmers at reasonable price, Deepak Foundation initiated "Apna Kisan Malls" in three blocks of Vadodara, viz., Naswadi, Pavijetpur and Kawant in which nearly 1,500 farmers have been enrolled. It has benefitted farmers and helped in increasing production with minimal investment.

#### **Mobile Medical Unit**

The Foundation started a Mobile Medical Unit in Kawant block of Vadodara District, in partnership with NRHM, Gujarat. The Mobile Medical Unit visits 40 villages in



**Navdekar family ready for the sale of Cucumber in the market**

Kawant, where health facilities are scarce and provides essential healthcare and referral services.

#### **Public Health Training Institute**

Public Health Training Institute of Deepak Foundation, along with the Department of Health and Family Welfare, Government of Gujarat, undertook a phased training on Modules 6 & 7 to ASHAs in three blocks of Vadodara district which aimed at strengthening ASHA's role in villages as 'Healthcare Provider at Grass-root Level'. The modules aim at reducing maternal and early infant mortality through home based new born care.

Your Company has and will continue to reach out to the society and be an active channel of change to the economically weaker sections of the society, by developing and sustaining programmes for the betterment of the quality of their lives.

# Notice

NOTICE is hereby given that the Thirty Third Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Thursday, 8<sup>th</sup> August, 2013 at 11.30 a.m. at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune – 411 007 to transact the following business:

## ■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the Financial Year ended 31<sup>st</sup> March, 2013 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the Financial Year ended 31<sup>st</sup> March, 2013.
3. To appoint a Director in place of Shri R. A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D. Basu, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri U. P. Jhaveri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

## ■ SPECIAL BUSINESS

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

“RESOLVED THAT Shri Partha Bhattacharyya, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company”.

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby approves the appointment of Shri Partha Bhattacharyya as the Whole-Time Director of the Company and designates him as an Executive Director for a period of five years with effect from 31<sup>st</sup> October, 2012 on the terms and conditions including remuneration as set out in the Explanatory Statement and the Agreement entered into between the Company and Shri Partha Bhattacharyya, a copy whereof is placed before this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms and conditions of the said appointment including remuneration, so long as it does not exceed the limits specified under Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”.

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby approves the re-appointment of Shri S. C. Mehta as the Chairman & Managing Director of the Company for a further period of five years with effect from 1<sup>st</sup> August, 2013 on the terms and conditions including remuneration as set out in the Explanatory Statement and draft of the Agreement to be entered into between the Company and Shri S. C. Mehta, a copy whereof is placed before this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms and conditions of the said re-appointment including remuneration, so long as it does not exceed the limits specified under Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”.

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

“RESOLVED THAT pursuant to Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby approves the payment of remuneration to Directors who are neither in the Whole-Time employment of the Company nor a Managing Director (“Non Whole-Time Directors”) of the Company by way of commission, for a period of five years commencing with Financial Year 2013-14, not exceeding 1% of net profits of the Company as determined in accordance with the provisions of Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of commission to the Non Whole-Time Directors within the aforesaid limit.

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

Dated 30<sup>th</sup> May, 2013

Registered Office:

Opp. Golf Course, Shastri Nagar,

Yerawada, Pune - 411 006.

By Order of the Board of Directors,

R. SRIRAMAN

Executive Vice-President (Legal) &

Company Secretary

## ■ NOTES

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (2) The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 29<sup>th</sup> July, 2013 to Thursday, 8<sup>th</sup> August, 2013 (both days inclusive).
- (3) The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 8<sup>th</sup> August, 2013, being the date of the Annual General Meeting of the Company.

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

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

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

- (5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.
- (6) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
- (7) Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956, 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 as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund. Please visit Company’s website: [www.dfpcl.com](http://www.dfpcl.com) for details.
- (8) Members are requested to note that pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, brief particulars including shareholding of the Directors proposed to be appointed / re-appointed is given below and forms part of the Notice.

## ANNEXURE TO THE NOTICE

### Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

#### Item No. 7

Shri Partha Bhattacharyya was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 31<sup>st</sup> October, 2012. In terms of Section 260 of the Companies Act, 1956, Shri Partha Bhattacharyya holds office up to the date of the Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing Shri Partha Bhattacharyya as a candidate for the office of Director.

Shri Partha Bhattacharyya is an M. Sc. (Physics) from Jadavpur University and has completed the Programme on Investment Appraisal and Management from the Harvard University and Advanced Management Programme from Cambridge University. He is a Fellow of the Indian Institute of Cost and Management Accountants. He was recognised by Forbes Magazine as “High Achiever of the year 2010” and is the recipient of a number of awards from the Govt. of India. He is a Fellow of the World Academy of Productivity Sciences and has also won the CEPMPMA Honorary Fellowship Award. Shri Partha Bhattacharyya is Former Chairman and Managing Director of Coal India Limited, a Maharatna Company of Govt. of India.

The Board of Directors is of the view that the services of Shri Partha Bhattacharyya will be of immense value to the Company. Your Directors, therefore, recommend his appointment as Director of the Company.

None of the Directors is in any way concerned or interested in the above appointment except Shri Partha Bhattacharyya.



**Item No. 8**

The Board of Directors has approved, subject to approval of Members, appointment of Shri Partha Bhattacharyya as the Whole-Time Director of the Company and designated him as an Executive Director for a period of five years with effect from 31<sup>st</sup> October, 2012 on the following terms and conditions:

**(a) Salary**

₹ 6,00,000 (Rupees Six Lacs Only) per month.

**(b) Commission**

Commission at such percentage of net profits of the Company computed in the manner laid down under Section 309 of the Companies Act, 1956 or such amount, as the Board of Directors may determine.

**(c) Special Allowances (Choice Pay)**

₹ 11,00,000 (Rupees Eleven Lacs Only) per month.

**(d) Perquisites / Allowances**

In addition to salary, commission and special allowance as stated above, Shri Partha Bhattacharyya shall be entitled to the following perquisites / allowances:

- (i) Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Shri Partha Bhattacharyya shall be paid house rent allowance as may be decided by the Board of Directors.
- (ii) Re-imbursement of all medical expenses incurred for self and members of his family, as per the rules of the Company.
- (iii) Fees of club for one corporate club membership in Pune.
- (iv) Medical Insurance, as per the rules of the Company.
- (v) Personal Accident Insurance, as per the rules of the Company.
- (vi) Use of telephone / mobile / telefax / internet and other suitable communication facilities at the residence. The personal long distance calls on telephone shall be billed by the Company to Shri Partha Bhattacharyya.
- (vii) The Company shall provide a car with chauffeur, for official use. The expenditure on use of car for private purposes shall be billed by the Company to Shri Partha Bhattacharyya.

Explanation: For the above purpose, perquisites / allowances shall be valued as per the Income Tax Rules, wherever applicable.

(viii) Company's Contribution to provident fund, gratuity and encashment of leave, as per the rules of the Company.

(ix) Retirement and other benefits, as per the rules of the Company.

(e) The Board of Directors shall have the authority to alter or vary the terms of appointment and remuneration including commission and perquisites / allowances payable to Shri Partha Bhattacharyya within the overall limits specified under Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956.

(f) In absence or inadequacy of profits, the salary mentioned in paragraph (a) & (c) and perquisites / allowances in (d) above shall be the minimum remuneration payable to Shri Partha Bhattacharyya, subject to applicable provisions of the Companies Act, 1956.

Shri Partha Bhattacharyya shall not be liable to retire by rotation as Director of the Company.

The approval of members is, therefore, sought to the appointment of and remuneration payable to Shri Partha Bhattacharyya.

None of the Directors is in any way concerned or interested in the above appointment except Shri Partha Bhattacharyya.

The above may also be treated as an abstract as required under Section 302 of the Companies Act, 1956.

A copy of the Agreement entered into by the Company with Shri Partha Bhattacharyya is open for inspection by members at the Registered Office between 10.30 a.m. and 01.00 p.m. on all working days of the Company up to and including the day of the Meeting.

**Item No. 9**

The present term of Shri S. C. Mehta, Chairman & Managing Director of the Company, shall be expiring on 31<sup>st</sup> July, 2013. The Board of Directors has approved, subject to approval of Members, re-appointment of Shri S. C. Mehta as the Chairman & Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> August, 2013 on the following terms and conditions:

**(a) Salary**

₹ 12,00,000 (Rupees Twelve Lacs Only) per month in the grade of ₹ 12,00,000 - ₹ 18,00,000.

**(b) Commission**

Commission at such percentage of net profits of the Company computed in the manner laid down under Section 309 of the Companies Act, 1956 or such amount, as the Board of Directors may determine.

**(c) Perquisites / Allowances**

In addition to salary and commission as stated above, Shri S. C. Mehta shall be entitled to the following perquisites / allowances:

- i) Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Shri S. C. Mehta shall be paid house rent allowance as may be decided by the Board of Directors.
- ii) Re-imbursement of gas, electricity, water charges and furnishings.
- iii) Re-imbursement of medical expenses incurred for self and members of his family, as per the rules of the Company.
- iv) Leave travel concession for self and members of his family, as per the rules of the Company.
- v) Fees of clubs subject to maximum of two clubs.
- vi) Medical Insurance, as per the rules of the Company.
- vii) Personal Accident Insurance, as per the rules of the Company.
- viii) Provision of car and telephone at residence.

Explanation: For the above purpose, perquisites / allowances shall be valued as per the Income Tax Rules, wherever applicable.

- ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of the Company.
  - x) Retirement and other benefits, as per the rules of the Company.
- (d) The Board of Directors shall have the authority to alter or vary the terms of re-appointment and remuneration including commission and perquisites / allowances payable to Shri S. C. Mehta within the overall limits specified under Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956.
- (e) In the absence or inadequacy of profits, the salary mentioned in paragraph (a) and perquisites / allowances in (c) above shall be the minimum remuneration payable to Shri S. C. Mehta, subject to applicable provisions of the Companies Act, 1956.

Shri S. C. Mehta shall not be liable to retire by rotation as Director of the Company.

The approval of members is, therefore, sought to the re-appointment of and remuneration payable to Shri S. C. Mehta.

None of the Directors is in any way concerned or interested in the above re-appointment except Shri S. C. Mehta and Smt. Parul S. Mehta, being wife of Shri S. C. Mehta.

The above may also be treated as an abstract as required under Section 302 of the Companies Act, 1956.

A draft of the Agreement proposed to be entered into by the Company with Shri S. C. Mehta is open for inspection by members at the Registered Office between 10.30 a.m. and 01.00 p.m. on all working days of the Company up to and including the day of the Meeting.

**Item No. 10**

The members had approved, pursuant to a resolution passed at the 28<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2008, payment of remuneration by way of commission to Non Whole-Time Directors of the Company, for a period of five years commencing with Financial Year 2008-09, not exceeding 1% of net profits of the Company as determined in accordance with the provisions of Section 198 read with Sections 349 and 350 of the Companies Act, 1956.

Considering the valuable services being rendered by the Non Whole-Time Directors, the Board of Directors has approved, subject to the approval of members, payment of remuneration by way of commission for a further period of five years commencing with Financial Year 2013-14, not exceeding 1% of net profits of the Company as determined in accordance with the provisions of Section 198 read with Sections 349 and 350 of the Companies Act, 1956.

All Directors except Shri Partha Bhattacharyya, Executive Director of the Company are concerned or interested in the resolution.

Dated 30<sup>th</sup> May, 2013

Registered Office:

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

By Order of the Board of Directors,

R. SRIRAMAN

Executive Vice-President (Legal) &  
Company Secretary

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

(In pursuance of Clause 49 of the Listing Agreement)

- Name of Director:** Shri R. A. Shah; **Age:** 81 Years; **Qualification:** B.A., L.L.B., Solicitor; **Date of Appointment:** 26<sup>th</sup> December, 1979; **Expertise:** Solicitor having rich and vast experience in the field of Corporate Laws and Corporate Governance; **Directorships as on 31<sup>st</sup> March, 2013:** Clariant Chemicals (India) Limited; Godfrey Phillips India Limited; Pfizer Limited; Procter & Gamble Hygiene and Healthcare Limited; Roche Products (India) Private Limited; Colgate-Palmolive (India) Limited; Abbott India Limited; Asian Paints Limited; ACC Limited; The Bombay Dyeing & Manufacturing Company Limited; BASF India Limited; Century Enka Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; Lupin Limited; Wockhardt Limited; Jumbo World Holdings Limited (Foreign Company); Atul Limited; Alternate Directorships – Modi Care Limited; RPG Life Sciences Limited; Schrader Duncan Limited; Uhde India Private Limited; **Chairman / Member of the Audit Committees as on 31<sup>st</sup> March, 2013:** Colgate-Palmolive (India) Limited - Chairman; Pfizer Limited - Chairman; Procter & Gamble Hygiene and Healthcare Limited - Chairman; Clariant Chemicals (India) Limited - Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Abbott India Limited - Member; BASF India Limited - Member; Century Enka Limited - Member; Wockhardt Limited - Member; **Chairman / Member of the Shareholders' / Investors' Grievance Committees as on 31<sup>st</sup> March, 2013:** Nil; **Chairman / Member of the Remuneration Committees as on 31<sup>st</sup> March, 2013:** Deepak Fertilisers And Petrochemicals Corporation Limited - Chairman; Century Enka Limited – Chairman; The Bombay Dyeing & Manufacturing Company Limited - Member; Lupin Limited - Member; **Shareholding in the Company:** 7,900 Equity Shares of ₹ 10 each.
- Name of Director:** Shri D. Basu; **Age:** 77 Years; **Qualification:** M.A.(Economics); **Date of Appointment:** 27<sup>th</sup> July, 2000; **Expertise:** Rich and vast experience in the Banking and Finance sectors; **Directorships as on 31<sup>st</sup> March, 2013:** The Peerless General Finance & Investment Company Limited; Peerless Securities Limited; RAIN CII Carbon (Vizag) Limited; RAIN Commodities Limited; Chambal Fertilisers & Chemicals Limited; Asian Paints Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; SBI Cards & Payment Services Private Limited; **Chairman / Member of the Audit Committees as on 31<sup>st</sup> March, 2013:** Asian Paints Limited - Member; RAIN CII Carbon (Vizag) Limited - Member; RAIN Commodities Limited - Member; **Chairman / Member of the Shareholders' / Investors' Grievance Committees as on 31<sup>st</sup> March, 2013:** Deepak Fertilisers And Petrochemicals Corporation Limited - Chairman; **Chairman / Member of the Remuneration Committees as on 31<sup>st</sup> March, 2013:** Asian Paints Limited - Chairman; RAIN CII Carbon (Vizag) Limited - Member; RAIN Commodities Limited - Member; **Shareholding in the Company:** Nil.

3. **Name of Director:** Shri U. P. Jhaveri; **Age:** 67 Years; **Qualification:** B.E. (Chemical); **Date of Appointment:** 21<sup>st</sup> October, 2004; **Expertise:** Rich and vast experience in project management, plant operation, optimisation, reliability, productivity improvement etc. in large fertiliser and chemical plants; **Directorships as on 31<sup>st</sup> March, 2013:** Deepak Fertilisers And Petrochemicals Corporation Limited; Promantec Consultants Private Limited; Dezigma Solar Private Limited; **Chairman / Member of the Audit Committees as on 31<sup>st</sup> March, 2013:** Nil; **Chairman / Member of the Shareholders' / Investors' Grievance Committees as on 31<sup>st</sup> March, 2013:** Nil; **Chairman / Member of the Remuneration Committees as on 31<sup>st</sup> March, 2013:** Nil; **Shareholding in the Company:** Nil.
4. **Name of Director:** Shri Partha Bhattacharyya; **Age:** 62 Years; **Qualification:** M.Sc. (Physics), FCMA, Programme on Investment Appraisal and Management from Harvard University and Advanced Management Programme from Cambridge University; **Date of Appointment:** 31<sup>st</sup> October, 2012; **Expertise:** Rich and vast experience in strategy, project execution, administration and finance; **Directorships as on 31<sup>st</sup> March, 2013:** Karam Chand Thapar & Bros. (Coal Sales) Limited; Swaymbhu Natural Resources Private Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; RungePincokMinarco India Private Limited; **Chairman / Member of the Audit Committees as on 31<sup>st</sup> March, 2013:** Nil; **Chairman / Member of the Shareholders' / Investors' Grievance Committees as on 31<sup>st</sup> March, 2013:** Deepak Fertilisers And Petrochemicals Corporation Limited - Member; **Chairman / Member of the Remuneration Committees as on 31<sup>st</sup> March, 2013:** Nil; **Shareholding in the Company:** Nil.
5. **Name of Director:** Shri S. C. Mehta; **Age:** 52 years; **Qualification:** B.Com., M.B.A. (USA); **Date of Appointment:** 4<sup>th</sup> September, 1991; **Expertise:** Industrialist with rich business and management experience; **Directorships as on 31<sup>st</sup> March, 2013:** Deepak Nitrochem Pty. Limited (Foreign Company); Deepak Mining Services Private Limited; Deepak Fertichem Company Limited (Foreign Company); RungePincokMinarco India Private Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; Smartchem Technologies Limited; Nova Synthetic Limited; Ishanya Realty Corporation Limited; Ishanya Brand Services Limited; The Fertiliser Association of India; **Chairman / Member of the Audit Committees as on 31<sup>st</sup> March, 2013:** Nil; **Chairman / Member of the Shareholders' / Investors' Grievance Committees as on 31<sup>st</sup> March, 2013:** Deepak Fertilisers And Petrochemicals Corporation Limited - Member; **Chairman / Member of the Remuneration Committees as on 31<sup>st</sup> March, 2013:** Nil; **Shareholding in the Company:** 1,73,91,812 Equity Shares of ₹ 10 each.

## IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the shareholders from the Company's website i.e. [www.dfpc.com](http://www.dfpc.com)

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses on the website of the Company i.e. [www.dfpc.com](http://www.dfpc.com) or by sending e-mail to [dfpc.are@shareproservices.com](mailto:dfpc.are@shareproservices.com) with subject as ‘E-mail for Green Initiative’ mentioning their Folio No. / Client ID. Members holding shares in electronic form may register / update their e-mail addresses with the Depository through their concerned Depository Participant(s).

# Directors' Report

To the Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report together with Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2013.

## ■ FINANCIAL RESULTS

The summarised financial results for the year are as under:

|   | (₹ in Lacs) |             |
|---|-------------|-------------|
|   | 2012-13     | 2011-12     |
| <b>Total Revenue (including Other Income)</b>             | 2,66,824.04 | 2,38,219.02 |
| Profit Before Exceptional and Extraordinary Items and Tax | 20,057.73   | 29,005.55   |
| Less: Exceptional and Extraordinary Items                 | -           | -           |
| Profit Before Tax (PBT)                                   | 20,057.73   | 29,005.55   |
| Less: a) Current Tax (Net)                                | 3,263.44    | 5,645.01    |
| b) Deferred Tax   | 2,103.78    | 2,063.16    |
| <b>Profit / (Loss) for the period</b>                     | 14,690.51   | 21,297.38   |
| Add: Surplus brought forward                              | 83,055.02   | 71,225.48   |
| Amount available for Appropriations                       | 97,745.53   | 92,522.86   |
| Appropriations:   |             |             |
| a) Transferred to Debenture Redemption Reserve            | 1,165.63    | 1,792.00    |
| b) Transferred to General Reserve                         | 1,475.00    | 2,135.00    |
| c) Proposed Dividend on Equity Shares (Net)               | 4,851.40    | 4,851.22    |
| d) Tax on Proposed Dividend (Net)                         | 754.55      | 689.62      |
| Surplus carried to Balance Sheet                          | 89,498.95   | 83,055.02   |

## ■ MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, despite tough economic conditions, Total Revenue (including Other Income) increased to ₹ 2,668.24 Crores (including ₹ 652.61 Crores from trading operations) as against ₹ 2,382.19 Crores (including ₹ 487.13 Crores from trading operations) for the previous year. PBT for the year under review stood at ₹ 200.58 Crores as against ₹ 290.06 Crores in the previous year. Profit for the current year was recorded ₹ 146.90 Crores as compared to ₹ 212.97 Crores in the previous year. A further analysis of the performance is available in the Management Discussion and Analysis (MDA), which forms part of this Report, and inter alia, deals adequately with the operations as also current and future outlook of the Company.

## ■ DIVIDEND

Considering the performance of the Company during the year under review, your Directors recommend a dividend @ 55% i.e. ₹ 5.50 per Equity Share (Previous Year 55% i.e. ₹ 5.50 per Equity Share) of ₹ 10 each of the Company for the year ended 31<sup>st</sup> March, 2013. The proposed dividend (including tax on proposed dividend) will absorb ₹ 56.22 Crores.

## ■ SECURED DEBENTURES

In accordance with the terms of issue of Secured Non-Convertible Debentures of ₹ 10 Lacs each aggregating ₹ 50 Crores and ₹ 125 Crores, earlier issued in favour of Banks / Financial Institutions, your Company during the year under review, has fully redeemed the Debentures of ₹ 50 Crores on its due date, 9<sup>th</sup> February, 2013 and has redeemed one-third amount of the Debentures of ₹ 125 Crores on its due date, 1<sup>st</sup> September, 2012.



During the year under review, for General Corporate Purpose (including long term working capital), your Company has issued Secured Non-Convertible Debentures of ₹ 10 Lacs each aggregating ₹ 100 Crores at coupon rate of 9.70% for a period of 3 years and ₹ 250 Crores at coupon rate of 9.71% for a period of 5 years, on Private Placement Basis and these Debentures are listed on the Bombay Stock Exchange Limited (BSE).

## ■ DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the accounting policies selected had been applied consistently and judgements and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31<sup>st</sup> March, 2013 and of the profit of the Company for that period;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts had been prepared on a 'going concern' basis.

## ■ CORPORATE GOVERNANCE

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

## ■ CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

## ■ SUBSIDIARY COMPANIES

During the year under review, your Company's subsidiary, Deepak Mining Services Private Limited (DMSPL) has formed Joint Venture Company, namely, RungePincokMinarco India Private Limited with International Mineral Assets Transactions Pty. Limited (IMAT), a wholly owned subsidiary of RungePincokMinarco Limited, Australia, wherein DMSPL will have 51% equity participation and IMAT will have 49% equity participation, to provide services across the mining sector of India and the surrounding geographies.

Consequently, your Company has now five subsidiaries viz. Smartchem Technologies Limited, Deepak Nitrochem Pty. Limited, Yarrowda Investments Limited, Deepak Mining Services Private Limited and RungePincokMinarco India Private Limited.

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

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

## ■ INDUSTRIAL RELATIONS

Following a dispute over disciplinary action taken by the management, productivity issues and wage settlement, the workers at Company's Plant situated at Plot No. K-1, MIDC Industrial Area, Taloja, went on strike on 3<sup>rd</sup> January, 2013. However, in the absence of the workers, the management staff was operating the Plant, to the extent possible. The workers have called off strike on 30<sup>th</sup> May, 2013, upon amicable settlement of the aforesaid issues and signing of a Long Term Wage Agreement.

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

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

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

The main manufacturing location of your Company at Taloja successfully went through the re-certification for renewal of ISO 9001, ISO 14001 and OHSAS 18001. Implementation of the new initiative of 5 S has also been started. It is pertinent to note that for the first time your Company has completed 1,000 days of operation without any reportable accident. Your Company has also accelerated Greening Drive in line with its priorities.

## ■ AWARDS AND ACCOLADES

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

- Award for excellence in Energy Conservation & Management from Maharashtra Energy Development Agency for consecutive two years.
- Award for excellence in Energy Conservation & Management from Indian Chemical Council.
- An "Energy Efficient Unit" award from Confederation of Indian Industry.
- Fertiliser Association of India Award for the year 2012 for the overall performance in Agri Business.

## ■ DIRECTORS

During the year under review, Shri C. K. Mehta relinquished the position as the Non-Executive Chairman and Director of the Company. The Board of Directors of your Company placed on record its deep and heartfelt appreciation of the services and herculean contribution rendered by Shri C. K. Mehta and appointed him as Chairman-Emeritus. Shri S. C. Mehta who was Vice-Chairman & Managing Director of the Company took over as Chairman & Managing Director of the Company.

Shri R. A. Shah, Shri D. Basu and Shri U. P. Jhaveri, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The present term of Shri S. C. Mehta, Chairman & Managing Director of the Company shall be expiring on 31<sup>st</sup> July, 2013. The Board of Directors has re-appointed, subject to approval of Members, Shri S. C. Mehta as Chairman & Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> August, 2013.

The Board of Directors has appointed, subject to approval of Members, Shri Partha Bhattacharyya as Whole-Time Director of the Company and designated him as an Executive Director for a period of five years with effect from 31<sup>st</sup> October, 2012.

## ■ AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, by the Company for the year 2013-14 will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956. The Board of Directors commends their appointment.

## ■ COST AUDITOR

Your Directors have appointed Shri Y. R. Doshi, Cost Accountant as the Cost Auditor for the Financial Year 2012-13. Shri Y. R. Doshi will submit the cost audit report and annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

The Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2012 which was due for filing on 28<sup>th</sup> February, 2013 was filed with the Central Government (Ministry of Corporate Affairs) on 12<sup>th</sup> February, 2013.

## ■ PERSONNEL

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

## ■ ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Governmental authorities, Company's bankers, customers, vendors, investors and all other stakeholders for their continued support during the year.

Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels who through their competence and hard work have enabled your Company achieve good performance and look forward to their support in the future as well.

For and on behalf of the Board,

S. C. MEHTA

Chairman & Managing Director

Mumbai

Dated 30<sup>th</sup> May, 2013

## Annexure to Directors' Report

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

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

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

#### A. CONSERVATION OF ENERGY

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

- (i) In Ammonia Plant, Synthesis 1<sup>st</sup> and 2<sup>nd</sup> stage intercooler are replaced with modified design which has not only reduced the inter stage temperature but also reduced the pressure drop.
- (ii) In Ammonia Plant, the CPU based ignition system is implemented for one of the CES engines which had improved the engine's combustion efficiency.
- (iii) In Ammonia Plant, the make-up gas exchanger is cleaned by removing complete tube bundle, which has improved the make-up gas temperature from 14.3° C to 11.9° C, which in turn has reduced the make-up gas compressor power consumption.
- (iv) In LDAN Plant, the LDAN bagging Newlong conveyor is converted in modular type conveyor leading to replacement of 4 conveyors of 5.25 KW by three conveyors of 2.2 KW.
- (v) 225 Nos. of 125 W HPMV lamps are replaced with 70 W metal halide lamps. Also, 100 Nos. of 200 W incandescent lamps are replaced with 45 W CFL lamps.

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

- (1) At K-1 Complex:
  - (i) Plan to conduct Complex Audit in the year 2013-14.
  - (ii) CPU based ignition system for another CES engine to improve the combustion efficiency in Ammonia Plant.
  - (iii) Installation of additional exchanger at up stream of dryer in Liquid CO<sub>2</sub> Plant which will reduce the dryer load and thereby reducing the energy consumption at dryer.
  - (iv) Based on complex water service pump audit, the scheme is taken up for replacement of the identified low efficiency pumps with more energy efficient ones.
  - (v) De-bottlenecking of AN Melt Plant to enhance the capacity and improving the specific energy consumption.
- (2) At K-7 and K-8 Complex:
  - (i) Recovery of start-up heater outlet HP condensate through Condensate Tank (T-138) in WNA-5 Plant will be implemented to save 5 MT DM Water, equivalent to energy saving of 4.0 KW per start-up of WNA-5 Plant.
  - (ii) Introduction of VFD to ammonia transfer pump at JNPT to control the discharge pressure.
  - (iii) Installation of Capacitor Bank for 22 KV system.

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

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

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

| FORM A   |   |                                 |                           |                            |
|--|---|---------------------------------|---------------------------|----------------------------|
| Disclosure of Particulars with respect to Conservation of Energy |   |                                 |                           |                            |
| I.   | Power & Fuel Consumption                    | UOM                             | Current Year<br>(2012-13) | Previous Year<br>(2011-12) |
| 1.   | Electricity                                 |                                 |                           |                            |
|  | a) Purchased                                |                                 |                           |                            |
|  | Unit  | MWH                             | 12,378                    | 24,799                     |
|  | Total Amount                                | ₹ (Lacs)                        | 1,271                     | 1,933                      |
|  | Rate / Unit                                 | ₹ /KWH                          | 10.27                     | 7.79                       |
|  | b) Own Generation                           |                                 |                           |                            |
|  | (i) Through Diesel Generator                |                                 |                           |                            |
|  | Unit  | MWH                             | 4.85                      | 34.85                      |
|  | Unit per ltr. of diesel oil                 | KWH/Ltr.                        | 1.44                      | 2.33                       |
|  | Cost / Unit                                 | ₹ /KWH                          | 31.35                     | 18.02                      |
|  | (ii) Through Gas Turbine / Generators       |                                 |                           |                            |
|  | Unit  | MWH                             | 92,325                    | 68,016                     |
|  | Unit per M³ of Gas                          | KWH/M³                          | 4.45                      | 5.47                       |
|  | Cost / Unit                                 | ₹ /KWH                          | 4.01                      | 3.01                       |
|  | (iii) Through Steam Turbine / Generators    |                                 |                           |                            |
|  | Unit  | MWH                             | 4,078                     | 5,851                      |
|  | Cost / Unit                                 | ₹ /KWH                          | 2.98                      | 2.51                       |
|  | (iv) Through Windmill Turbine / Generators  |                                 |                           |                            |
|  | Unit  | '000 KWH                        | 18,314                    | 16,017                     |
|  | Cost / Unit                                 | ₹ /KWH                          | 2.05                      | 2.43                       |
| 2.   | Coal  | -                               | Nil                       | Nil                        |
| 3.   | Furnace oil                                 | -                               | Nil                       | Nil                        |
| 4.   | Others / internal generation                | -                               | Nil                       | Nil                        |
| II. Consumption per unit of Production – Unit (KWH/MT)           |   |                                 |                           |                            |
| Sr. No.  | Product                                     | Standard Budget Norms (2012-13) | Current Year (2012-13)    | Previous Year (2011-12)    |
| 1.   | Liquid Anhydrous Ammonia                    | 80.25                           | 84.84                     | 76.08                      |
| 2.   | Weak Nitric Acid                            | 46.65                           | 57.07                     | 47.24                      |
| 3.   | Concentrated Nitric Acid                    | 8.94                            | 11.18                     | 7.26                       |
| 4.   | Methanol                                    | 146.30                          | 201.18                    | 82.88                      |
| 5.   | Nitro Phosphate                             | 31.50                           | 28.13                     | 25.06                      |
| 6.   | Low Density Prilled Ammonium Nitrate at K-1 | 47.00                           | 61.32                     | 49.93                      |
| 7.   | Liquid CO <sub>2</sub>                      | 236.00                          | 228.75                    | 233.56                     |
| 8.   | Iso Propyl Alcohol (IPA)                    | 268.81                          | 266.21                    | 257.49                     |
| 9.   | Bentonite Sulphur                           | 30.00                           | 29.70                     | 34.97                      |
| 10.  | Low Density Ammonium Nitrate (LDAN) at K-8  | 70.00                           | 68.85                     | 76.84                      |
| 11.  | High Density Ammonium Nitrate (HDAN) at K-7 | 52.00                           | 40.42                     | 55.31                      |

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

- The Company is working to enhance the fertiliser product by adding the micro-nutrient.
- Various trials conducted for Di Iso Propyl Ether (DIPE) purification of desired quality.
- Process improvisation implemented with modification of internal additive preparation and dosing system to increase the shelf life of AN Prill from K-8 Plant.
- Vapour Ammonia is introduced for pH correction at HDAN Prill Tower Head Tank in lieu of Liquid Ammonia to make the Prill quality acceptable to all end users.

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

- The DIPE purity of 99% is achieved at pilot scale.
- The efforts will increase our product portfolio and enhance our efforts towards customised fertiliser production.
- LDAN quality improved.
- HDAN quality maintained as per specific customer's requirement.

**(3) Future plan of action**

- DIPE purification project from pilot to plant scale is being taken up.
- Further plant trials on micro-nutrients addition will be done.
- Further improvisation of LDAN product to acquire longer shelf life is planned by introduction of chilled air through prilling tower.

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

|  |   |        |
|--|---|--------|
| a) Capital   | : | 9.35   |
| b) Recurring   | : | 181.67 |
| c) Total   | : | 191.02 |
| d) Total R&D expenditure as a percentage of total turnover | : | 0.07%  |

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

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

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

The qualities of products are globally accepted.

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

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note 43 and 40 to the Accounts.

Mumbai

Dated 30<sup>th</sup> May, 2013

For and on behalf of the Board,

S. C. MEHTA

Chairman &amp; Managing Director



# Corporate Governance

Long-term shareholders' value is inextricably linked to good corporate governance, which in turn is linked to transparency and accountability. The Company remains committed to good corporate governance and has been consistently improving transparency and accountability to all its stakeholders. The Company's policies and practices are also unequivocally targeted towards this aim.

## ■ BOARD OF DIRECTORS

Composition and Category of Directors

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

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2012-13 and the Annual General Meeting (AGM) held on 26<sup>th</sup> July, 2012 are as follows:

Five Board Meetings were held during the year. These meetings were held on 18<sup>th</sup> May, 2012, 26<sup>th</sup> July, 2012, 31<sup>st</sup> October, 2012, 23<sup>rd</sup> January, 2013 and 18<sup>th</sup> March, 2013.

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

| Name of Director            | No. of Board Meetings attended | Attendance at the AGM | No. of Directorships of other Companies \$ | No. of Membership of other Board Committees # | No. of Chairmanship of other Board Committees # |
|-----------------------------|--------------------------------|-----------------------|--|---|---|
| Shri C. K. Mehta*           | 3                              | Present               | 2  | -   | -   |
| Shri S. C. Mehta            | 5                              | Present               | 4  | -   | -   |
| Shri Partha Bhattacharyya** | 3                              | NA                    | 1  | -   | -   |
| Shri R. A. Shah             | 4                              | Absent                | 14   | 5   | 4   |
| Shri D. Basu                | 5                              | Present               | 6  | 3   | -   |
| Shri N. C. Singhal          | 4                              | Present               | 9  | 4   | 3   |
| Shri U. P. Jhaveri          | 5                              | Present               | -  | -   | -   |
| Shri S. R. Wadhwa           | 5                              | Present               | 1  | 1   | -   |
| Smt. Parul S. Mehta         | 5                              | Present               | 1  | -   | -   |
| Dr. S. Rama Iyer            | 5                              | Present               | 5  | 2   | -   |
| Shri Anil Sachdev           | 4                              | Present               | 1  | -   | -   |
| Shri Pranay Vakil           | 5                              | Present               | 3  | 2   | -   |

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

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

\* - Shri C. K. Mehta relinquished the position as Chairman and Director of the Company with effect from 31<sup>st</sup> October, 2012 and has been appointed as Chairman-Emeritus.

\*\* - Shri Partha Bhattacharyya has been appointed as an Executive Director of the Company with effect from 31<sup>st</sup> October, 2012.

**COMMITTEES OF BOARD OF DIRECTORS****■ AUDIT COMMITTEE****Brief description of Terms of Reference:**

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

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

During the year, the Committee Meetings were held on 25<sup>th</sup> April, 2012, 17<sup>th</sup> May, 2012, 25<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 21<sup>st</sup> September, 2012, 30<sup>th</sup> October, 2012, 19<sup>th</sup> December, 2012, 22<sup>nd</sup> January, 2013 and 18<sup>th</sup> March, 2013. The attendance of the Members was as follows:

| Name of Director             | No. of Meetings held | No. of Meetings attended |
|------------------------------|----------------------|--------------------------|
| Shri N. C. Singhal, Chairman | 9                    | 8                        |
| Shri S. R. Wadhwa            | 9                    | 8                        |
| Dr. S. Rama Iyer             | 9                    | 7                        |

**■ SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE****Brief description of Terms of Reference:**

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

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

During the year, the Committee Meeting was held on 22<sup>nd</sup> January, 2013. The attendance of the Members was as follows:

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

\* Shri Partha Bhattacharyya became member of the Committee with effect from 23<sup>rd</sup> January, 2013.

- Name & Designation of Compliance Officer: Shri R. Sriraman, Executive Vice-President (Legal) & Company Secretary

**Details of complaints received during the year 2012-13:**

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

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

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

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

During the year, the Committee Meeting was held on 18<sup>th</sup> May, 2012. The attendance of the Members was as follows:

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

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

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

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

During the year, the Committee Meetings were held on 17<sup>th</sup> May, 2012, 25<sup>th</sup> July, 2012, 30<sup>th</sup> October, 2012 and 22<sup>nd</sup> January, 2013. The attendance of the Members was as follows:

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

\* Shri Partha Bhattacharyya became member of the Committee with effect from 23<sup>rd</sup> January, 2013.

## ■ MANUFACTURING OPERATIONS REVIEW COMMITTEE

### Brief description of Terms of Reference:

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

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

During the year, the Committee Meetings were held on 25<sup>th</sup> April, 2012, 26<sup>th</sup> July, 2012, 31<sup>st</sup> October, 2012 and 23<sup>rd</sup> January, 2013. The attendance of the Members was as follows:

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

\* Shri Partha Bhattacharyya became member of the Committee with effect from 23<sup>rd</sup> January, 2013.

## ■ HUMAN RESOURCES COMMITTEE

### Brief description of Terms of Reference:

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

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

During the year, the Committee Meetings were held on 25<sup>th</sup> July, 2012, 20<sup>th</sup> October, 2012 and 21<sup>st</sup> December, 2012. The attendance of the Members was as follows:

| Name of Director            | No. of Meetings held | No. of Meetings attended |
|-----------------------------|----------------------|--------------------------|
| Shri Anil Sachdev, Chairman | 3                    | 3                        |
| Shri Pranay Vakil           | 3                    | 3                        |
| Shri S. C. Mehta            | 3                    | 3                        |
| Shri Partha Bhattacharyya*  | 3                    | NA                       |

\* Shri Partha Bhattacharyya became member of the Committee with effect from 23<sup>rd</sup> January, 2013.

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

### Details of remuneration paid to Executive Directors for Financial Year 2012-13:

(₹ in Lacs)

| Name of Director          | Designation                  | Salary and Allowances | Perks | Commission | Company's Contribution to PF and Super-annuation Fund | Total  |
|---------------------------|------------------------------|-----------------------|-------|------------|---|--------|
| Shri S. C. Mehta          | Chairman & Managing Director | 116.88                | 33.75 | 607.26     | 30.78   | 788.67 |
| Shri Partha Bhattacharyya | Executive Director           | 88.11                 | 4.27  | 10.00      | 3.62  | 106.00 |

**Details of Commission\* for Financial Year 2011-12 and sitting fees paid to Non-Executive Directors:**

**Commission:** Shri C. K. Mehta: ₹ 40,00,000; Shri R. A. Shah: ₹ 7,00,000; Shri D. Basu: ₹ 8,50,000; Shri N. C. Singhal: ₹ 9,50,000; Shri U. P. Jhaveri: ₹ 7,50,000; Shri S. R. Wadhwa: ₹ 8,50,000; Dr. S. Rama Iyer: ₹ 10,00,000; Smt. Parul S. Mehta: ₹ 3,00,000; Shri Anil Sachdev: ₹ 6,00,000 and Shri Pranay Vakil: ₹ 4,50,000.

(\* Commission for 2012-13 is yet to be paid)

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

**Shares held by Non-Executive Directors:**

Smt. Parul S. Mehta: 10,00,000 Equity Shares (1.13%); Shri R. A. Shah: 7,900 Equity Shares (0.009%); Shri S. R. Wadhwa: 1,000 Equity Shares (0.001%); Dr. S. Rama Iyer: 15,000 Equity Shares (0.02%); Shri Pranay Vakil: 4,475 Equity Shares (0.005%).

## ■ ANNUAL GENERAL MEETINGS

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

| Particulars                            | FY 2009-10  | FY 2010-11   | FY 2011-12   |
|--|---|--|--|
| Day                                    | Thursday  | Monday   | Thursday   |
| Date                                   | 22 <sup>nd</sup> July, 2010   | 8 <sup>th</sup> August, 2011   | 26 <sup>th</sup> July, 2012  |
| Time                                   | 11.00 a.m.  | 11.00 a.m.   | 11.30 a.m.   |
| Venue                                  | ELAN, Arcade 3, Ishanya, Opp. Golf Course, Airport Road, Yerawada, Pune - 411 006 | MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007 | MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007 |
| Whether any special resolutions passed | Yes   | –  | –  |

No special resolution was passed through Postal Ballot during the Financial Year 2012-13 or is being proposed through Postal Ballot at the ensuing Annual General Meeting.

## ■ DISCLOSURES:

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

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

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

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

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

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

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

Shri C. K. Mehta is the father and Smt. Parul S. Mehta is the wife of Shri S. C. Mehta.

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

## ■ MEANS OF COMMUNICATION

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

## General Shareholder Information

|  |  |
|--|--|
| <b>1. Annual General Meeting<br/>Day, Date, Time and Venue</b>   | : Thursday, 8 <sup>th</sup> August, 2013 at 11.30 a.m.<br>MDC Auditorium, Yashwantrao Chavan Academy of Development<br>Administration (YASHADA) Campus, Rajbhavan Complex,<br>Baner Road, Pune – 411 007         |
| <b>2. Financial Year / Calendar</b>  |  |
| -Results for first quarter<br>ending 30 <sup>th</sup> June, 2013                                       | : Within 45 days from the end of the quarter   |
| -Results for second quarter<br>ending 30 <sup>th</sup> September, 2013                                 | : Within 45 days from the end of the quarter   |
| -Results for third quarter<br>ending 31 <sup>st</sup> December, 2013                                   | : Within 45 days from the end of the quarter   |
| -Results for Financial Year<br>ending 31 <sup>st</sup> March, 2014                                     | : Within 60 days from the end of the Financial Year  |
| <b>3. Date of Book Closure</b>   | : Monday, 29 <sup>th</sup> July, 2013 to Thursday, 8 <sup>th</sup> August, 2013 (both days<br>inclusive)   |
| <b>4. Dividend Payment Date</b>  | : 12 <sup>th</sup> August, 2013  |
| <b>5. Registered Office</b>  | : Opp. Golf Course, Shastri Nagar, Yerawada,<br>Pune - 411 006   |
| <b>6. Phone, Fax, E-mail</b>   | : Phone: +91 20 6645 8000<br>Fax: +91 20 2668 3727<br>E-mail: investorgrievance@dfpcl.com<br>Website: www.dfpcl.com  |
| <b>7. Plant Location</b>   | : Plot K-1, K-7 & K-8, MIDC Industrial Area,<br>Taloja A. V. 410 208, Dist. Raigad, Maharashtra<br>Phone: +91 22 6768 4000<br>Fax: +91 22 2741 2413  |
| <b>8. Registrar &amp; Share Transfer Agent (RTA)<br/>and Address for investors'<br/>correspondence</b> | : Sharepro Services (India) Pvt. Ltd.,<br>13 AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor,<br>Andheri - Kurla Road, Sakinaka Telephone Exchange Lane,<br>Sakinaka, Andheri (East),<br>Mumbai – 400 072 |
| <b>9. Phone, Fax, E-mail of RTA</b>  | : Phone: +91 22 6772 0300 / 6772 0400<br>Fax: +91 22 2859 1568<br>E-mail: deepak@shareproservices.com  |
| <b>10. Listing on Stock Exchanges</b>  | : Bombay Stock Exchange Limited (BSE) and<br>National Stock Exchange of India Limited (NSE)<br>Annual Listing fee for Financial Year 2013-14 has been paid to both<br>the Exchanges.                             |
| <b>Stock Code</b>  | : Bombay Stock Exchange Limited (BSE): 500645<br>National Stock Exchange of India Limited (NSE): DEEPAKFERT  |
| <b>Demat ISIN in NSDL and CDSL</b>   | : INE501A01019   |



**11. Market Price Data for 2012-13**

| Month           | Share Price (₹) |        | BSE Sensex |           |
|-----------------|-----------------|--------|------------|-----------|
|                 | High            | Low    | High       | Low       |
| April, 2012     | 153.90          | 135.15 | 17,664.10  | 17,010.16 |
| May, 2012       | 144.00          | 128.15 | 17,432.33  | 15,809.71 |
| June, 2012      | 136.75          | 128.50 | 17,448.48  | 15,748.98 |
| July, 2012      | 143.90          | 126.00 | 17,631.19  | 16,598.48 |
| August, 2012    | 138.00          | 125.05 | 17,972.54  | 17,026.97 |
| September, 2012 | 138.20          | 123.45 | 18,869.94  | 17,250.80 |
| October, 2012   | 143.70          | 127.90 | 19,137.29  | 18,393.42 |
| November, 2012  | 133.30          | 125.00 | 19,372.70  | 18,255.69 |
| December, 2012  | 132.50          | 123.00 | 19,612.18  | 19,149.03 |
| January, 2013   | 130.35          | 112.00 | 20,203.66  | 19,508.93 |
| February, 2013  | 116.20          | 103.10 | 19,966.69  | 18,793.97 |
| March, 2013     | 106.70          | 90.55  | 19,754.66  | 18,568.43 |

**12. Distribution of Shareholding as on 31<sup>st</sup> March, 2013** : 1,14,603 Shareholders held 8,82,04,943 Equity Shares of ₹ 10 each

| Distribution of shares (slabwise) | No. of shareholders | Percentage to total no. of shareholders | No. of shares held | Percentage to total share capital |
|-----------------------------------|---------------------|---|--------------------|-----------------------------------|
| Upto 500                          | 1,08,219            | 94.43                                   | 1,23,81,767        | 14.04                             |
| 501- 1000                         | 3,778               | 3.30                                    | 28,95,775          | 3.29                              |
| 1001-2000                         | 1,402               | 1.22                                    | 20,76,818          | 2.36                              |
| 2001-3000                         | 404                 | 0.35                                    | 10,34,469          | 1.17                              |
| 3001-4000                         | 179                 | 0.15                                    | 6,45,141           | 0.73                              |
| 4001-5000                         | 149                 | 0.13                                    | 6,98,917           | 0.79                              |
| 5001-10000                        | 236                 | 0.21                                    | 17,18,210          | 1.94                              |
| 10001 & above                     | 236                 | 0.21                                    | 6,67,53,846        | 75.68                             |
| <b>Total</b>                      | <b>1,14,603</b>     | <b>100.00</b>                           | <b>8,82,04,943</b> | <b>100.00</b>                     |

**13. Share Transfer System:**

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

The members are advised to correspond with the RTA at its office at **13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Andheri - Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai - 400 072**.

Shares sent for transfer in physical form are registered and despatched by our RTA within a maximum period of two weeks from receipt of the documents at its office, provided the documents are found to be in order. Shares under objection are returned within two weeks from receipt of the document.

**14. Dematerialisation of Shares:**

The shares of the Company are traded in dematerialised form. 8,07,73,678 Equity Shares (91.58% of paid-up capital) held by 58,907 shareholders (51.40% of total number of shareholders) have been dematerialised as on 31<sup>st</sup> March, 2013.

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

Nil

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

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

available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS / NECS whenever facilities are made available at those centers.

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

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

#### 17. Unclaimed / Outstanding dividend on equity shares:

To facilitate investors who have not claimed the dividend amount for earlier years on the Equity Shares from the Company, details of the unclaimed amount are being displayed on the Ministry of Corporate Affairs (MCA) website [www.iepf.gov.in](http://www.iepf.gov.in). Investors are requested to browse the said site to find out the outstanding amount, if any, and claim the same from the Company, before transfer to the Investor Education and Protection Fund (Fund) as per the provisions of the Companies Act, 1956. No claim shall thereafter lie against the Company or the Fund.

#### DECLARATION

As per Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2012-13.

Mumbai

Dated 30<sup>th</sup> May, 2013

S. C. MEHTA

Chairman & Managing Director

#### CERTIFICATE

To the members of

#### DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Deepak Fertilisers And Petrochemicals Corporation Limited (the Company) for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement executed by the said Company with the stock exchanges.

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

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

As on 31<sup>st</sup> March, 2013, we state that no investor grievances are pending for a period exceeding one month against the Company as certified by Registrar and Share Transfer Agent of the Company, in the above mentioned Listing Agreements.

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

For B. K. KHARE & CO.

Chartered Accountants

NARESH KUMAR KATARIA

Partner

Mumbai

Dated 30<sup>th</sup> May, 2013

Firm's Registration No.: FRN 105102W

Membership No.: 37825

# Independent Auditors' Report

To the Members of

## DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

1. We have audited the accompanying financial statements of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

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

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### 4. Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

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

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. KHARE & CO.

Chartered Accountants

FRN : 105102W

NARESH KUMAR KATARIA

Partner

Membership No.:37825

Mumbai

Dated 30<sup>th</sup> May, 2013

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

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

| Name of the Statute   | Amount in ₹  | Forum where dispute is pending                          | Period to which Amount relates     |
|---|--------------|---|------------------------------------|
| The Maharashtra Sales Tax on Transfer of Right to Use Any Goods for any Purpose Act, 1985 | 23,554       | Dy. Commissioner of Sales Tax, Pune                     | Assessment Year 1990-91            |
| The Bombay Stamp Act, 1958  | 26,14,695    | The Chief Revenue Authority, Pune                       | Financial Year 1995-96             |
| The Central Excise Act, 1944  | 1,19,55,230  | Bombay High Court                                       | November 2002 to August 2007       |
| The Central Excise Act, 1944  | 21,43,50,617 | CESTAT  | May 2000 to March 2011             |
| The Central Sales Tax Act, 1956   | 6,30,58,390  | Commissioner of Sales Tax (Appeals), Pune               | Financial Year 2004-05 and 2006-07 |
| The Bombay Sales Tax Act, 1959  | 71,55,072    | Commissioner of Sales Tax (Appeals), Pune               | Financial Year 2004-05             |
| The Central Sales Tax Act, 1956   | 8,19,44,894  | Karnataka High Court                                    | April 2005 to March 2010           |
| Finance Act, 1994   | 9,40,38,326  | Commissioner of Central Excise & Service Tax Pune - III | October 2007 to March 2012         |

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

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

Mumbai

Dated 30<sup>th</sup> May, 2013

# Balance Sheet

as at 31<sup>st</sup> March, 2013

(₹ in Lacs)

|                                | Note | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--------------------------------|------|---------------------------------------|---------------------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                                       |                                       |
| <b>Shareholders' Funds</b>     |      |                                       |                                       |
| Share Capital                  | 2    | 8,820.49                              | 8,820.49                              |
| Reserves and Surplus           | 3    | 1,22,604.57                           | 1,13,529.51                           |
|                                |      | <b>1,31,425.06</b>                    | <b>1,22,350.00</b>                    |
| <b>Non-Current Liabilities</b> |      |                                       |                                       |
| Long Term Borrowings           | 4    | 71,415.04                             | 50,983.95                             |
| Deferred Tax Liabilities (Net) | 5    | 12,228.38                             | 10,124.60                             |
| Other Long Term Liabilities    | 6    | 77.02                                 | 118.98                                |
| Long Term Provisions           | 7    | 1,978.88                              | 1,431.42                              |
|                                |      | <b>85,699.32</b>                      | <b>62,658.95</b>                      |
| <b>Current Liabilities</b>     |      |                                       |                                       |
| Short Term Borrowings          | 8    | 30,443.02                             | 26,941.72                             |
| Trade Payables                 | 9    | 20,761.25                             | 21,307.79                             |
| Other Current Liabilities      | 10   | 20,660.35                             | 22,024.02                             |
| Short Term Provisions          | 7    | 6,993.78                              | 6,431.92                              |
|                                |      | <b>78,858.40</b>                      | <b>76,705.45</b>                      |
| <b>Total</b>                   |      | <b>2,95,982.78</b>                    | <b>2,61,714.40</b>                    |
| <b>ASSETS</b>                  |      |                                       |                                       |
| <b>Non-Current Assets</b>      |      |                                       |                                       |
| <b>Fixed Assets</b>            |      |                                       |                                       |
| - Tangible Assets              | 11   | 1,40,235.89                           | 1,29,455.84                           |
| - Intangible Assets            | 12   | 1,033.61                              | 1,274.91                              |
| Capital Work-in-Progress       | 13   | 2,654.31                              | 12,005.86                             |
|                                |      | 1,43,923.81                           | 1,42,736.61                           |
| Non-Current Investments        | 14   | 9,565.78                              | 9,764.12                              |
| Long Term Loans and Advances   | 15   | 5,819.36                              | 3,579.45                              |
|                                |      | <b>1,59,308.95</b>                    | <b>1,56,080.18</b>                    |
| <b>Current Assets</b>          |      |                                       |                                       |
| Current Investments            | 16   | 24,832.62                             | 2,119.52                              |
| Inventories                    | 17   | 23,978.44                             | 20,646.06                             |
| Trade Receivables              | 18   | 64,516.46                             | 56,510.60                             |
| Cash and Bank Balances         | 19   | 10,201.22                             | 14,569.01                             |
| Short Term Loans and Advances  | 15   | 11,228.15                             | 11,431.86                             |
| Other Current Assets           | 20   | 1,916.94                              | 357.17                                |
|                                |      | <b>1,36,673.83</b>                    | <b>1,05,634.22</b>                    |
| <b>Total</b>                   |      | <b>2,95,982.78</b>                    | <b>2,61,714.40</b>                    |

Significant Accounting Policies

1

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
Chairman & Managing Director

PARTHA BHATTACHARYYA  
Executive Director

N. C. SINGHAL  
Director

S. R. WADHWA  
Director

Dr. S. RAMA IYER  
Director

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013



# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2013

(₹ in Lacs)

|   | Note | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|------|--|--|
| <b>CONTINUING OPERATIONS</b>  |      |  |  |
| <b>Revenue:</b>   |      |  |  |
| Revenue from Operations (Gross)   |      | 2,77,273.60                                | 2,47,344.99                                |
| Less: Excise Duty   |      | 16,627.70                                  | 13,091.66                                  |
| Revenue from Operations (Net)   | 21   | 2,60,645.90                                | 2,34,253.33                                |
| Other Income  | 22   | 6,178.14                                   | 3,965.69                                   |
| <b>Total Revenue</b>  |      | <b>2,66,824.04</b>                         | <b>2,38,219.02</b>                         |
| <b>Expenses:</b>  |      |  |  |
| Cost of Materials Consumed  | 23   | 1,24,997.29                                | 1,13,471.37                                |
| Purchases of Stock-in-Trade   | 24   | 63,017.09                                  | 43,922.98                                  |
| Changes in Inventories of Finished Goods and Stock-in-Trade- (Increase) / Decrease        | 25   | (3,096.31)                                 | (2,934.61)                                 |
| Employee Benefits Expense   | 26   | 14,501.64                                  | 13,931.70                                  |
| Finance Costs   | 27   | 8,217.37                                   | 6,822.40                                   |
| Depreciation, Amortisation and Impairment Expenses  | 28   | 9,745.36                                   | 8,190.62                                   |
| Other Expenses  | 29   | 29,383.87                                  | 25,809.01                                  |
| <b>Total Expenses</b>   |      | <b>2,46,766.31</b>                         | <b>2,09,213.47</b>                         |
| <b>Profit Before Exceptional and Extraordinary Items and Tax</b>                          |      | <b>20,057.73</b>                           | <b>29,005.55</b>                           |
| Exceptional Items   |      | -  | -  |
| <b>Profit Before Extraordinary Items and Tax</b>  |      | <b>20,057.73</b>                           | <b>29,005.55</b>                           |
| Extraordinary Items   |      | -  | -  |
| <b>Profit Before Tax</b>  |      | <b>20,057.73</b>                           | <b>29,005.55</b>                           |
| Tax Expenses:   |      |  |  |
| Current Tax (Net of reversal of earlier years' provision ₹ Nil, Previous Year ₹ 655 Lacs) |      | 3,969.81                                   | 5,645.01                                   |
| MAT Credit Entitlements   |      | (706.37)                                   | -  |
| Deferred Tax Charge   | 5    | 2,103.78                                   | 2,063.16                                   |
|   |      | 5,367.22                                   | 7,708.17                                   |
| <b>Profit for the period</b>  |      | <b>14,690.51</b>                           | <b>21,297.38</b>                           |
| Earning per Equity Share: Face Value ₹ 10 each (₹ 10)                                     | 30   |  |  |
| i) Basic (in ₹)   |      | 16.65                                      | 24.15                                      |
| ii) Diluted (in ₹)  |      | 16.65                                      | 24.15                                      |

Summary of significant accounting policies

1

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
Chairman & Managing Director

PARTHA BHATTACHARYYA  
Executive Director

N. C. SINGHAL  
Director

S. R. WADHWA  
Director

Dr. S. RAMA IYER  
Director

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2013

(₹ in Lacs)

|   | 2012-13            | 2011-12            |
|---|--------------------|--------------------|
| <b>(A) Cash Flow From Operating Activities</b>                      |                    |                    |
| Net Profit Before Tax   | 20,057.73          | 29,005.55          |
| Adjustments For -   |                    |                    |
| Depreciation and Amortisation                                       | 9,745.36           | 8,190.62           |
| Exchange Fluctuations (Net)   | 3,084.70           | 2530.50            |
| Profit on Sale of Investments                                       | (883.87)           | (1,232.47)         |
| Provision for Diminution in the Value of Investments                | 51.89              | 49.90              |
| Provision for Doubtful Debts  | (61.73)            | 2.22               |
| Bad Debts Written Off   | 67.44              | 9.05               |
| Loss/ (Profit) on Sale of Asset (Net)                               | 172.44             | 176.34             |
| Interest/Dividends (Net)  | 6,718.44           | 5,427.63           |
| <b>Operating Profit Before Working Capital Changes</b>              | <b>38,952.40</b>   | <b>44,159.34</b>   |
| Adjustments For -   |                    |                    |
| Trade and Other Receivables   | (7,906.79)         | (32,244.14)        |
| Inventories   | (3,332.38)         | (4,994.64)         |
| Trade Payables  | 336.25             | 9,352.76           |
| <b>Cash Generated From Operations</b>                               | <b>28,049.48</b>   | <b>16,273.32</b>   |
| Direct Taxes Paid/Refund  | (3,148.11)         | (7,768.99)         |
| <b>Cash Flow Before Exceptional Items</b>                           | <b>24,901.37</b>   | <b>8,504.33</b>    |
| Exceptional Items   | -                  | -                  |
| <b>Net Cash From Operating Activities (A)</b>                       | <b>24,901.37</b>   | <b>8,504.33</b>    |
| <b>(B) Cash Flow From Investing Activities</b>                      |                    |                    |
| Purchase of Fixed Assets  | (12,072.06)        | (22,417.05)        |
| Sale of Fixed Assets  | 957.55             | 117.89             |
| Movement in Capital Advances  | (2,592.55)         | 1,607.49           |
| Acquisition of Investments (Net)                                    | (21,682.78)        | 893.58             |
| Deposits Placed   | (89.36)            | (334.76)           |
| Interest Received   | 751.78             | 1,083.62           |
| Dividend Received   | 405.14             | 301.95             |
| <b>Net Cash Used in Investing Activities (B)</b>                    | <b>(34,322.28)</b> | <b>(18,747.28)</b> |
| <b>(C) Cash Flow From Financing Activities</b>                      |                    |                    |
| Exchange Fluctuation  | (3,089.80)         | (2428.58)          |
| Increase/ (Decrease) In Working Capital Borrowings                  | 3,386.14           | 14,351.53          |
| Proceeds / (Repayments) of:   |                    |                    |
| - External Commercial Borrowings                                    | 797.88             | 1,648.00           |
| - Term Loans (Net)  | (8,510.83)         | (4,888.50)         |
| - Debentures (Net)  | 25,833.33          | -                  |
| Interest Paid   | (7,786.27)         | (6,723.59)         |
| Equity Dividend and Corporate Dividend Tax Paid                     | (5,573.51)         | (5,105.49)         |
| <b>Net Cash Generated/ (Used) in Financing Activities (C)</b>       | <b>5,056.94</b>    | <b>(3,146.63)</b>  |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>(4,363.97)</b>  | <b>(13,389.58)</b> |
| <b>Cash and Cash Equivalents Opening Balance</b>                    | <b>14,196.28</b>   | <b>27,585.86</b>   |
| <b>Cash and Cash Equivalents Closing Balance</b> Note 19            | <b>9,832.31</b>    | <b>14,196.28</b>   |
| <b>Earmarked Balances with Bank</b>                                 | <b>368.91</b>      | <b>372.73</b>      |
| <b>Cash and Bank Balances at the end of the year</b> Note 19        | <b>10,201.22</b>   | <b>14,569.01</b>   |

Note: (i) Figures in brackets are outflows

(ii) Previous Year's figures have been re-grouped wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
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Dr. S. RAMA IYER  
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R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

# Notes to the financial statements for the year ended 31<sup>st</sup> March, 2013

## THE COMPANY AND NATURE OF ITS OPERATIONS :

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

### Note-1 SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared under historical cost convention on accrual basis and comply with notified Accounting Standards as referred to in Section 211(3C) and other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

#### B) Use of estimates

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

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

#### C) Revenue recognition

- Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership are passed on to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and excise duty.
- Export sales are recognised based on the date of bill of lading.
- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from Ministry of Agriculture /Ministry of Fertilisers.
- Grants and subsidies from the Government are recognized when there is reasonable certainty of realisation of the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest (other than on deposits with banks and others/investments, which are accounted on accrual basis), Insurance claims, subsidy and reimbursement of cost escalation claimed from Ministry of Agriculture/Ministry of Fertilisers beyond the notified retention price and price concession on fertilisers pending acceptance of claims by the concerned parties is recognized to the extent the Company is reasonably certain of their ultimate realisation.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N<sub>2</sub>O reduction in its Nitric Acid Plant are recognised as revenue on the actual realisation of the applicable credits.
- Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.
- Dividend income is accounted for when the right to receive is established.

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

- Fixed assets (including major modifications/betterments) are recorded at cost of acquisition or construction (including interest/financial charges, project restructuring cost and other expenditure incidental and related to such acquisition/construction).

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

## E) Depreciation and amortisation

### Tangible assets

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

|   |                       |
|---|-----------------------|
| Computers and related Equipment                 | 25.00%                |
| Air-Conditioning System                         | 9.50%                 |
| Furniture, Fixtures and Office Equipment        | 9.50%, 13.50%, 19.00% |
| Vehicles  | 25.00%                |
| Relocated DNA-III Plant (WDV)                   | 25.89%                |
| Relocated other Plants                          | 6.68%                 |
| Modification of existing Ammonia Plant          | 6.33%                 |
| Modification of existing Ammonium Nitrate Plant | 10.00%                |

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

### Intangible assets

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

### Capital work-in-progress

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

### Assets taken on operating lease

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

### Assets given on operating lease

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

## F) Impairment of assets

- The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Impairment loss is recognised if the carrying value exceeds the recoverable amount.

**G) Inventories**

- Raw materials are valued at lower of weighted average cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used are expected to be sold at or above cost.
- Stores, regular spares, oil, chemicals, catalysts and packing materials are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable CENVAT / VAT credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost (including depreciation and excise duty payable/paid where applicable but excluding interest cost) and net realisable value.
- Stock-in-trade is valued at lower of cost and net realisable value.
- Value of work-in-process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

**H) Investments**

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

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

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

**J) Employee benefits**

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

**Provident fund**

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

**Gratuity**

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

**Superannuation**

- The Company has a Superannuation Plan for its executives, a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary. The plan is managed by a Trust and the funds are invested with the Life Insurance Corporation of India under its Group Superannuation Scheme.

Annual contributions as specified under the Trust Deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

**Compensated absences**

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

**Wealth creation scheme**

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

**Medical benefits**

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

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

**K) Borrowing costs**

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

**L) Provisions and contingents liabilities**

- Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.
- A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognised or disclosed in the financial statements.

**M) Taxes on Income**

- Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit which is equal to the excess of MAT (calculated in accordance with the provisions of Section 115JB of the



Income Tax Act, 1961) over normal income tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.

- Deferred tax on timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

#### N) Cash and cash equivalents

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

#### O) Earning per share

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

#### Note-2 SHARE CAPITAL

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| <b>Authorised</b>   |                                       |                                       |
| 12,50,00,000 Equity Shares of face value ₹ 10 each              | 12,500.00                             | 12,500.00                             |
| 10,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each | 1,000.00                              | 1,000.00                              |
|   | <b>13,500.00</b>                      | <b>13,500.00</b>                      |
| <b>Issued, subscribed and paid-up</b>                           |                                       |                                       |
| 8,82,04,943 Equity Shares of ₹ 10 each fully paid-up            | 8,820.49                              | 8,820.49                              |
| <b>Total</b>  | <b>8,820.49</b>                       | <b>8,820.49</b>                       |

#### a. Reconciliation of the number of Equity Shares

|  | As at<br>31 <sup>st</sup> March, 2013 |                 | As at<br>31 <sup>st</sup> March, 2012 |                 |
|--|---------------------------------------|-----------------|---------------------------------------|-----------------|
|  | No. of Shares                         | ₹ in Lacs       | No. of Shares                         | ₹ in Lacs       |
| Balance as at the beginning of the year  | 8,82,04,943                           | 8,820.49        | 8,82,04,943                           | 8,820.49        |
| Add: Issued during the year              | -                                     | -               | -                                     | -               |
| <b>Balance as at the end of the year</b> | <b>8,82,04,943</b>                    | <b>8,820.49</b> | <b>8,82,04,943</b>                    | <b>8,820.49</b> |

#### b. Terms/ Rights attached with Equity Shares

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

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

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

During the year ended 31<sup>st</sup> March, 2013, the amount of dividend per share recognised as distribution to Equity Shareholders is ₹ 5.50 (₹ 5.50).

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

| Name of Shareholders                                    | As at<br>31 <sup>st</sup> March, 2013 |               | As at<br>31 <sup>st</sup> March, 2012 |               |
|---|---------------------------------------|---------------|---------------------------------------|---------------|
|   | No. of Shares                         | % of Holding  | No. of Shares                         | % of Holding  |
|   | (in Lacs)                             |               | (in Lacs)                             |               |
| Shri S. C. Mehta  | 173.92                                | 19.72%        | 171.92                                | 19.49%        |
| Nova Synthetic Limited                                  | 172.67                                | 19.58%        | 172.67                                | 19.58%        |
| Fidelity Puriton Trust - Fidelity Low-Priced Stock Fund | 75.69                                 | 8.58%         | 75.69                                 | 8.58%         |
| <b>Total</b>  | <b>422.28</b>                         | <b>47.88%</b> | <b>420.28</b>                         | <b>47.65%</b> |

**Note-3 RESERVES AND SURPLUS**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Capital reserve</b>   | <b>0.13</b>                           | <b>0.13</b>                           |
| <b>Capital redemption reserve</b>  | <b>150.00</b>                         | <b>150.00</b>                         |
| <b>Securities premium reserve</b>  | <b>10,798.95</b>                      | <b>10,798.95</b>                      |
| <b>Special reserve (*)</b>   |                                       |                                       |
| Balance as at the beginning of the year  | 9.50                                  | 27.68                                 |
| Less: Transferred to the Statement of Profit and Loss for recoupment of depreciation   | 9.50                                  | 18.18                                 |
| <b>Balance as at the end of the year</b>   | <b>-</b>                              | <b>9.50</b>                           |
| <b>Debenture redemption reserve</b>  |                                       |                                       |
| Balance as at the beginning of the year  | 5,751.00                              | 3,959.00                              |
| Add: Amount transferred from the Surplus of Statement of Profit and Loss   | 1,165.63                              | 1,792.00                              |
| <b>Balance as at the end of the year</b>   | <b>6,916.63</b>                       | <b>5,751.00</b>                       |
| <b>General reserve</b>   |                                       |                                       |
| Balance as at the beginning of the year  | 13,764.91                             | 11,629.91                             |
| Add: Transfer from the Statement of Profit and Loss  | 1,475.00                              | 2,135.00                              |
| <b>Balance as at the end of the year</b>   | <b>15,239.91</b>                      | <b>13,764.91</b>                      |
| <b>Surplus in the Statement of Profit and Loss</b>   |                                       |                                       |
| Balance as at the beginning of the year  | 83,055.02                             | 71,225.48                             |
| Add: Profit during the year  | 14,690.51                             | 21,297.38                             |
|  | <b>97,745.53</b>                      | <b>92,522.86</b>                      |
| Less: Appropriations   |                                       |                                       |
| Proposed dividend on Equity Shares (Net of adjustments of ₹ 0.13 Lacs) (₹ 0.05 Lacs)   | 4,851.40                              | 4,851.22                              |
| Tax on proposed dividend on Equity Shares (Net of credit of tax on dividend distributions by the Subsidiary Company ₹ 16.23 Lacs) (₹ 48.71 Lacs) | 754.55                                | 689.62                                |
| Transfer to debenture redemption reserve   | 1,165.63                              | 1,792.00                              |
| Transfer to general reserve  | 1,475.00                              | 2,135.00                              |
| <b>Total appropriations</b>  | <b>8,246.58</b>                       | <b>9,467.84</b>                       |
| <b>Net Surplus in the Statement of Profit and Loss</b>   | <b>89,498.95</b>                      | <b>83,055.02</b>                      |
| <b>Total</b>   | <b>1,22,604.57</b>                    | <b>1,13,529.51</b>                    |

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

**Note-4 LONG TERM BORROWINGS**

(₹ in Lacs)

| Long term borrowings - Secured   | Non-Current                           |                                       | Current                               |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>External Commercial Borrowings (ECBs)</b>   |                                       |                                       |                                       |                                       |
| Bank of Baroda   | 8,957.03                              | 9,412.80                              | 1,085.70                              | 763.20                                |
| HSBC Bank  | 11,624.69                             | 11,537.50                             | 1,946.56                              | -                                     |
| <b>(A)</b>   | <b>20,581.72</b>                      | <b>20,950.30</b>                      | <b>3,032.26</b>                       | <b>763.20</b>                         |
| <b>Debentures - Secured (Listed)</b>   |                                       |                                       |                                       |                                       |
| 500, 9.31% Redeemable Privately Placed Non-Convertible Debentures (NCDs) of ₹ 10 Lacs each                 | 5,000.00                              | 5,000.00                              | -                                     | -                                     |
| 500, 10% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | 3,333.33                              | 5,000.00                              | 1,666.67                              | -                                     |
| 500, 9.75% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | 3,333.33                              | 5,000.00                              | 1,666.67                              | -                                     |
| 500, 8.35% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | -                                     | -                                     | -                                     | 5,000.00                              |
| 1250, 10.80% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | 4,166.66                              | 8,333.33                              | 4,166.67                              | 4,166.67                              |
| 1000, 9.70% Redeemable Privately Placed NCDs of ₹ 10 Lacs each   | 10,000.00                             | -                                     | -                                     | -                                     |
| 2500, 9.71% Redeemable Privately Placed NCDs of ₹ 10 Lacs each   | 25,000.00                             | -                                     | -                                     | -                                     |
| <b>(B)</b>   | <b>50,833.32</b>                      | <b>23,333.33</b>                      | <b>7,500.01</b>                       | <b>9,166.67</b>                       |
| <b>Term loans from banks</b>   |                                       |                                       |                                       |                                       |
| Canara Bank  | -                                     | 2,054.32                              | -                                     | 922.52                                |
| Bank of Baroda   | -                                     | 4,646.00                              | -                                     | 888.00                                |
| <b>(C)</b>   | <b>-</b>                              | <b>6,700.32</b>                       | <b>-</b>                              | <b>1,810.52</b>                       |
| <b>Total (A+B+C)</b>   | <b>71,415.04</b>                      | <b>50,983.95</b>                      | <b>10,532.27</b>                      | <b>11,740.39</b>                      |
| Less: Current maturity of Long Term Borrowings disclosed under "Other Current Liabilities" (Refer Note 10) |                                       |                                       | 10,532.27                             | 11,740.39                             |

## NOTES :

| Sr. No. | Particulars   | Interest Rate and Repayment Schedule  | Security   |
|---------|---|---|--|
| 1.      | ECBs from Bank of Baroda, ₹ 10,042.73 Lacs (₹ 10,176.00 Lacs). ₹ 271.37 Lacs (Nil) kept as fixed deposit with Bank of Baroda as a lien for ECBs (refer note no. 15) | At variable interest rate of Libor plus 325 basis points payable quarterly (average for the year 3.87%) (3.56%). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 and last installment is payable on 30 <sup>th</sup> June, 2017   | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, remuneration of the Trustees and all other monies thereto.   |
| 2.      | ECBs from HSBC Bank, ₹ 13,571.25 Lacs (₹ 11,537.50 Lacs)  | At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating rate to fixed rate of 6.09%. Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 and last installment is payable on 29 <sup>th</sup> July, 2016 |  |
| 3.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 9.31% per annum payable annually. Redeemable in single installment on 15 <sup>th</sup> July, 2015   | Pari-passu first charge on the Company's fixed assets, plant and machinery pertaining to Iso Propyl Alcohol (IPA) Plant located at Plot No. K-2, MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debenture costs, charges, expenses and remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times. |
| 4.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 10% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015   | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, remuneration of the Trustees and all other monies ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.                         |
| 5.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 9.75% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015   |  |

| Sr. No. | Particulars  | Interest Rate and Repayment Schedule  | Security   |
|---------|--|---|--|
| 6.      | Redeemable Privately Placed NCDs ₹ Nil (₹ 5,000 Lacs)            | 8.35% per annum payable annually. Redeemed during the year on 9 <sup>th</sup> February, 2013  | Pari-passu first charge on the entire fixed assets pertaining to Ishanya Mall of the Company located at Off Airport Road, Shastri Nagar, Yerawada, Pune along with interest, additional interest, costs, charges, expenses and remuneration of the Trustees and all other monies thereto of the asset value over the outstanding debenture issue amount, at all times.   |
| 7.      | Redeemable Privately Placed NCDs ₹ 8,333.34 Lacs (₹ 12,500 Lacs) | 10.80% per annum payable annually. Redeemable in three equal installments from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014 | Pari-passu charge on the entire assets of the Company's immovable properties, plant and machinery, whether immovable or movable, pertaining to the Company's undertaking situated at Plot Nos. K-1 and K-2, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra to rank pari-passu with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favor of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.  |
| 8.      | Redeemable Privately Placed NCDs ₹ 10,000 Lacs (₹ Nil)           | 9.70% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2016  | Pari-passu charge on the present and future immovable and movable fixed assets (i.e. Land, Building and Plant and Machinery) pertaining to Ammonia, WNA, CNA, LDAN, ANP, Bagging, ETP, DNA4, Methanol, CO <sub>2</sub> Plants located at Plot No. K-1, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra of the Company, ensuring a minimum asset cover of 1.25 times of the gross value of assets over the outstanding debenture issue amount, at all times.  |
| 9.      | Redeemable Privately Placed NCDs ₹ 25,000 Lacs (₹ Nil)           | 9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018  |  |
| 10.     | Rupee Term Loan from Canara Bank ₹ Nil (₹ 2,976.84 Lacs)         | At variable average interest rate payable monthly (average for the year: 11.50%) (11.45%). Loan prepaid on 18 <sup>th</sup> February, 2013.       | First charge over the immovable property consisting of appropriate built-up space of property in Survey Nos. 190 and 192 (part) situated Opp. Golf Course, Shastri Nagar, Yerawada, Pune together with interest, default interest, costs, charges, expenses and other monies.  |
| 11.     | Rupee Term Loan from Bank of Baroda ₹ Nil (₹ 5,534 Lacs)         | At variable average interest rate payable monthly (average for the year: 13.54%) (13.47%). Loan prepaid on 8 <sup>th</sup> December, 2012.        | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans costs, charges, expenses and remuneration of the Trustees and all other monies thereto. |

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

(₹ in Lacs)

|   | As at<br>1 <sup>st</sup> April, 2012 | Increase/<br>(Decrease) | As at<br>31 <sup>st</sup> March, 2013 |
|---|--------------------------------------|-------------------------|---------------------------------------|
| Deferred tax liabilities:                           |                                      |                         |                                       |
| - Timing Difference on account of depreciation      | 11,207.47                            | 2,425.57                | 13,633.04                             |
| - Others  | 82.84                                | 3.95                    | 86.79                                 |
| (A)   | <b>11,290.31</b>                     | <b>2,429.52</b>         | <b>13,719.83</b>                      |
| Deferred tax assets:                                |                                      |                         |                                       |
| - Provision for doubtful debts / loans and advances | 320.60                               | 15.27                   | 335.87                                |
| - Accrued expenses deductible on actual payments    | 845.11                               | 310.47                  | 1,155.58                              |
| (B)   | <b>1,165.71</b>                      | <b>325.74</b>           | <b>1,491.45</b>                       |
| <b>Total</b>  | (A-B) <b>10,124.60</b>               | <b>2,103.78</b>         | <b>12,228.38</b>                      |

**Note-6 OTHER LONG TERM LIABILITIES**

(₹ in Lacs)

|                   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|-------------------|---------------------------------------|---------------------------------------|
| Retention money   | 13.95                                 | 55.91                                 |
| Other liabilities | 63.07                                 | 63.07                                 |
| <b>Total</b>      | <b>77.02</b>                          | <b>118.98</b>                         |

**Note-7 PROVISIONS**

(₹ in Lacs)

|  | Long Term Provisions                  |                                       | Short Term Provisions                 |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>Provision for employee benefits</b>         |                                       |                                       |                                       |                                       |
| Compensated absences                           | 1,070.66                              | 895.62                                | 226.03                                | 201.99                                |
| Gratuity                                       | 727.81                                | 295.72                                | 375.23                                | 313.93                                |
| Post retirement benefits                       | 170.47                                | 184.52                                | 43.41                                 | 8.29                                  |
| Wealth creation scheme                         | 9.94                                  | 55.56                                 | 38.15                                 | 42.55                                 |
| Others   | -                                     | -                                     | 688.91                                | 275.56                                |
|  | <b>1,978.88</b>                       | <b>1,431.42</b>                       | <b>1,371.73</b>                       | <b>842.32</b>                         |
| <b>Others</b>                                  |                                       |                                       |                                       |                                       |
| Proposed dividend                              | -                                     | -                                     | 4,851.27                              | 4,851.27                              |
| Dividend distribution tax on proposed dividend | -                                     | -                                     | 770.78                                | 738.33                                |
|  | -                                     | -                                     | <b>5,622.05</b>                       | <b>5,589.60</b>                       |
| <b>Total</b>                                   | <b>1,978.88</b>                       | <b>1,431.42</b>                       | <b>6,993.78</b>                       | <b>6,431.92</b>                       |



**Note-8 SHORT TERM BORROWINGS**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Secured</b>                         |                                       |                                       |
| From Banks:                            |                                       |                                       |
| - Buyer's credit (in foreign currency) | 29,327.09                             | 26,110.05                             |
| - Cash credit facilities               | 1,115.93                              | 831.67                                |
| <b>Total</b>                           | <b>30,443.02</b>                      | <b>26,941.72</b>                      |

Notes:

- (i) Cash credit facilities sanctioned by Banks including working capital demand loan and buyers credit are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.
- (ii) Cash credit is repayable on demand and carries a variable interest rate. Average rate for the year is 13.25% (13.25%).
- (iii) Buyer's credit is generally due within 180 days and carries a variable interest rate. Average rate for the year is 1.71% (1.81%).

**Note-9 TRADE PAYABLES**

(₹ in Lacs)

|                                   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Trade payables (Refer note below) | 20,761.25                             | 21,307.79                             |
| <b>Total</b>                      | <b>20,761.25</b>                      | <b>21,307.79</b>                      |

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

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

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.         | 5.07                                  | 93.86                                 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.                 | 0.47                                  | -                                     |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year. | 1.23                                  | -                                     |
| Payments already made   | 0.47                                  | -                                     |

**Note-10 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| Current maturities of long term debts (Refer Note 4) | 10,532.27                             | 11,740.39                             |
| Interest accrued but not due on borrowings           | 1,841.18                              | 1,410.08                              |
| Advances from customers                              | 704.70                                | 688.29                                |
| Unclaimed dividend                                   | 368.91                                | 372.73                                |
| Other payables (*)                                   | 3,557.24                              | 3,807.65                              |
| Due to directors                                     | 722.58                                | 972.47                                |
| Security deposits                                    | 1,367.70                              | 1,112.44                              |
| Statutory liabilities                                | 712.70                                | 579.91                                |
| Creditors for capital goods                          | 853.07                                | 1,340.06                              |
| <b>Total</b>   | <b>20,660.35</b>                      | <b>22,024.02</b>                      |

There are no amounts to be transferred to the Investor Education and Protection Fund.

(\*) Other payables includes ₹ 1,726.63 Lacs (₹ 2,214.41 Lacs) related to employees.

**Note-11 TANGIBLE ASSETS**

(₹ in Lacs)

| Description  | Land<br>(Freehold) | Land<br>(Leasehold) | Building         | Plant &<br>Equipment | Electric<br>Installation | Furniture &<br>Fixtures | Office<br>Equipment | Vehicles        | Total              |
|--|--------------------|---------------------|------------------|----------------------|--------------------------|-------------------------|---------------------|-----------------|--------------------|
| <b>Gross block as at</b>   |                    |                     |                  |                      |                          |                         |                     |                 |                    |
| <b>1<sup>st</sup> April, 2011</b>                                      | 5,829.00           | 1,368.72            | 25,069.95        | 1,26,908.80          | 2,531.47                 | 1,115.09                | 1,770.96            | 1,080.92        | 1,65,674.91        |
| Additions  | 722.61             | -                   | 10,403.61        | 23,635.85            | 290.85                   | 22.43                   | 319.17              | 297.12          | 35,691.64          |
| Disposals  | -                  | -                   | 1.53             | 311.40               | 1.32                     | 69.31                   | 119.15              | 195.49          | 698.20             |
| Other adjustments:   |                    |                     |                  |                      |                          |                         |                     |                 |                    |
| - Exchange difference  | -                  | -                   | -                | 1,648.00             | -                        | -                       | -                   | -               | 1,648.00           |
| - Borrowing costs  | -                  | -                   | -                | -                    | -                        | -                       | -                   | -               | -                  |
| <b>1<sup>st</sup> April, 2012</b>                                      | <b>6,551.61</b>    | <b>1,368.72</b>     | <b>35,472.03</b> | <b>1,51,881.25</b>   | <b>2,821.00</b>          | <b>1,068.21</b>         | <b>1,970.98</b>     | <b>1,182.55</b> | <b>2,02,316.35</b> |
| Additions  | 2,701.76           | -                   | 3,419.73         | 12,196.97            | 413.63                   | 48.74                   | 106.78              | 841.34          | 19,728.95          |
| Disposals  | -                  | -                   | 242.17           | 1,711.69             | -                        | 12.82                   | 18.56               | 363.95          | 2,349.19           |
| Other adjustments:   |                    |                     |                  |                      |                          |                         |                     |                 |                    |
| - Exchange difference  | -                  | -                   | -                | 1,624.93             | -                        | -                       | -                   | -               | 1,624.93           |
| - Borrowing costs  | -                  | -                   | -                | -                    | -                        | -                       | -                   | -               | -                  |
| <b>Gross carrying amount<br/>31<sup>st</sup> March, 2013 (A)</b>       | <b>9,253.37</b>    | <b>1,368.72</b>     | <b>38,649.59</b> | <b>1,63,991.46</b>   | <b>3,234.63</b>          | <b>1,104.13</b>         | <b>2,059.20</b>     | <b>1,659.94</b> | <b>2,21,321.04</b> |
| <b>Accumulated depreciation<br/>on 1<sup>st</sup> April, 2012</b>      | <b>-</b>           | <b>145.29</b>       | <b>3,955.25</b>  | <b>66,030.39</b>     | <b>577.81</b>            | <b>549.37</b>           | <b>1,078.77</b>     | <b>523.63</b>   | <b>72,860.51</b>   |
| Deductions/adjustments   | -                  | -                   | 64.51            | 848.94               | -                        | 8.98                    | 17.32               | 279.45          | 1,219.20           |
| Depreciation during the<br>year  | -                  | 17.48               | 823.44           | 7,679.24             | 227.13                   | 75.58                   | 226.46              | 394.51          | 9,443.84           |
| <b>Accumulated depreciation<br/>on 31<sup>st</sup> March, 2013 (B)</b> | <b>-</b>           | <b>162.77</b>       | <b>4,714.18</b>  | <b>72,860.69</b>     | <b>804.94</b>            | <b>615.97</b>           | <b>1,287.91</b>     | <b>638.69</b>   | <b>81,085.15</b>   |
| <b>Net carrying amount as<br/>on 31<sup>st</sup> March, 2013 (A-B)</b> | <b>9,253.37</b>    | <b>1,205.95</b>     | <b>33,935.41</b> | <b>91,130.77</b>     | <b>2,429.69</b>          | <b>488.16</b>           | <b>771.29</b>       | <b>1,021.25</b> | <b>1,40,235.89</b> |
| <b>Net carrying amount as<br/>on 31<sup>st</sup> March, 2012</b>       | <b>6,551.61</b>    | <b>1,223.43</b>     | <b>31,516.78</b> | <b>85,850.86</b>     | <b>2,243.19</b>          | <b>518.84</b>           | <b>892.21</b>       | <b>658.92</b>   | <b>1,29,455.84</b> |

**Note-12 INTANGIBLE ASSETS**

(₹ in Lacs)

|  | Computer Software | Technical Know-how/ Engineering Fee | License/ Franchise Fees | Upfront Fees/ Way Leave Charges | Design      | Total           |
|--|-------------------|-------------------------------------|-------------------------|---------------------------------|-------------|-----------------|
| <b>Gross block as at</b>   |                   |                                     |                         |                                 |             |                 |
| <b>1<sup>st</sup> April, 2011</b>                                  | <b>381.27</b>     | <b>142.26</b>                       | <b>934.69</b>           | <b>485.13</b>                   | <b>5.96</b> | <b>1,949.31</b> |
| Additions  | 204.98            | -                                   | -                       | -                               | -           | 204.98          |
| Disposals  | -                 | -                                   | -                       | -                               | -           | -               |
| Other adjustments:   |                   |                                     |                         |                                 |             |                 |
| - Exchange difference  | -                 | -                                   | -                       | -                               | -           | -               |
| - Borrowing costs  | -                 | -                                   | -                       | -                               | -           | -               |
| <b>1<sup>st</sup> April, 2012</b>                                  | <b>586.25</b>     | <b>142.26</b>                       | <b>934.69</b>           | <b>485.13</b>                   | <b>5.96</b> | <b>2,154.29</b> |
| Additions  | 24.50             | -                                   | 18.98                   | 26.24                           | -           | 69.72           |
| Disposals  | -                 | -                                   | -                       | -                               | -           | -               |
| Other adjustments:   |                   |                                     |                         |                                 |             |                 |
| - Exchange difference  | -                 | -                                   | -                       | -                               | -           | -               |
| - Borrowing costs  | -                 | -                                   | -                       | -                               | -           | -               |
| <b>Gross carrying amount 31<sup>st</sup> March, 2013 (A)</b>       | <b>610.75</b>     | <b>142.26</b>                       | <b>953.67</b>           | <b>511.37</b>                   | <b>5.96</b> | <b>2,224.01</b> |
| <b>Accumulated amortisation on 1<sup>st</sup> April, 2012</b>      | <b>392.39</b>     | <b>142.23</b>                       | <b>255.88</b>           | <b>86.76</b>                    | <b>2.12</b> | <b>879.38</b>   |
| Deductions/adjustments   | -                 | -                                   | -                       | -                               | -           | -               |
| Depreciation during the year                                       | 77.86             | -                                   | 201.91                  | 29.26                           | 1.99        | 311.02          |
| <b>Accumulated amortisation on 31<sup>st</sup> March, 2013 (B)</b> | <b>470.25</b>     | <b>142.23</b>                       | <b>457.79</b>           | <b>116.02</b>                   | <b>4.11</b> | <b>1,190.40</b> |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2013 (A-B)</b> | <b>140.50</b>     | <b>0.03</b>                         | <b>495.88</b>           | <b>395.35</b>                   | <b>1.85</b> | <b>1,033.61</b> |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>       | <b>193.86</b>     | <b>0.03</b>                         | <b>678.81</b>           | <b>398.37</b>                   | <b>3.84</b> | <b>1,274.91</b> |

## (a) Freehold Land includes:

- ₹ 3,600 Lacs (₹ 3,600 Lacs) represented by 24,000 Equity Shares of ₹ 10 each in a company, Yarrowda Investments Limited, which is the legal owner of the land in respect of which the Company has acquired exclusive rights of development.

- ₹ 2,442.54 Lacs (₹ 1,046.42 Lacs) represented by 1,41,764 (1,38,888) Equity Shares of ₹ 10 each in the said company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.

## (b) Buildings include a sum of ₹ 11,398.32 Lacs (₹ 11,572.87 Lacs) represented by 38,236 (38,236) Equity Shares of ₹ 10 each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.

## (c) Gross Block of Plant and Machinery includes ₹ 7,837.54 Lacs (₹ Rs.6,212.61 Lacs) towards foreign exchange fluctuations on Long Term Loans.

## (d) The above equity shares so held do not really represent financial investment simplicities but rather the means to acquire and hold the properties for use in Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard - 10 on "Fixed Assets".

(e) Impairment of Assets: The Company has examined carrying cost of its identified Cash Generating Units (CGUs) (wherever applicable) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of CGUs are impaired during the financial year ended 31<sup>st</sup> March, 2013.**Note-13 CAPITAL WORK-IN-PROGRESS**

(₹ in Lacs)

|              | As at 31 <sup>st</sup> March, 2013 | As at 31 <sup>st</sup> March, 2012 |
|--------------|------------------------------------|------------------------------------|
| Projects     | 2,002.18                           | 10,415.23                          |
| Others       | 652.13                             | 1,590.63                           |
| <b>Total</b> | <b>2,654.31</b>                    | <b>12,005.86</b>                   |

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

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Trade investments (Unquoted)</b>  |                                       |                                       |
| <b>Investments in Subsidiaries (Fully paid-up)</b>   |                                       |                                       |
| 9,99,994 (9,99,994) Equity Shares of face value of ₹ 10 each of Smartchem Technologies Limited   | 6,379.88                              | 6,379.88                              |
| 1,60,000 (1,60,000) Equity Shares of face value of AUD 1 each of Deepak Nitrochem Pty. Limited   | 54.20                                 | 54.20                                 |
| Less: Provision for Diminution in Value  | (34.56)                               | (30.48)                               |
|  | 19.64                                 | 23.72                                 |
| 9,998 (9,998) Equity Shares of face value of ₹ 10 each of Deepak Mining Services Private Limited   | 1.00                                  | 1.00                                  |
|  | <b>6,400.52</b>                       | <b>6,404.60</b>                       |
| <b>Investments in Jointly controlled entity:</b>   |                                       |                                       |
| Desai Fruits and Vegetables Private Limited<br>10,51,504 (10,51,504) Equity Shares of face value of ₹ 10 each, fully paid-up;<br>36,32,469 (36,32,469) Equity Shares of face value ₹ 10 each of partly paid-up ₹ 4.96 (₹ 1.93) | <b>2,999.13</b>                       | <b>2,377.98</b>                       |
| <b>Investments in Associates (Fully paid-up)</b>   |                                       |                                       |
| 49,994 (49,994) Equity Shares of face value of ₹ 10 each of Ishanya Realty Corporation Limited   | 5.00                                  | 5.00                                  |
| 49,994 (49,994) Equity Shares of face value of ₹ 10 each of Ishanya Brand Services Limited   | 5.00                                  | 5.00                                  |
|  | 10.00                                 | 10.00                                 |
| <b>Investments in others (Fully paid-up)</b>   |                                       |                                       |
| 88,448 (88,448) Shares of face value of Sterling Pound 1 each of Deepak International Limited  | 68.69                                 | 68.69                                 |
| <b>Non-trade investments (Quoted)</b>  |                                       |                                       |
| Investments in Equity Shares (Refer Note below)  | 137.57                                | 137.57                                |
| Less: Provision for diminution in value  | (50.13)                               | (17.98)                               |
|  | 87.44                                 | 119.59                                |
| <b>Investments in Debentures or Bonds (Unquoted)</b>   |                                       |                                       |
| Nil (1) Zero Coupon Debenture of Crompton Greaves Limited (Face value ₹ 750 Lacs)  | -                                     | 783.26                                |
| <b>Total</b>   | <b>9,565.78</b>                       | <b>9,764.12</b>                       |

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

(₹ in Lacs)

| Equity (All Fully paid-up)    | Face Value<br>(₹) | As at<br>31 <sup>st</sup> March, 2013 |               | As at<br>31 <sup>st</sup> March, 2012 |               |
|-------------------------------|-------------------|---------------------------------------|---------------|---------------------------------------|---------------|
|                               |                   | No. of Shares                         | Cost          | No. of Shares                         | Cost          |
| HDFC Limited                  | 2                 | 5,000                                 | 26.76         | 5,000                                 | 26.76         |
| Infosys Technologies Limited  | 5                 | 750                                   | 20.38         | 750                                   | 20.38         |
| ITC Limited                   | 1                 | 16,400                                | 18.61         | 16,400                                | 18.61         |
| IVRCL Infrastructures Limited | 2                 | 15,239                                | 31.98         | 15,239                                | 31.98         |
| Sterlite Industries Limited   | 1                 | 20,000                                | 39.84         | 20,000                                | 39.84         |
|                               |                   |                                       | <b>137.57</b> |                                       | <b>137.57</b> |

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| Aggregate amount of quoted investments   | 137.57                                | 137.57                                |
| Market value of quoted investments       | 135.34                                | 124.66                                |
| Aggregate amount of unquoted investments | 9,512.90                              | 9,675.01                              |

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

(₹ in Lacs)

|   | Long Term                             |                                       | Short Term                            |                                       |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Capital advances  | 3,208.02                              | 1,102.47                              | -                                     | -                                     |
| Deposits with Bank with original maturity for more than 12 months * | 271.56                                | 0.19                                  | -                                     | -                                     |
| Security deposits   | 1,406.29                              | 1,588.30                              | -                                     | -                                     |
| Balance with Central Excise and Customs                             | 624.31                                | 617.92                                | 767.49                                | 2,024.97                              |
| Loans and advances - related parties #                              | 200.00                                | 200.00                                | -                                     | -                                     |
| Advances recoverable in cash or kind or for value to be received:   |                                       |                                       |                                       |                                       |
| - Advances/ loans to employees                                      | -                                     | -                                     | 183.41                                | 135.67                                |
| - Advances to suppliers   | -                                     | -                                     | 3,509.90                              | 3,218.35                              |
| - Others @  | -                                     | -                                     | 3,338.64                              | 2,950.83                              |
| - Prepaid expenses  | 109.18                                | 70.57                                 | 1,658.99                              | 1,216.98                              |
| Advance payments of taxes (Net)                                     | -                                     | -                                     | 1,063.35                              | 1,885.06                              |
| MAT Credit entitlements   | -                                     | -                                     | 706.37                                | -                                     |
| <b>Total</b>  | <b>5,819.36</b>                       | <b>3,579.45</b>                       | <b>11,228.15</b>                      | <b>11,431.86</b>                      |

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

# Loans and advances - Related parties

(₹ in Lacs)

|  | Long Term                             |                                       | Short Term                            |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Security deposit placed with Chairman and Managing Director towards lease of residential premises. | 200.00                                | 200.00                                | -                                     | -                                     |
| <b>Total</b>   | <b>200.00</b>                         | <b>200.00</b>                         | <b>-</b>                              | <b>-</b>                              |

@ Other advances includes VAT/Sales Tax receivable of ₹ 2,480.40 Lacs (₹ 2,426.29 Lacs) and Duty drawback receivable of ₹ 170.23 Lacs.

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

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Quoted Bonds/Securities (Non-trade)</b> |                                       |                                       |
| Investments in Debt PMS                    | 5,245.06                              | -                                     |
| Investments in Tax Free Bonds              | 2,502.20                              | -                                     |
| Investments in Government Securities       | 1,081.50                              | -                                     |
| Less: Provision for diminution in value    | (14.36)                               | -                                     |
|  | <b>8,814.40</b>                       | <b>-</b>                              |
| <b>Quoted Mutual Funds (Non-trade)</b>     |                                       |                                       |
| Mutual Funds                               | 16,025.00                             | 2,125.00                              |
| Less: Provision for diminution in value    | (6.78)                                | (5.48)                                |
|  | <b>16,018.22</b>                      | <b>2,119.52</b>                       |
| <b>Total</b>                               | <b>24,832.62</b>                      | <b>2,119.52</b>                       |

**Investments in Debt PMS**

(₹ in Lacs)

| Name of Securities                                  | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2013 |                 |                 | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2012 |          |          |
|---|-----------------|---------------------------------------|-----------------|-----------------|-----------------|---------------------------------------|----------|----------|
|   |                 | Face                                  | Cost            | Market          |                 | Face                                  | Cost     | Market   |
|   |                 | Value                                 |                 | Value           |                 | Value                                 |          | Value    |
| 10.75% DPSC BONDS 03/11/2016                        | 200             | 400                                   | 424.48          | 426.40          | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2017                        | 50              | 100                                   | 103.51          | 106.23          | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2017                        | 41              | 82                                    | 84.89           | 87.11           | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2017                        | 28              | 56                                    | 59.33           | 59.49           | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2018                        | 98              | 196                                   | 207.88          | 208.43          | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2018                        | 16              | 32                                    | 33.47           | 34.03           | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2018                        | 95              | 190                                   | 201.40          | 202.05          | -               | -                                     | -        | -        |
| 10.75% DPSC BONDS 03/11/2020                        | 60              | 120                                   | 127.34          | 127.92          | -               | -                                     | -        | -        |
| 9.70% IFCI BONDS 04/05/2030                         | 6               | 60                                    | 66.79           | 67.00           | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 05/11/2022                     | 400             | 100                                   | 99.92           | 100.11          | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 05/11/2027                     | 160             | 40                                    | 39.91           | 40.00           | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 05/11/2032                     | 376             | 94                                    | 93.79           | 94.01           | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 31/10/2027                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 31/10/2032                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -        | -        |
| 9.90% IFCI LTD BONDS 31/10/2037                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -        | -        |
| 12.75% INDIA INFOLINE FIN. NCD 17/09/2018           | 5,069           | 51                                    | 51.19           | 51.26           | -               | -                                     | -        | -        |
| 9.40% RRVP NIGAM LTD BONDS 22/03/2025               | 215             | 2,150                                 | 2,150.00        | 2,151.72        | -               | -                                     | -        | -        |
| 10.00% RELIANCE CAPITAL LTD NCD 03/11/2017          | 21              | 210                                   | 212.14          | 214.18          | -               | -                                     | -        | -        |
| 10.10% RELIANCE CAP F SERIES B-NCD260 28/09/2022    | 10              | 100                                   | 102.01          | 102.32          | -               | -                                     | -        | -        |
| 10.20% RELIANCE CAPITAL NCD (RCAP F SERIES B-NCD 2) | 31              | 310                                   | 318.80          | 319.05          | -               | -                                     | -        | -        |
| 10.20% RELIANCE CAPITAL BONDS 31/07/2022            | 6               | 60                                    | 60.97           | 61.21           | -               | -                                     | -        | -        |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 5               | 50                                    | 50.88           | 50.95           | -               | -                                     | -        | -        |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 1               | 10                                    | 10.04           | 10.19           | -               | -                                     | -        | -        |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 2               | 20                                    | 20.34           | 20.38           | -               | -                                     | -        | -        |
| 12.50% MAGMA FINCORP LTD PERPETUAL BONDS            | 25              | 250                                   | 253.20          | 253.35          | -               | -                                     | -        | -        |
| 12.50% MAGMA FINCORP LTD PERPETUAL BONDS            | 9               | 90                                    | 91.16           | 91.21           | -               | -                                     | -        | -        |
| <b>Total</b>  |                 |                                       | <b>5,245.06</b> | <b>5,268.63</b> |                 |                                       | <b>-</b> | <b>-</b> |

## Investments in Tax Free Bonds

(₹ in Lacs)

| Name of Securities                           | No. of Units | As at 31 <sup>st</sup> March, 2013 |                 |                 | No. of Units | As at 31 <sup>st</sup> March, 2012 |      |              |
|--|--------------|------------------------------------|-----------------|-----------------|--------------|------------------------------------|------|--------------|
|  |              | Face Value                         | Cost            | Market Value    |              | Face Value                         | Cost | Market Value |
|  |              |                                    |                 |                 |              |                                    |      |              |
| 7.51% HUDCO Tax Free Bonds TRANCH A SR 2     | 5            | 500                                | 500.00          | 500.00          | -            | -                                  | -    | -            |
| 7.34% IRFC Tax Free Bonds 2012 TRANCH A SR 2 | 10           | 1,000                              | 1,000.00        | 1,000.00        | -            | -                                  | -    | -            |
| 7.22% RECL Tax Free Bonds 2022               | 10           | 1,009                              | 1,002.20        | 1,002.14        | -            | -                                  | -    | -            |
| <b>Total</b>                                 |              |                                    | <b>2,502.20</b> | <b>2,502.14</b> |              |                                    | -    | -            |

## Investments in Government Securities

(₹ in Lacs)

| Name of Securities   | No. of Units | As at 31 <sup>st</sup> March, 2013 |                 |                 | No. of Units | As at 31 <sup>st</sup> March, 2012 |      |              |
|----------------------|--------------|------------------------------------|-----------------|-----------------|--------------|------------------------------------|------|--------------|
|                      |              | Face Value                         | Cost            | Market Value    |              | Face Value                         | Cost | Market Value |
|                      |              |                                    |                 |                 |              |                                    |      |              |
| 8.97% GOI 05/12/2030 | 10.00        | 1,000                              | 1,081.50        | 1,067.14        | -            | -                                  | -    | -            |
| <b>Total</b>         |              |                                    | <b>1,081.50</b> | <b>1,067.14</b> | -            | -                                  | -    | -            |

## Details of Investments in Mutual Funds

(₹ in Lacs)

| Name of the Fund   | As at 31 <sup>st</sup> March, 2013 |               |                  | As at 31 <sup>st</sup> March, 2012 |                 |                 |
|--|------------------------------------|---------------|------------------|------------------------------------|-----------------|-----------------|
|  | No. of Units in Lacs               | Cost          | Market Value     | No. of Units in Lacs               | Cost            | Market Value    |
|  |                                    |               |                  |                                    |                 |                 |
| IDFC Money Manager Fund                                  | -                                  | -             | -                | 6.071                              | 100.00          | 101.10          |
| DSP Blackrock FMP - Series 38 - 12.5 Months - Growth     | 50                                 | 500           | 554.09           | 50                                 | 500.00          | 502.56          |
| DWS Fixed Maturity Plan -Series 7 Growth Plan            | 50                                 | 500           | 554.34           | 50                                 | 500.00          | 504.96          |
| IDFC Fixed Maturity Plan Thirteen Months Series 7 Growth | 50                                 | 500           | 554.42           | 50                                 | 500.00          | 505.11          |
| TATA Fixed Maturity Plan Series 39 Scheme G Growth       | 50                                 | 500           | 554.44           | 50                                 | 500.00          | 505.18          |
| SBI Infrastructure Fund I - Dividend                     | 3                                  | 25            | 18.22            | 3                                  | 25.00           | 19.53           |
| DSP Blackrock Strategic Bond Fund - IP - Growth          | 1                                  | 1,500         | 1,513.90         | -                                  | -               | -               |
| DWS Premier Bond Fund - Regular Plan - Growth            | 52                                 | 1,000         | 1,009.53         | -                                  | -               | -               |
| HDFC Income Fund - Growth                                | 56                                 | 1,500         | 1,509.09         | -                                  | -               | -               |
| ICICI Prudential Income Fund - Growth                    | 41                                 | 1,500         | 1,510.93         | -                                  | -               | -               |
| IDFC D B F - Dir - Growth                                | 72                                 | 1,000         | 1,016.25         | -                                  | -               | -               |
| Kotak Bond Scheme - Plan A - Growth                      | 44                                 | 1,500         | 1,507.20         | -                                  | -               | -               |
| Reliance Income Fund - Retail - G P - Growth             | 39                                 | 1,500         | 1,508.24         | -                                  | -               | -               |
| Reliance Dynamic Bond Fund - Growth                      | 64                                 | 1,000         | 1,005.36         | -                                  | -               | -               |
| SBI Dynamic Bond Fund - Growth                           | 103                                | 1,500         | 1,515.92         | -                                  | -               | -               |
| Tata Income Fund - Plan A - Growth                       | 28                                 | 1,000         | 1,010.83         | -                                  | -               | -               |
| UTI Bond Fund - Growth                                   | 29                                 | 1,000         | 1,009.47         | -                                  | -               | -               |
| <b>Total</b>   |                                    | <b>16,025</b> | <b>16,352.23</b> |                                    | <b>2,125.00</b> | <b>2,138.44</b> |

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

(₹ in Lacs)

|                                      | As at 31 <sup>st</sup> March, 2013 | As at 31 <sup>st</sup> March, 2012 |
|--------------------------------------|------------------------------------|------------------------------------|
| Aggregate cost of quoted investments | 24,853.76                          | 2,125.00                           |
| Market value of quoted investments   | 25,190.14                          | 2,138.44                           |



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

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| Raw materials   | 7,122.63                              | 7,269.79                              |
| Packing materials   | 924.45                                | 715.70                                |
| Finished goods {(in transit ₹ 667.04 Lacs (₹ 254.79 Lacs))} | 4,169.97                              | 3,930.35                              |
| Stock-in-trade  | 4,928.84                              | 1,967.75                              |
| Stores and spares   | 6,832.55                              | 6,762.47                              |
| <b>Total</b>  | <b>23,978.44</b>                      | <b>20,646.06</b>                      |

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

(₹ in Lacs)

|   | Current                               |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>Outstanding for a period exceeding six months:</b> |                                       |                                       |
| - Considered good                                     | 9,762.14                              | 1,383.49                              |
| - Considered doubtful                                 | 527.38                                | 589.11                                |
|   | 10,289.52                             | 1,972.60                              |
| Less: Provision for doubtful debts                    | (527.38)                              | (589.11)                              |
|   | 9,762.14                              | 1,383.49                              |
| Others  | 54,754.32                             | 55,127.11                             |
| <b>Total</b>  | <b>64,516.46</b>                      | <b>56,510.60</b>                      |

**Note-19 CASH AND BANK BALANCES**

(₹ in Lacs)

|   | Current                               |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>Cash and cash equivalents:</b>         |                                       |                                       |
| - Cash on hand                            | 24.25                                 | 22.91                                 |
| - Cheques on hand                         | 1,337.46                              | 1,253.97                              |
| - Balance in current account with Banks   | 8,470.60                              | 12,919.40                             |
|   | <b>9,832.31</b>                       | <b>14,196.28</b>                      |
| <b>Other Bank balances:</b>               |                                       |                                       |
| - On unpaid dividend (Earmarked balances) | 368.91                                | 372.73                                |
| <b>Total</b>                              | <b>10,201.22</b>                      | <b>14,569.01</b>                      |

**Note-20 OTHER CURRENT ASSETS**

(₹ in Lacs)

|  | Current                               |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Interest income accrued on deposits and others | 644.17                                | 357.17                                |
| Derivative contracts receivable                | 1,272.77                              | -                                     |
| <b>Total</b>                                   | <b>1,916.94</b>                       | <b>357.17</b>                         |

**Note-21 REVENUE FROM OPERATIONS**

(₹ in Lacs)

|                                      | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--------------------------------------|--|--|
| <b>A. Sale of products</b>           |  |  |
| <b>Finished goods</b>                | 1,90,589.80                                | 1,71,947.02                                |
| Less: Excise duty                    | 16,627.70                                  | 13,091.66                                  |
|                                      | <b>1,73,962.10</b>                         | <b>1,58,855.36</b>                         |
| Stock-in-trade                       | 53,990.40                                  | 33,054.36                                  |
| Subsidy on manufactured fertilisers  | 20,334.17                                  | 25,803.77                                  |
| Subsidy on traded fertilisers        | 11,270.24                                  | 15,658.19                                  |
|                                      | <b>2,59,556.91</b>                         | <b>2,33,371.68</b>                         |
| Revenue from realty business         | 311.56                                     | 740.43                                     |
| Less: Service tax                    | 49.28                                      | 60.78                                      |
|                                      | 262.28                                     | 679.65                                     |
| Other operating revenues             | 835.63                                     | 209.21                                     |
| Less: Service tax                    | 8.92                                       | 7.21                                       |
|                                      | 826.71                                     | 202.00                                     |
| <b>Revenue from operations (Net)</b> | <b>2,60,645.90</b>                         | <b>2,34,253.33</b>                         |

(₹ in Lacs)

|                                       | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---------------------------------------|--|--|
| <b>B. Details of Sale of products</b> |  |  |
| <b>Finished goods</b>                 |  |  |
| Iso propyl alcohol                    | 55,014.45                                  | 49,892.69                                  |
| Nitrophosphate                        | 49,218.78                                  | 46,691.77                                  |
| Bentonite sulphur                     | 2,432.08                                   | 2,528.33                                   |
| Technical ammonium nitrate            | 56,016.36                                  | 44,403.36                                  |
| Nitric acid                           | 17,284.58                                  | 19,268.49                                  |
| Methanol                              | 3,549.24                                   | 11,660.92                                  |
| Propane                               | 7,223.91                                   | 6,990.68                                   |
| Liquid CO <sub>2</sub>                | 1,257.45                                   | 1,266.05                                   |
| Hydrogen                              | 1,127.21                                   | 1,008.41                                   |
| Windmill power                        | 779.99                                     | 659.47                                     |
| Others                                | 392.22                                     | 288.96                                     |
| (A)                                   | <b>1,94,296.27</b>                         | <b>1,84,659.13</b>                         |
| <b>Stock-in-trade</b>                 |  |  |
| Muriate of potash                     | 10,152.56                                  | 8,626.88                                   |
| Speciality fertiliser                 | 12,030.07                                  | 11,496.14                                  |
| Single super phosphate                | 5,500.23                                   | 3,023.55                                   |
| Mixture fertiliser                    | 1,047.27                                   | 1,748.21                                   |
| Ammonium sulphate                     | 1,107.64                                   | 669.16                                     |
| DAP                                   | 15,474.82                                  | -  |
| Complex fertiliser                    | 18.40                                      | 20,507.55                                  |
| Bulk chemicals                        | 17,906.76                                  | 1,184.51                                   |
| Others                                | 2,022.89                                   | 1,456.55                                   |
| (B)                                   | <b>65,260.64</b>                           | <b>48,712.55</b>                           |
| <b>Total</b>                          | <b>2,59,556.91</b>                         | <b>2,33,371.68</b>                         |
| (A+B)                                 |  |  |

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

**Note-22 OTHER INCOME**

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Interest on term deposits with Banks                    | 8.06                                       | 43.19                                      |
| <b>Income from long term investments:</b>               |  |  |
| - Interest on fertiliser bonds                          | -  | 63.97                                      |
| - Other Interest income                                 | 1,947.40                                   | 985.65                                     |
| - Dividend  |  |  |
| a) Trade investments - Subsidiary Company               | 399.80                                     | 300.00                                     |
| b) Non trade investments                                | 1.93                                       | 1.95                                       |
|   | <b>2,349.13</b>                            | <b>1,351.57</b>                            |
| <b>Income from current Investments:</b>                 |  |  |
| - Dividend from Mutual Funds                            | 3.41                                       | -  |
| - Profit on sale of current investments in Mutual Funds | 883.87                                     | 1,232.47                                   |
|   | <b>887.28</b>                              | <b>1,232.47</b>                            |
| Miscellaneous receipts *                                | 2,933.67                                   | 1,338.46                                   |
| <b>Total</b>  | <b>6,178.14</b>                            | <b>3,965.69</b>                            |

\* Includes income from Carbon Credit ₹ 1,426 Lacs (₹ 27.99 Lacs).

**Note-23 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

|                           | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---------------------------|--|--|
| Ammonia                   | 27,938.62                                  | 21,819.47                                  |
| Natural gas               | 24,001.42                                  | 25,971.43                                  |
| Propylene                 | 45,312.79                                  | 37,840.33                                  |
| Phosphoric acid           | 22,148.06                                  | 22,566.06                                  |
| Others                    | 2,334.29                                   | 2,597.61                                   |
|                           | <b>1,21,735.18</b>                         | <b>1,10,794.90</b>                         |
| Packing material consumed | 3,262.11                                   | 2,676.47                                   |
| <b>Total</b>              | <b>1,24,997.29</b>                         | <b>1,13,471.37</b>                         |

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

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

(₹ in Lacs)

|                        | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|------------------------|--|--|
| DAP                    | 14,578.19                                  | -  |
| Muriate of potash      | 9,569.78                                   | 8,387.78                                   |
| Mixture fertiliser     | 1,013.62                                   | 1,665.76                                   |
| Single super phosphate | 5,296.69                                   | 2,869.03                                   |
| Speciality fertiliser  | 9,793.86                                   | 8,946.90                                   |
| Bulk chemicals         | 16,443.71                                  | 1,091.23                                   |
| Complex fertiliser     | -  | 19,083.52                                  |
| Others                 | 6,321.24                                   | 1,878.76                                   |
| <b>Total</b>           | <b>63,017.09</b>                           | <b>43,922.98</b>                           |

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

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| <b>(Increase) / decrease in Inventories:</b>                       |  |  |
| Inventories at the end of the year:                                |  |  |
| - Finished goods   | 4,169.97                                   | 3,930.35                                   |
| - Stock-in-trade   | 4,928.84                                   | 1,967.75                                   |
| (A)  | <b>9,098.81</b>                            | <b>5,898.10</b>                            |
| Inventories at the beginning of the year:                          |  |  |
| - Finished goods   | 3,930.35                                   | 774.71                                     |
| - Stocks-in-trade  | 1,967.75                                   | 2,016.48                                   |
| (B)  | <b>5,898.10</b>                            | <b>2,791.19</b>                            |
| (Increase)/ decrease in excise duty on stock of finished goods (C) | <b>(104.40)</b>                            | <b>(172.30)</b>                            |
| <b>Total</b> (A-B-C)   | <b>(3,096.31)</b>                          | <b>(2,934.61)</b>                          |

**Note-26 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Salary and wages                          | 11,825.34                                  | 11,972.21                                  |
| Contribution to provident and other funds | 1,642.29                                   | 948.08                                     |
| Staff welfare                             | 1,034.01                                   | 1,011.41                                   |
| <b>Total</b>                              | <b>14,501.64</b>                           | <b>13,931.70</b>                           |

**Note-27 FINANCE COSTS**

(₹ in Lacs)

|                           | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---------------------------|--|--|
| Interest on fixed loans # | 5,560.34                                   | 5,312.30                                   |
| Interest - Others         | 2,488.28                                   | 1,373.16                                   |
| Other financial charges   | 168.75                                     | 136.94                                     |
| <b>Total</b>              | <b>8,217.37</b>                            | <b>6,822.40</b>                            |

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,048.37 Lacs (₹ 954.71 Lacs)

# Excluding amount capitalised ₹ 74.75 Lacs (₹ 343.94 Lacs)

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

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| Depreciation of tangible assets        | 9,443.84                                   | 7,918.94                                   |
| Amortisation of intangible assets      | 311.02                                     | 289.86                                     |
|  | <b>9,754.86</b>                            | <b>8,208.80</b>                            |
| Less: Transferred from special reserve | 9.50                                       | 18.18                                      |
| <b>Total</b>                           | <b>9,745.36</b>                            | <b>8,190.62</b>                            |

**Note-29 (A) OTHER EXPENSES**

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| Power, fuel and water                                  | 2,586.14                                   | 3,246.79                                   |
| Stores, spares, oils, chemicals and catalysts consumed | 3,597.07                                   | 2,988.83                                   |
| Repairs to:  |  |  |
| - Buildings  | 536.63                                     | 505.00                                     |
| - Plant and machinery                                  | 3,338.79                                   | 3,211.53                                   |
| - Others   | 526.12                                     | 621.79                                     |
|  | 4,401.54                                   | 4,338.32                                   |
| Insurance  | 1,286.35                                   | 1,015.41                                   |
| Rent   | 1,113.58                                   | 550.26                                     |
| Rates, taxes and duties                                | 984.56                                     | 653.19                                     |
| Directors' sitting fees                                | 9.80                                       | 11.07                                      |
| Auditors' remuneration                                 | 67.96                                      | 62.57                                      |
| Carriage outward (Net)                                 | 5,076.89                                   | 4,167.39                                   |
| Cash discounts   | 447.64                                     | 155.78                                     |
| Provision for diminution in value of investments (*)   | 51.89                                      | 49.90                                      |
| Foreign exchange fluctuations (Net)                    | 3,084.70                                   | 2,530.50                                   |
| Legal and professional fees                            | 1,482.51                                   | 985.22                                     |
| Sales promotion expenses                               | 463.31                                     | 661.67                                     |
| Miscellaneous expenses                                 | 4,729.93                                   | 4,392.11                                   |
| <b>Total</b>   | <b>29,383.87</b>                           | <b>25,809.01</b>                           |

(\*) Consist of ₹ 15.66 Lacs (₹ 3.90 Lacs) related to current investments and ₹ 36.23 Lacs (₹ 46.00 Lacs) related to non-current investments.

(B) Manufacturing and other expenses are excluding start-up and commissioning expenses amounting to ₹ Nil (₹ 296.12 Lacs).  
The details of start-up and commissioning expenses are as follows:

(₹ in Lacs)

| Particulars            | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|------------------------|--|--|
| Raw materials consumed | -  | 288.87                                     |
| Power and water        | -  | 7.25                                       |
| Total expenses         | -  | 296.12                                     |
| Less: Realisations     | -  | 296.12                                     |
| <b>Net Expenses</b>    | <b>-</b>                                   | <b>-</b>                                   |

**Note-30 EARNING PER SHARE**

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| <b>Profit after tax (₹ in Lacs)</b>          | <b>14,690.51</b>                           | <b>21,297.38</b>                           |
| Average number of Equity Shares of ₹ 10 each | 8,82,04,943                                | 8,82,04,943                                |
| <b>Basic and diluted earning per share</b>   | <b>16.65</b>                               | <b>24.15</b>                               |
| Face value per Equity Share                  | 10.00                                      | 10.00                                      |

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

(₹ in Lacs)

|                             | Year Ended<br>31 <sup>st</sup> March, 2013 | Year Ended<br>31 <sup>st</sup> March, 2012 |
|-----------------------------|--|--|
| <b>As Auditor:</b>          |  |  |
| - Audit fees                | 31.50                                      | 31.50                                      |
| - Tax audit                 | 4.50                                       | 4.50                                       |
|                             | <b>36.00</b>                               | <b>36.00</b>                               |
| <b>Other capacity:</b>      |  |  |
| - Certifications            | 11.03                                      | 8.21                                       |
| - Taxation matters          | 19.42                                      | 16.75                                      |
| - Reimbursement of expenses | 1.51                                       | 1.61                                       |
| <b>Total</b>                | <b>67.96</b>                               | <b>62.57</b>                               |

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

(₹ in Lacs)

| Particulars  | Gratuity benefits                          |  | Compensated absences                       |  | Post retirement benefits                   |  |
|--|--|--|--|--|--|--|
|  | (Funded)                                   |  | (Unfunded)                                 |  | (Unfunded)                                 |  |
|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
| <b>Components of employer expenses</b>   |  |  |  |  |  |  |
| Current service costs  | 371.52                                     | 210.26                                     | 136.40                                     | 127.86                                     | 26.11                                      | 192.81                                     |
| Interest cost  | 199.99                                     | 191.61                                     | 89.99                                      | 71.29                                      | 16.77                                      | -  |
| Expected return on plan assets   | (177.68)                                   | (150.76)                                   | -  | -  | -  | -  |
| Actuarial losses / (gains)   | 393.74                                     | (223.82)                                   | 49.49                                      | 147.55                                     | (21.81)                                    | 2.80                                       |
| <b>Total expenses / (Income) recognised in the Statement of Profit and Loss</b>                  | <b>787.57</b>                              | <b>27.29</b>                               | <b>275.88</b>                              | <b>346.70</b>                              | <b>21.07</b>                               | <b>195.61</b>                              |
| <b>Actual contributions and benefits paid during the year</b>                                    |  |  |  |  |  |  |
| Actual benefits paid   | 174.70                                     | 115.35                                     | 76.80                                      | 217.06                                     | -  | 2.80                                       |
| Actual contributions   | 294.19                                     | 244.58                                     | -  | -  | -  | -  |
|  | <b>468.89</b>                              | <b>359.93</b>                              | <b>76.80</b>                               | <b>217.06</b>                              | <b>-</b>                                   | <b>2.80</b>                                |
| <b>Net asset / (liability) recognised in the Balance Sheet as on 31<sup>st</sup> March, 2013</b> |  |  |  |  |  |  |
| Present Value of Defined benefit obligations   | <b>(3,242.52)</b>                          | <b>(2,440.17)</b>                          | <b>(1,296.69)</b>                          | <b>(1,097.61)</b>                          | <b>213.88</b>                              | 192.81                                     |
| Fair value of plan assets  | <b>2,139.48</b>                            | <b>1,830.52</b>                            | -  | -  | -  | -  |
| <b>Net asset / (liability) recognised in the Balance Sheet</b>                                   | <b>(1,103.04)</b>                          | <b>(609.65)</b>                            | <b>(1,296.69)</b>                          | <b>(1,097.61)</b>                          | <b>213.88</b>                              | 192.81                                     |

(₹ in Lacs)

| Particulars  | Gratuity benefits                          |  | Compensated absences                       |  | Post retirement benefits                   |  |
|--|--|--|--|--|--|--|
|  | (Funded)                                   |  | (Unfunded)                                 |  | (Unfunded)                                 |  |
|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
| <b>Change in Defined benefit obligations (DBO) during the year ended 31<sup>st</sup> March, 2013</b> |  |  |  |  |  |  |
| Present Value of DBO at beginning of the year  | 2,440.17                                   | 2,366.21                                   | 1,097.61                                   | 967.43                                     | 192.81                                     | -  |
| Current service cost   | 371.52                                     | 210.26                                     | 136.40                                     | 127.86                                     | 26.11                                      | 192.81                                     |
| Interest cost  | 199.99                                     | 191.61                                     | 89.99                                      | 71.29                                      | 16.77                                      | -  |
| Actuarial (gains)/losses   | 405.54                                     | (212.56)                                   | 49.49                                      | 147.55                                     | (21.81)                                    | 2.80                                       |
| Benefits paid  | (174.70)                                   | (115.35)                                   | (76.80)                                    | (217.06)                                   | -  | (2.80)                                     |
| <b>Present Value of DBO at the end of the year</b>   | <b>3,242.52</b>                            | <b>2,440.17</b>                            | <b>1,296.69</b>                            | <b>1,097.61</b>                            | <b>213.88</b>                              | <b>192.81</b>                              |
| <b>Change in Fair Value of plan Assets during the year ended 31<sup>st</sup> March, 2013</b>         |  |  |  |  |  |  |
| Plan assets at beginning of the year   | 1,830.52                                   | 1,539.26                                   | -  | -  | -  | -  |
| Actual return on plan assets   | 177.68                                     | 150.76                                     | -  | -  | -  | -  |
| Contributions  | 294.19                                     | 244.58                                     | -  | -  | -  | -  |
| Actuarial (gains)/losses on Plan Assets  | 11.79                                      | 11.27                                      | -  | -  | -  | -  |
| Benefits paid  | (174.70)                                   | (115.35)                                   | -  | -  | -  | -  |
| <b>Plan assets at the end of the year</b>  | <b>2,139.48</b>                            | <b>1,830.52</b>                            | <b>-</b>                                   | <b>-</b>                                   | <b>-</b>                                   | <b>-</b>                                   |
| <b>Actuarial Assumptions</b>   |  |  |  |  |  |  |
| Discount Rate  | 8.00%                                      | 8.50%                                      | 8.00%                                      | 8.50%                                      | 8.00%                                      | 8.50%                                      |
| Expected Return on plan assets   | 9.40%                                      | 9.40%                                      | -  | -  | -  | -  |
| Salary escalation  | 5.00%                                      | 5.00%                                      | 5.00%                                      | 5.00%                                      | 5.00%                                      | 5.00%                                      |

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

### Experience adjustments for gratuity benefits

(₹ in Lacs)

| Experience adjustments                     | Gratuity benefits            |                              |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2013 | 31 <sup>st</sup> March, 2012 | 31 <sup>st</sup> March, 2011 | 31 <sup>st</sup> March, 2010 | 31 <sup>st</sup> March, 2009 |
| Defined benefit obligations                | 3,242.52                     | 2,440.17                     | 2,366.21                     | 1,798.85                     | 1,570.85                     |
| Plan assets                                | 2,139.48                     | 1,830.52                     | 1,539.26                     | 1,301.16                     | 1,103.05                     |
| Surplus / (Deficit)                        | (1,103.04)                   | (609.65)                     | (826.95)                     | (497.69)                     | (467.80)                     |
| Experience adjustments on Plan liabilities | (367.59)                     | 181.04                       | (299.73)                     | (90.14)                      | (359.14)                     |
| Experience adjustments on Plan assets      | 11.79                        | 11.27                        | 14.47                        | -                            | -                            |

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of 31<sup>st</sup> March, 2013. The Company is expected to contribute ₹ 250 Lacs for the year ended 31<sup>st</sup> March, 2014.



**Experience adjustments for post retirement benefits**

(₹ in Lacs)

|  | <b>Post Retirement benefits</b>    |                                    |
|--|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2013</b> | <b>31<sup>st</sup> March, 2012</b> |
| <b>Defined Benefit Obligation</b>          |                                    |                                    |
| Plan assets                                | 213.88                             | 192.81                             |
| Surplus / (Deficit)                        | -                                  | -                                  |
| Experience adjustments on plan liabilities | (213.88)                           | (192.81)                           |
| Experience adjustments on plan assets      | 60.88                              | (2.80)                             |

**Note-33** The proportionate share of assets, liabilities, revenue and expenditure, contingent liabilities and capital commitments of the Joint Controlled Entity is given below as on 31<sup>st</sup> March, 2013 (based on unaudited accounts):

(₹ in Lacs)

| <b>Particulars</b>                     | <b>Desai Fruits and Vegetables Private Limited</b> |
|--|--|
| Country of incorporation               | India  |
| Percentage of ownership interest       | 49%  |
| Year                                   | 2012-13  |
| Liabilities                            | 285.65   |
| Assets                                 | 2,028.84   |
| Income                                 | 1,287.66   |
| Expenditure                            | 2,110.20   |
| Profit / (Loss) after tax for the year | (821.70)   |
| Contingent liabilities                 | 18.38  |
| Capital commitments                    | 2.53   |

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

Ishanya Brand Services Limited  
Ishanya Realty Corporation Limited

**JOINTLY CONTROLLED ENTITY**

Desai Fruits and Vegetables Private Limited

**ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE**

Blue Shell Investments Private Limited  
Deepak Nitrite Limited  
Nova Synthetic Limited  
The Lakaki Works Private Limited  
Superpose Credits And Capital Private Limited  
Storewell Credits And Capital Private Limited  
High Tide Investments Private Limited  
Deepak Asset Reconstruction Private Limited  
Mahadhan Investment and Finance Private Limited  
SCM Soilfert Limited  
SCM Fertichem Limited  
Ishanya Foundation  
Deepak Foundation

**SUBSIDIARIES**

Smartchem Technologies Limited  
Deepak Nitrochem Pty. Limited  
Deepak Mining Services Private Limited  
Yerrowda Investments Limited  
RungePincokMinarco India Private Limited

**KEY MANAGEMENT PERSONNEL**

Shri S. C. Mehta  
Shri Partha Bhattacharyya

**Note-35A RELATED PARTY TRANSACTIONS**

| Nature of Transactions                            | Year ended<br>31 <sup>st</sup> March, 2013 |                           |                          |                                      |            | Year ended<br>31 <sup>st</sup> March, 2012 |                           |                          |                                      |            |
|---|--|---------------------------|--------------------------|--------------------------------------|------------|--|---------------------------|--------------------------|--------------------------------------|------------|
|   | Subsidiaries                               | Jointly Controlled Entity | Key Management Personnel | Entities under Significant Influence | Total      | Subsidiaries                               | Jointly Controlled Entity | Key Management Personnel | Entities under Significant Influence | Total      |
| Sale of goods                                     | 352.94                                     | -                         | -                        | 5,184.88                             | 5,537.82   | 80.85                                      | -                         | -                        | 3,489.93                             | 3,570.78   |
| Purchase of goods                                 | -  | -                         | -                        | (0.10)                               | (0.10)     | -  | -                         | -                        | (0.26)                               | (0.26)     |
| Donation given                                    | -  | -                         | -                        | (219.00)                             | (219.00)   | -  | -                         | -                        | (397.00)                             | (397.00)   |
| Rendering of services / Reimbursement of expenses | 0.56                                       | 4.67                      | -                        | 5.49                                 | 10.72      | -  | -                         | -                        | 7.22                                 | 7.22       |
| Receiving of services / Reimbursement of expenses | (135.59)                                   | -                         | (883.05)                 | -                                    | (1,018.64) | (97.34)                                    | -                         | (1,015.93)               | (0.25)                               | (1,113.52) |
| Leasing or hire purchase arrangements             | -  | -                         | (11.63)                  | 9.91                                 | (1.72)     | -  | -                         | (9.00)                   | 24.55                                | 15.55      |
| Purchase of Equity Shares                         | -  | (621.16)                  | -                        | -                                    | (621.16)   | -  | (2,377.98)                | -                        | -                                    | (2,377.98) |
| Redemption of Preference Shares                   | -  | -                         | -                        | -                                    | -          | 600.00                                     | -                         | -                        | -                                    | 600.00     |
| Purchase of DEPB Licenses                         | -  | (74.91)                   | -                        | -                                    | (74.91)    | -  | (15.25)                   | -                        | -                                    | (15.25)    |
| Purchase of fixed assets                          | -  | -                         | -                        | (1,258.25)                           | (1,258.25) | (152.71)                                   | -                         | -                        | (5.84)                               | (158.55)   |
| Dividend received                                 | 400.00                                     | -                         | -                        | -                                    | 400.00     | 300.00                                     | -                         | -                        | -                                    | 300.00     |
| Dividend paid                                     | -  | -                         | (956.55)                 | (1,019.10)                           | (1,975.65) | -  | -                         | (859.57)                 | (919.05)                             | (1,778.62) |
| Loans and Advances                                | (10.00)                                    | -                         | -                        | (10.00)                              | (20.00)    | (29.96)                                    | -                         | -                        | -                                    | (29.96)    |
| Balance receivable/(payable)                      | 370.44                                     | -                         | (417.26)                 | 1,233.39                             | 1,186.57   | 0.61                                       | -                         | (667.15)                 | 418.27                               | (248.27)   |

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

| Nature of Transactions                                 | Year ended<br>31 <sup>st</sup> March, 2013 |                           |                          |                                      |            | Year ended<br>31 <sup>st</sup> March, 2012 |                           |                          |                                      |            |
|--|--|---------------------------|--------------------------|--------------------------------------|------------|--|---------------------------|--------------------------|--------------------------------------|------------|
|  | Subsidiaries                               | Jointly Controlled Entity | Key Management Personnel | Entities under Significant Influence | Total      | Subsidiaries                               | Jointly Controlled Entity | Key Management Personnel | Entities under Significant Influence | Total      |
| <b>Sale of Goods</b>                                   |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Smartchem Technologies Limited                         | 352.94                                     | -                         | -                        | -                                    | 352.94     | 80.85                                      | -                         | -                        | -                                    | 80.85      |
| Deepak Nitrite Limited                                 | -  | -                         | -                        | 5,184.88                             | 5,184.88   | -  | -                         | -                        | 3,489.93                             | 3,489.93   |
| <b>Purchase of Goods</b>                               |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Ishanya Foundation                                     | -  | -                         | -                        | (0.10)                               | (0.10)     | -  | -                         | -                        | (0.26)                               | (0.26)     |
| <b>Donation Given</b>                                  |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Ishanya Foundation                                     | -  | -                         | -                        | (119.00)                             | (119.00)   | -  | -                         | -                        | (47.00)                              | (47.00)    |
| Deepak Foundation                                      | -  | -                         | -                        | (100.00)                             | (100.00)   | -  | -                         | -                        | (350.00)                             | (350.00)   |
| <b>Rendering of Services/Reimbursement of Expenses</b> |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Smartchem Technologies Limited                         | -  | -                         | -                        | -                                    | -          | 21.15                                      | -                         | -                        | -                                    | 21.15      |
| Desai Fruits and Vegetables Private Limited            | -  | 4.67                      | -                        | -                                    | 4.67       | -  | -                         | -                        | -                                    | -          |
| Ishanya Foundation                                     | -  | -                         | -                        | 4.00                                 | 4.00       | -  | -                         | -                        | 4.00                                 | 4.00       |
| Deepak Nitrite Limited                                 | -  | -                         | -                        | 1.49                                 | 1.49       | -  | -                         | -                        | 3.22                                 | 3.22       |
| Deepak Mining Services Private Limited                 | 0.56                                       | -                         | -                        | 0.56                                 | 1.12       | 8.81                                       | -                         | -                        | -                                    | 8.81       |
| <b>Receiving of Services/Reimbursement of Expenses</b> |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Yarrowda Investments Limited                           | (135.59)                                   | -                         | -                        | -                                    | (135.59)   | (97.34)                                    | -                         | -                        | -                                    | (97.34)    |
| Shri S. C. Mehta (Remuneration & Commission)           | -  | -                         | (779.67)                 | -                                    | (779.67)   | -  | -                         | (1,015.93)               | -                                    | (1,015.93) |
| Ishanya Foundation                                     | -  | -                         | -                        | -                                    | -          | -  | -                         | -                        | (0.25)                               | (0.25)     |
| Shri Partha Bhattacharyya (Remuneration & Commission)  | -  | -                         | (103.38)                 | -                                    | (103.38)   | -  | -                         | -                        | -                                    | -          |
| <b>Leasing or Hire Purchase Arrangements</b>           |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Deepak Nitrite Limited                                 | -  | -                         | -                        | 9.91                                 | 9.91       | -  | -                         | -                        | 24.55                                | 24.55      |
| Shri S. C. Mehta                                       | -  | -                         | (9.00)                   | -                                    | (9.00)     | -  | -                         | (9.00)                   | -                                    | (9.00)     |
| Shri Partha Bhattacharyya                              | -  | -                         | (2.63)                   | -                                    | (2.63)     | -  | -                         | -                        | -                                    | -          |
| <b>Purchase of Equity Shares</b>                       |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Desai Fruits and Vegetables Private Limited            | -  | (621.16)                  | -                        | -                                    | (621.16)   | -  | (2,377.98)                | -                        | -                                    | (2,377.98) |
| <b>Redemption of Preference Shares</b>                 |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Smartchem Technologies Limited                         | -  | -                         | -                        | -                                    | -          | 600.00                                     | -                         | -                        | -                                    | 600.00     |
| <b>Purchase of DEPB Licenses</b>                       |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Desai Fruits and Vegetables Private Limited            | -  | (74.91)                   | -                        | -                                    | (74.91)    | -  | (15.25)                   | -                        | -                                    | (15.25)    |
| <b>Purchase of Fixed Assets</b>                        |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Deepak Nitrite Limited                                 | -  | -                         | -                        | (1,258.25)                           | (1,258.25) | -  | -                         | -                        | -                                    | -          |
| Yarrowda Investments Limited                           | -  | -                         | -                        | -                                    | -          | (152.71)                                   | -                         | -                        | -                                    | (152.71)   |
| Blue Shell Investment Private Limited                  | -  | -                         | -                        | -                                    | -          | -  | -                         | -                        | (5.84)                               | (5.84)     |
| <b>Dividend Received</b>                               |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Smartchem Technologies Limited                         | 400.00                                     | -                         | -                        | -                                    | 400.00     | 300.00                                     | -                         | -                        | -                                    | 300.00     |
| <b>Dividend Paid</b>                                   |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Nova Synthetics Limited                                | -  | -                         | -                        | (949.69)                             | (949.69)   | -  | -                         | -                        | (855.94)                             | (855.94)   |
| Shri S. C. Mehta                                       | -  | -                         | (956.55)                 | -                                    | (956.55)   | -  | -                         | (859.57)                 | -                                    | (859.57)   |
| <b>Loans and Advances</b>                              |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Deepak Mining Services Private Limited                 | (10.00)                                    | -                         | -                        | -                                    | (10.00)    | -  | -                         | -                        | -                                    | -          |
| <b>Balance Receivable / (Payable)</b>                  |  |                           |                          |                                      |            |  |                           |                          |                                      |            |
| Deepak Mining Services Private Limited                 | -  | -                         | -                        | -                                    | -          | 4.55                                       | -                         | -                        | -                                    | 4.55       |
| Smartchem Technologies Limited                         | 353.50                                     | -                         | -                        | -                                    | 353.50     | -  | -                         | -                        | -                                    | -          |
| Deepak Nitrite Limited                                 | -  | -                         | -                        | 1,233.39                             | 1,233.39   | -  | -                         | -                        | 418.27                               | 418.37     |
| Yarrowda Investments Limited                           | -  | -                         | -                        | -                                    | -          | (3.94)                                     | -                         | -                        | -                                    | (3.94)     |
| Shri S. C. Mehta                                       | -  | -                         | (407.26)                 | -                                    | (407.26)   | -  | -                         | (667.15)                 | -                                    | (667.15)   |
| Shri Partha Bhattacharyya                              | -  | -                         | (10.00)                  | -                                    | (10.00)    | -  | -                         | -                        | -                                    | -          |

Note : Figures in bracket are outflows.

**Note-36 CAPITAL COMMITMENTS**

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| Related to projects   | 2,585.85                              | 869.41                                |
| Related to realty (Ishanya)   | 514.88                                | 1,382.31                              |
| Related to factory (Taloja)   | -                                     | 668.11                                |
| Other commitments:  |                                       |                                       |
| Desai Fruits and Vegetables Private Limited (Unpaid amount of Equity and Premium) | 931.79                                | 1,657.86                              |
| <b>Total</b>  | <b>4,032.52</b>                       | <b>4,577.69</b>                       |

**Note-37 CONTINGENT LIABILITIES**

(₹ in Lacs)

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

|                        | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|------------------------|---------------------------------------|---------------------------------------|
| Claim by suppliers     | 3,308.37                              | 2,610.52                              |
| Income tax demands     | 665.08                                | 2,131.50                              |
| Excise demands         | 2,212.28                              | 2,295.06                              |
| Sales tax /VAT demands | 2,585.14                              | 1,747.58                              |
| <b>Total</b>           | <b>8,770.87</b>                       | <b>8,784.66</b>                       |

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

Contingent Assets are not recognised or disclosed in the financials statements.

**Note-39** Gas Authority of India Limited (GAIL) supplier to the Company of natural gas, one of the main raw materials, has effected the supplies at provisional rate as indicated in the invoices. However, according to the Company any revision in Natural Gas price will be only prospective as per the existing convention/practice followed by Government of India.

**Note-39A** The long term settlement with the Employees Union at Taloja Plant expired on 30<sup>th</sup> September, 2011. Pending finalisation thereof the Company has made estimated provision for liabilities on this account based on the past experience.

**Note-39B** The Company has made significant capital investments in Ishanya Mall. The same Mall has been incurring losses due to larger break-even period associated with the operations of the Mall which is extended due to continuing adverse economic environment since the launch of the Mall in 2007-08. The management of the Company is hopeful of turnaround in performance of the Mall in the coming years due to expected improvements in the economic environment, opening up of FDI Investments in Multi-Brand Retail and strategic initiative being planned in this regard. The Company has, however, in accordance with the requirements of Accounting Standard - 28 "Impairment of Assets", carried out impairment review of carrying value of the assets of the Mall, which has not indicated any impairment in its value.

**Note-40 EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Interest and repayments of Loans and NCDs | 43,517.89                                  | 18,120.71                                  |
| Technical Fees to foreign vendors         | 169.67                                     | 520.15                                     |
| Foreign travel                            | 129.11                                     | 89.61                                      |
| Others (Net of reimbursements)            | 1,603.27                                   | 521.82                                     |
| <b>Total</b>                              | <b>45,419.94</b>                           | <b>19,252.29</b>                           |

**Note-41 REMITTANCE OF DIVIDENDS**

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Number of Shareholders 324 (334) and number of shares 3,54,750 (3,63,550) | 19.51                                      | 18.17                                      |
| <b>Total</b>  | <b>19.51</b>                               | <b>18.17</b>                               |

**Note-42 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, SPARE PARTS CONSUMED**

(₹ in Lacs)

|                        | Year ended<br>31 <sup>st</sup> March, 2013 | %           | Year ended<br>31 <sup>st</sup> March, 2012 | %           |
|------------------------|--|-------------|--|-------------|
| Raw Materials:         |  |             |  |             |
| - Imported             | 29,711.38                                  | 24%         | 31,673.18                                  | 29%         |
| - Indigenous           | 92,023.80                                  | 76%         | 79,121.72                                  | 71%         |
| <b>(A)</b>             | <b>1,21,735.18</b>                         | <b>100%</b> | <b>1,10,794.90</b>                         | <b>100%</b> |
| Components and Spares: |  |             |  |             |
| - Imported             | 1,242.88                                   | 15%         | 829.44                                     | 11%         |
| - Indigenous           | 7,091.98                                   | 85%         | 6,554.06                                   | 89%         |
| <b>(B)</b>             | <b>8,334.86</b>                            | <b>100%</b> | <b>7,383.50</b>                            | <b>100%</b> |
| <b>Total (A+B)</b>     | <b>1,30,070.04</b>                         |             | <b>1,18,178.40</b>                         |             |

**Note-43 EARNING IN FOREIGN CURRENCY**

(₹ in Lacs)

|                                | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--------------------------------|--|--|
| Export of goods (on FOB basis) | 7,845.85                                   | 7,799.95                                   |
| Other income                   | 1,381.78                                   | 230.46                                     |
| <b>Total</b>                   | <b>9,227.63</b>                            | <b>8,030.41</b>                            |

**Note-44 CIF VALUE OF IMPORTS**

(₹ in Lacs)

|                            | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|----------------------------|--|--|
| Raw materials              | 25,149.46                                  | 27,732.51                                  |
| Components and spare parts | 709.24                                     | 966.08                                     |
| Capital goods              | 670.45                                     | 2,216.49                                   |
| Stock-in-trade             | 25,970.62                                  | 26,846.87                                  |
| <b>Total</b>               | <b>52,499.77</b>                           | <b>57,761.95</b>                           |

**Note-45** The following foreign currency transactions remain outstanding

| Hedged Positions                         | 31 <sup>st</sup> March, 2013              |                                  | 31 <sup>st</sup> March, 2012              |                                  |
|--|---|----------------------------------|---|----------------------------------|
|  | Notional Amount<br>in Foreign<br>Currency | Equivalent Amount<br>(₹ in Lacs) | Notional Amount<br>in Foreign<br>Currency | Equivalent Amount<br>(₹ in Lacs) |
| Foreign Currency Loans (in USD)          | 2,50,00,000                               | 11,679                           | 2,50,00,000                               | 11,538                           |
| Creditors (in USD)                       | 6,46,782                                  | 353                              | 1,49,21,540                               | 7,731                            |
| Suppliers Credit (in USD)                | 38,23,200                                 | 2,122                            | -   | -                                |
| Buyers Credit (in USD)                   | 1,48,76,317                               | 8,378                            | 2,97,95,260                               | 7,354                            |
| Options Contract Outstanding<br>(in USD) | 4,07,90,323                               | 21,996                           | -   | -                                |

| Un-hedged Positions             | 31 <sup>st</sup> March, 2013              |                                  | 31 <sup>st</sup> March, 2012              |                                  |
|---------------------------------|---|----------------------------------|---|----------------------------------|
|                                 | Notional Amount<br>in Foreign<br>Currency | Equivalent Amount<br>(₹ in Lacs) | Notional Amount<br>in Foreign<br>Currency | Equivalent Amount<br>(₹ in Lacs) |
| Foreign Currency Loans (in USD) | 1,85,00,000                               | 10,043                           | 2,00,00,000                               | 10,176                           |
| Creditors (in USD)              | 54,33,718                                 | 2,950                            | 40,57,345                                 | 2,064                            |
| Creditors (in Euro)             | 1,33,407                                  | 93                               | 13,968                                    | 9                                |
| Suppliers Credit (in USD)       | 4,313                                     | 2                                | -   | -                                |
| Buyers Credit (in USD)          | 2,750                                     | 1                                | 2,17,00,013                               | 1,360                            |
| Bank Balances (in USD)          | 5,00,000                                  | 271                              | -   | -                                |

**Note-46** The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Non-cancellable lease period varies from 3 months to 6 months. These lease are cancellable in nature. Lease rental recognised in the Statement of Profit and Loss is ₹ 1,113.58 Lacs.

**Note-47** Clause 32 of the Listing Agreement disclosures

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

(₹ in Lacs)

| Particulars  | 31 <sup>st</sup> March, 2013 | 31 <sup>st</sup> March, 2012 |
|--|------------------------------|------------------------------|
| Loans to Deepak Mining Services Private Limited        | 10.00                        | 8.81                         |
| Balance as at the end of the year                      | 14.56                        | 4.55                         |
| Maximum amount outstanding at any time during the year | 14.56                        | 8.81                         |
| Loans to Smartchem Technologies Limited                | -                            | 21.15                        |
| Balance as at the end of the year                      | -                            | 4.55                         |
| Maximum amount outstanding at any time during the year | 14.56                        | 29.96                        |

**Note-48** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-49** Previous year's figures are given in brackets.

## Note-50 SEGMENT REPORTING

(₹ in Lacs)

| Sr. No | PARTICULARS   | CHEMICALS          | FERTILISERS      | REALTY            | OTHERS          | ELIMINATIONS      | COMMON             | TOTAL              |
|--------|---|--------------------|------------------|-------------------|-----------------|-------------------|--------------------|--------------------|
| 1      | <b>Revenue</b>  |                    |                  |                   |                 |                   |                    |                    |
|        | a) <b>External Sales</b>                                |                    |                  |                   |                 |                   |                    |                    |
|        | i) <b>Manufactured</b>                                  | <b>1,41,865.41</b> | <b>51,650.87</b> | <b>-</b>          | <b>779.99</b>   | <b>-</b>          | <b>-</b>           | <b>1,94,296.27</b> |
|        | Previous Year   | 134,779.56         | 49,220.10        | -                 | 659.47          | -                 | -                  | 184,659.13         |
|        | ii) <b>Traded</b>                                       | <b>17,906.76</b>   | <b>47,353.88</b> | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>65,260.64</b>   |
|        | Previous Year   | 1,184.50           | 47,528.05        | -                 | -               | -                 | -                  | 48,712.55          |
|        | b) <b>Inter-segment sales</b>                           | <b>8,596.89</b>    | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>(8,596.89)</b> | <b>-</b>           | <b>-</b>           |
|        | Previous Year   | 7,084.74           | -                | -                 | -               | (7,084.74)        | -                  | -                  |
|        | c) <b>Other operating income</b>                        | <b>483.44</b>      | <b>343.27</b>    | <b>262.28</b>     | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>1,088.99</b>    |
|        | Previous Year   | -                  | 202.00           | 679.65            | -               | -                 | -                  | 881.65             |
|        | d) <b>Unallocated Corporate other income</b>            | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>6,178.14</b>    | <b>6,178.14</b>    |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | 3,965.69           | 3,965.69           |
|        | <b>Total Revenue</b>                                    | <b>1,68,852.50</b> | <b>99,348.02</b> | <b>262.28</b>     | <b>779.99</b>   | <b>(8,596.89)</b> | <b>6,178.14</b>    | <b>2,66,824.04</b> |
|        | Previous Year   | 1,43,048.80        | 96,950.15        | 679.65            | 659.47          | (7,084.74)        | 3,965.69           | 2,38,219.02        |
| 2      | <b>Segment Result</b>                                   | <b>24,920.86</b>   | <b>10,965.00</b> | <b>(1,855.67)</b> | <b>404.28</b>   | <b>-</b>          | <b>6,178.14</b>    | <b>40,612.61</b>   |
|        | Previous Year   | 32,592.95          | 11,345.40        | (1,503.34)        | 270.19          | -                 | 3,965.69           | 46,670.89          |
| 3      | <b>Unallocated Corporate expenses</b>                   | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>25,922.10</b>   | <b>25,922.10</b>   |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | 25,373.51          | 25,373.51          |
| 4      | <b>Net profit</b>                                       | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>14,690.51</b>   |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | -                  | 21,297.38          |
| 5      | <b>Other Information</b>                                |                    |                  |                   |                 |                   |                    |                    |
|        | a) <b>Segment Assets</b>                                | <b>1,41,456.13</b> | <b>48,964.31</b> | <b>27,649.13</b>  | <b>3,441.59</b> | <b>-</b>          | <b>-</b>           | <b>2,21,511.16</b> |
|        | Previous Year   | 1,27,646.78        | 49,391.44        | 27,639.72         | 3,771.75        | -                 | -                  | 2,08,449.69        |
|        | <b>Unallocated Corporate Assets</b>                     | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>74,471.62</b>   | <b>74,471.62</b>   |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | 53,264.71          | 53,264.71          |
|        | <b>Total Assets</b>                                     | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>295,982.78</b>  |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | -                  | 261,714.40         |
|        | b) <b>Segment Liabilities</b>                           | <b>9,023.14</b>    | <b>11,117.38</b> | <b>1,551.99</b>   | <b>1.87</b>     | <b>-</b>          | <b>-</b>           | <b>21,694.38</b>   |
|        | Previous Year   | 7,805.14           | 10,828.43        | 1,822.93          | -               | -                 | -                  | 20,456.50          |
|        | <b>Unallocated Corporate Liabilities</b>                | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>1,42,863.34</b> | <b>1,42,863.34</b> |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | 1,18,907.90        | 1,18,907.90        |
|        | <b>Total Liabilities</b>                                | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>1,64,557.72</b> |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | -                  | 1,39,364.40        |
|        | c) <b>Capital Expenditures incurred during the year</b> | <b>6,693.56</b>    | <b>1,695.72</b>  | <b>923.65</b>     | <b>-</b>        | <b>-</b>          | <b>3,697.64</b>    | <b>13,010.57</b>   |
|        | Previous Year   | 6,258.21           | 441.80           | 2,697.74          | -               | -                 | 12,799.56          | 22,197.31          |
|        | d) <b>Depreciation/ Amortisation</b>                    | <b>7,576.38</b>    | <b>460.98</b>    | <b>924.34</b>     | <b>245.49</b>   | <b>-</b>          | <b>538.17</b>      | <b>9,745.36</b>    |
|        | Previous Year   | 6,456.27           | 369.02           | 800.76            | 245.49          | -                 | 319.08             | 8,190.62           |
|        | e) <b>Other non-cash expenditures</b>                   | <b>-</b>           | <b>-</b>         | <b>-</b>          | <b>-</b>        | <b>-</b>          | <b>-</b>           | <b>-</b>           |
|        | Previous Year   | -                  | -                | -                 | -               | -                 | -                  | -                  |

## Segment information

- Primary segment reporting (by business segments)

## Composition of business segment

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

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

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
Chairman & Managing Director

PARTHA BHATTACHARYYA  
Executive Director

N. C. SINGHAL  
Director

S. R. WADHWA  
Director

Dr. S. RAMA IYER  
Director

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

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

|    |   |   |   |  |  |   |  |
|----|---|---|---|--|--|---|--|
| 1. |   | Name of the Subsidiary  | Smartchem Technologies Limited                    | Deepak Nitrochem Pty. Limited              | Deepak Mining Services Private Limited         | Yerrowda Investments Limited                      | RungePincock Minarco India Private Limited     |
| 2. |   | Financial Year of the Subsidiary Company ended on   | 31.03.2013  | 31.03.2013                                 | 31.03.2013                                     | 31.03.2013  | 31.03.2013                                     |
| 3. |   | Date from which it became Subsidiary  | 09.12.2003  | 27.08.2004                                 | 20.08.2009                                     | 25.01.2012  | 5.11.2012                                      |
| 4. | (a)   | Number of Shares held by Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary | 9,99,994 Equity Shares of ₹ 10 each fully paid-up | 1,60,000 Shares of AUD1 each fully paid-up | 9,998 Equity Shares of ₹ 10 each fully paid-up | 2,04,000 Equity Shares of ₹ 10 each fully paid-up | 9,999 Equity Shares of ₹ 10 each fully paid-up |
|    | (b)   | Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary   | 99.99%  | 100.00%                                    | 99.98%   | 85.00%  | 99.99%   |
| 5. | The Net aggregate amount of the Subsidiary's Profit/ (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's accounts |   |   |  |  |   |  |
|    | (i)   | For the Financial Year ended 31 <sup>st</sup> March, 2013   | ₹ 5.42 Lacs                                       | ₹ (0.06) Lacs                              | ₹ (28.76) Lacs                                 | ₹ (183.02) Lacs                                   | ₹ (3.06) Lacs                                  |
|    | (ii)  | For the Previous Year   | ₹ 661.32 Lacs                                     | ₹ (0.88) Lacs                              | ₹ 23.29 Lacs                                   | ₹ (196.84) Lacs                                   | N.A.   |
| 6. | The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company   |   |   |  |  |   |  |
|    | (i)   | For the Financial Year ended 31 <sup>st</sup> March, 2013   | ₹ 400.00 Lacs                                     | -  | -  | -   | -  |
|    | (ii)  | For the Previous Year   | ₹ 300.00 Lacs                                     | -  | -  | -   | -  |
| 7. |   | Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year   | N.A.  | N.A.                                       | N.A.   | N.A.  | N.A.   |

For and on behalf of the Board of Directors

S. C. MEHTA  
Chairman & Managing DirectorN. C. SINGHAL  
DirectorDr. S. RAMA IYER  
DirectorPARTHA BHATTACHARYYA  
Executive DirectorS. R. WADHWA  
DirectorMumbai  
Dated 30<sup>th</sup> May, 2013R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary



## DETAILS OF SUBSIDIARY COMPANIES FOR 2012-13

(₹ in Lacs)

| Sr. No. | Name of Subsidiaries         | Smartchem Technologies Limited | Deepak Nitrochem Pty. Limited | Deepak Mining Services Private Limited | Yerrowda Investments Limited | RungePincok Minarco India Private Limited |
|---------|------------------------------|--------------------------------|-------------------------------|--|------------------------------|---|
|         | Financial Year ends on       | 31 <sup>st</sup> March         | 31 <sup>st</sup> March        | 31 <sup>st</sup> March                 | 31 <sup>st</sup> March       | 31 <sup>st</sup> March                    |
| 1.      | Share Capital                | 100.00                         | 84.21                         | 1.00                                   | 24.00                        | 1.00                                      |
| 2.      | Reserves                     | 3,698.05                       | (52.84)                       | (11.10)                                | 4,249.92                     | (3.06)                                    |
| 3.      | Total Assets                 | 4,950.76                       | 31.37                         | 31.87                                  | 4,329.50                     | 4.00                                      |
| 4.      | Total Liabilities            | 4,950.76                       | 31.37                         | 31.87                                  | 4,329.50                     | 4.00                                      |
| 5.      | Details of Investments       |                                |                               |  |                              |   |
|         | Investments in Equity Shares | 3.68                           | -                             | -                                      | 30.15                        | -   |
|         | Investments in Mutual Funds  | 45.00                          | -                             | -                                      | -                            | -   |
| 6.      | Revenue from operations      | 5,598.48                       | -                             | -                                      |                              | -   |
| 7.      | Profit Before Taxation       | 7.22                           | (0.06)                        | (28.76)                                | (181.92)                     | (3.06)                                    |
| 8.      | Provisions for Taxations     | 1.78                           | -                             | -                                      | 1.10                         | -   |
| 9.      | Profit after Taxations       | 5.42                           | (0.06)                        | (28.76)                                | (183.02)                     | (3.06)                                    |
| 10.     | Proposed Dividend            | 100.00                         | -                             | -                                      | -                            | -   |

Accounts of Deepak Nitrochem Pty. Limited has been converted into Indian Rupees at exchange rate prevailing on 31<sup>st</sup> March, 2013 AUD1 = ₹ 54.28.

For and on behalf of the Board of Directors

S. C. MEHTA  
Chairman & Managing Director

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

PARTHA BHATTACHARYYA  
Executive Director

S. R. WADHWA  
Director

Mumbai  
Dated 30<sup>th</sup> May, 2013

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

# Consolidated Financial Statements

## Independent Auditors' Report

To the Board of Directors of

### DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED,

1. We have audited the accompanying consolidated financial statements of **Deepak Fertilisers And Petrochemicals Corporation Limited** ("the Company") and its subsidiaries, and a jointly controlled entity, hereinafter referred to as the "Group", (refer note no. 1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of the Accounting Standards (AS) 21- Consolidated Financial Statements, Accounting Standards, and Accounting Standards (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on the financial statements of subsidiary companies and the unaudited financial statements of a subsidiary company and a jointly controlled entity as noted below in para 8 and para 9 below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
  - (b) in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

8. We did not audit the financial statement of one subsidiary company, included in the consolidated financial statements, whose financial statements reflect total assets (net) of ₹ 4,945.22 Lacs as at 31<sup>st</sup> March, 2013, total revenues of ₹ 5,705.21 lacs and net cash outflows amounting to ₹ 798.71 Lacs for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditor.
9. We have relied on the unaudited financial statement of one subsidiary, and a jointly controlled entity, whose financial statements reflect total assets (net) of ₹ 520.52 Lacs as at 31<sup>st</sup> March, 2013, total revenues of ₹ 1,279.46 Lacs and net cash outflows amounting to ₹ 220.17 Lacs for the year then ended. These unaudited financial statements are approved by the management of the respective companies, which has been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the such subsidiary company and jointly controlled entity is based solely on such approved unaudited financial statements.

For B. K. KHARE & CO.

Chartered Accountants

FRN : 105102W

NARESH KUMAR KATARIA

Partner

Membership No.:37825

Mumbai

Dated 30<sup>th</sup> May, 2013

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2013

(₹ in Lacs)

|                                | Note | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--------------------------------|------|---------------------------------------|---------------------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                                       |                                       |
| <b>Shareholders' Funds</b>     |      |                                       |                                       |
| Share Capital                  | 2    | 8,820.49                              | 8,820.49                              |
| Reserves and Surplus           | 3    | 1,19,275.41                           | 1,12,524.67                           |
|                                |      | <b>1,28,095.90</b>                    | <b>1,21,345.16</b>                    |
| Minority Interest              |      | 0.01                                  | 0.01                                  |
| <b>Non-Current Liabilities</b> |      |                                       |                                       |
| Long Term Borrowings           | 4    | 71,415.04                             | 50,983.95                             |
| Deferred Tax Liabilities (Net) | 5    | 12,501.93                             | 10,405.94                             |
| Other Long Term Liabilities    | 6    | 77.02                                 | 118.98                                |
| Long Term Provisions           | 7    | 2,069.22                              | 1,498.06                              |
|                                |      | <b>86,063.21</b>                      | <b>63,006.93</b>                      |
| <b>Current Liabilities</b>     |      |                                       |                                       |
| Short Term Borrowings          | 8    | 30,443.02                             | 26,941.72                             |
| Trade Payables                 | 9    | 21,240.97                             | 21,480.82                             |
| Other Current Liabilities      | 10   | 20,886.63                             | 21,582.63                             |
| Short Term Provisions          | 7    | 7,030.72                              | 6,493.96                              |
|                                |      | <b>79,601.34</b>                      | <b>76,499.13</b>                      |
| <b>Total</b>                   |      | <b>2,93,760.46</b>                    | <b>2,60,851.23</b>                    |
| <b>ASSETS</b>                  |      |                                       |                                       |
| <b>Non-Current Assets</b>      |      |                                       |                                       |
| Fixed Assets                   |      |                                       |                                       |
| - Tangible Assets              | 11   | 142,733.12                            | 131,847.92                            |
| - Intangible Assets            | 12   | 3,097.51                              | 2,312.99                              |
| Capital Work-in-Progress       | 13   | 2,671.41                              | 12,057.25                             |
|                                |      | <b>1,48,502.04</b>                    | <b>1,46,218.16</b>                    |
| Non-Current Investments        | 14   | 169.81                                | 3,363.20                              |
| Long Term Loans and Advances   | 15   | 5,978.46                              | 3,770.13                              |
| Other Non-Current Assets       | 20   | 48.19                                 | 48.25                                 |
|                                |      | <b>1,54,698.50</b>                    | <b>1,53,399.74</b>                    |
| <b>Current Assets</b>          |      |                                       |                                       |
| Current Investments            | 16   | 25,282.62                             | 2,219.52                              |
| Inventories                    | 17   | 24,681.54                             | 21,132.21                             |
| Trade Receivables              | 18   | 65,173.71                             | 56,603.11                             |
| Cash and Bank Balances         | 19   | 10,476.00                             | 15,579.21                             |
| Short Term Loans and Advances  | 15   | 11,512.11                             | 11,551.35                             |
| Other Current Assets           | 20   | 1,935.98                              | 366.09                                |
|                                |      | <b>1,39,061.96</b>                    | <b>1,07,451.49</b>                    |
| <b>Total</b>                   |      | <b>2,93,760.46</b>                    | <b>2,60,851.23</b>                    |

Significant Accounting Policies

1

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
Chairman & Managing Director

PARTHA BHATTACHARYYA  
Executive Director

N. C. SINGHAL  
Director

S. R. WADHWA  
Director

Dr. S. RAMA IYER  
Director

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2013

(₹ in Lacs)

|   | Note | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|------|--|--|
| <b>CONTINUING OPERATIONS</b>  |      |  |  |
| <b>Revenue:</b>   |      |  |  |
| Revenue from Operations (Gross)   |      | 2,84,482.35                                | 2,54,936.67                                |
| Less: Excise Duty   |      | 17,318.51                                  | 13,807.63                                  |
| <b>Revenue from Operations (Net)</b>  | 21   | <b>2,67,163.84</b>                         | <b>2,41,129.04</b>                         |
| Other Income  | 22   | 5,900.40                                   | 3,729.05                                   |
| <b>Total Revenue</b>  |      | <b>2,73,064.24</b>                         | <b>2,44,858.09</b>                         |
| <b>Expenses:</b>  |      |  |  |
| Cost of Materials Consumed  | 23   | 1,28,913.03                                | 1,18,069.20                                |
| Purchases of Stock-in-Trade   | 24   | 63,573.41                                  | 43,922.98                                  |
| Changes in Inventories of Finished Goods and Stock-in-Trade (increase)/decrease | 25   | (3,112.82)                                 | (2,926.32)                                 |
| Employee Benefits Expense   | 26   | 15,083.52                                  | 14,269.85                                  |
| Finance Costs   | 27   | 8,233.25                                   | 6,823.23                                   |
| Depreciation, Amortisation and Impairment Expenses                              | 28   | 10,817.65                                  | 8,895.93                                   |
| Other Expenses  | 29   | 31,257.61                                  | 26,629.40                                  |
| <b>Total Expenses</b>   |      | <b>2,54,765.65</b>                         | <b>2,15,684.27</b>                         |
| <b>Profit Before Exceptional and Extraordinary Items and Tax</b>                |      | <b>18,298.59</b>                           | <b>29,173.82</b>                           |
| Exceptional Items - Income  |      | (0.10)                                     | -  |
| <b>Profit Before Extraordinary Items and Tax</b>                                |      | <b>18,298.69</b>                           | <b>29,173.82</b>                           |
| Extraordinary Items   |      | -  | -  |
| <b>Profit Before Tax</b>  |      | <b>18,298.69</b>                           | <b>29,173.82</b>                           |
| <b>Tax Expenses:</b>  |      |  |  |
| Current Tax [Net of reversal of earlier years' provision ₹ Nil (₹ 655 Lacs)]    |      | 3,976.81                                   | 5,986.53                                   |
| MAT Credit Entitlements   |      | (706.37)                                   |  |
| Deferred Tax Charge   | 5    | 2,097.83                                   | 2,017.77                                   |
|   |      | 5,368.27                                   | 8,004.30                                   |
| <b>Profit for the period</b>  |      | <b>12,930.42</b>                           | <b>21,169.52</b>                           |
| <b>Earning per Equity Share: Face Value ₹ 10 each (₹ 10)</b>                    |      |  |  |
| i) Basic (in ₹)   | 30   | 14.66                                      | 24.00                                      |
| ii) Diluted (in ₹)  |      | 14.66                                      | 24.00                                      |

Summary of significant accounting policies

1

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For B. K. KHARE and CO.  
Chartered Accountants  
NARESH KUMAR KATARIA  
Partner  
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Executive Vice President (Legal)  
& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2013

(₹ in Lacs)

|   | 2012-13            | 2011-12            |
|---|--------------------|--------------------|
| <b>(A) Cash Flow From Operating Activities</b>                      |                    |                    |
| <b>Net Profit Before Tax and Exceptional Items</b>                  | <b>18,298.59</b>   | <b>29,173.82</b>   |
| Adjustments For -   |                    |                    |
| Depreciation and Amortisation                                       | 10,817.65          | 8,895.93           |
| Exchange Fluctuations (Net)   | 3,076.96           | 2,530.03           |
| Profit on Sale of Investments                                       | (893.82)           | (1,232.47)         |
| Provision for Diminution in the Value of Investments                | 51.89              | 49.90              |
| Provision for Doubtful Debts  | 69.53              | 10.22              |
| Bad Debts Written Off   | 75.09              | 6.07               |
| Loss/ (Profit) on Sale of Assets (Net)                              | 172.97             | 176.34             |
| Interest/Dividends (Net)  | 6,211.90           | 5,669.10           |
| <b>Operating Profit Before Working Capital Changes</b>              | <b>37,880.76</b>   | <b>45,278.94</b>   |
| Adjustments For -   |                    |                    |
| Trade and Other Receivables   | (11,054.62)        | (30,442.18)        |
| Inventories   | (3,549.33)         | (4,992.85)         |
| Trade Payables  | 2,421.51           | 7,521.91           |
| <b>Cash Generated From Operations</b>                               | <b>25,698.32</b>   | <b>17,365.82</b>   |
| Direct Taxes Paid/Refund  | (3,222.21)         | (8,151.79)         |
| <b>Cash Flow Before Exceptional Items</b>                           | <b>22,476.11</b>   | <b>9,214.03</b>    |
| <b>Exceptional Items</b>  | <b>0.10</b>        | <b>-</b>           |
| <b>Net Cash From Operating Activities (A)</b>                       | <b>22,476.21</b>   | <b>9,214.03</b>    |
| <b>(B) Cash Flow From Investing Activities</b>                      |                    |                    |
| Purchase of Fixed Assets  | (14,319.36)        | (22,462.52)        |
| Sale of Fixed Assets  | 957.55             | 118.02             |
| Movement in Capital Advances  | (1,579.13)         | 1,607.49           |
| Acquisition of Investments - (Net)                                  | (19,462.00)        | 1,313.88           |
| Deposits Placed   | 1,235.32           | (1,311.48)         |
| Interest Received   | 1,631.11           | 1,086.32           |
| Dividend Received   | 45.85              | 51.07              |
| <b>Net Cash Used in Investing Activities (B)</b>                    | <b>(31,490.66)</b> | <b>(19,597.22)</b> |
| <b>(C) Cash Flow From Financing Activities</b>                      |                    |                    |
| Exchange Fluctuations   | (3,093.44)         | (2,425.95)         |
| Increase/ (Decrease) in Working Capital Borrowings                  | 3,386.18           | 14,351.53          |
| Proceeds / (Repayments) of:   |                    |                    |
| External Commercial Borrowings                                      | 797.88             | 1,648.00           |
| Term Loans (Net)  | (8,510.83)         | (4,888.51)         |
| Debentures (Net)  | 25,833.33          | -                  |
| Interest Paid   | (7,802.14)         | (6,724.41)         |
| Equity Dividend and Corporate Dividend Tax Paid                     | (5,622.18)         | (5,153.64)         |
| <b>Net Cash Generated/ (Used) in Financing Activities (C)</b>       | <b>4,988.80</b>    | <b>(3,192.98)</b>  |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>(4,025.65)</b>  | <b>(13,576.17)</b> |
| <b>Cash and Cash Equivalents Opening Balance</b>                    | <b>14,067.19</b>   | <b>27,643.36</b>   |
| <b>Cash and Cash Equivalents Closing Balance</b> Note 19            | <b>10,041.54</b>   | <b>14,067.19</b>   |
| <b>Earmarked Balances with Bank</b>                                 | <b>368.91</b>      | <b>372.73</b>      |
| <b>Short Term Bank Deposits</b>                                     | <b>65.55</b>       | <b>1139.29</b>     |
| <b>Cash and Bank Balances at the end of the year</b> Note 19        | <b>10,476.00</b>   | <b>15,579.21</b>   |

Note: (i) Figures in brackets are outflows.

(ii) Previous year's figures have been re-grouped wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For B. K. KHARE and CO.  
Chartered Accountants  
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& Company Secretary

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

# Notes to the financial statements for the year ended 31<sup>st</sup> March, 2013

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

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

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

### B. Subsidiaries and jointly controlled entity considered in the consolidated financial statements:

#### List of subsidiary companies:\*

| List of subsidiary companies:               |                          |                                  | List of jointly controlled entity:            |                          |                                  |
|---|--------------------------|----------------------------------|---|--------------------------|----------------------------------|
| Name of the Companies                       | Country of incorporation | Percentage of ownership interest | Name of the Company                           | Country of incorporation | Percentage of ownership interest |
| 1. Smartchem Technologies Limited           | India                    | 99.99%                           | Desai Fruits and Vegetables Private Limited** | India                    | 49%                              |
| 2. Deepak Nitrochem Pty. Limited            | Australia                | 100.00%                          |   |                          |                                  |
| 3. Deepak Mining Services Private Limited   | India                    | 99.98%                           |   |                          |                                  |
| 4. RungePincokMinarco India Private Limited | India                    | 99.99%                           |   |                          |                                  |

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

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

### Note 1 SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared under historical cost convention on accrual basis and comply with notified Accounting Standards as referred to in Section 211(3C) and other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

#### B) Use of estimates

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

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

#### C) Basis of consolidation

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- Interest in jointly controlled entity has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- The difference between the cost of investments in the subsidiary and jointly controlled entity, over the Company's share in the net assets at the time of acquisition of shares in the subsidiary companies and the joint controlled entity is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

- Goodwill arising on subsidiary acquired on or before 31<sup>st</sup> March, 2012 viz. Smartchem Technologies Limited is being amortised over a period of 10 years. Goodwill arising on interest acquired in jointly controlled entity (Desai Fruits and Vegetables Private Limited) is not being amortised and will be tested for impairment.
- Minority Interests' share of the net profit of consolidated subsidiary companies for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority interests' share of net assets of consolidated subsidiary companies is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the shareholders of the Company.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Variation in the respective accounting policies is given effect to in the consolidated financial statement only if the impact is significant.
- The Company follows non-integral basis for translation of foreign currency transactions in respect of its subsidiary, Deepak Nitrochem Pty. Limited registered in Australia.
- The Company holds certain rights in immoveable properties by virtue of equity shares held in a subsidiary (as stated in Note (a) and (b) of Note 12). Since the equity shares so held do not really represent financial investment simplicities but rather the means to acquire and hold the properties for use in the Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard (AS)-10 on "Fixed Assets". Accordingly the requirements of Accounting Standard (AS) 13 on "Accounting for Investments" and Accounting Standard (AS) 21 on "Consolidated Financial Statements" are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.
- The investments in associate companies of Ishanya Brand Services Limited and Ishanya Realty Corporation Limited are required to be accounted as per equity method as per (AS) 23. However, since these companies have not commenced the commercial operations as on 31<sup>st</sup> March, 2013, the amounts invested in the share capital of these companies are reflected as the total investments. The effect of the same on the consolidated financial statements is not significant.

#### **D) Revenue recognition**

- Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership are passed on to the customers, and are stated net off trade discounts, rebates, sales tax, value added tax and excise duty.
- Export sales are recognised based on the date of bill of lading.
- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from Ministry of Agriculture / Ministry of Fertilisers.
- Grants and subsidies from the Government are recognised when there is reasonable certainty of realisation of the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest (other than on deposits with banks and others/investments, which are accounted on accrual basis), on deposits, Insurance claims, subsidy and reimbursement of cost escalation claimed from Ministry of Agriculture / Ministry of Fertilisers beyond the notified retention price and price concession on fertilisers pending acceptance of claims by the concerned parties is recognised to the extent the Company is reasonably certain of their ultimate realisation.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N<sub>2</sub>O reduction in its Nitric Acid Plant are recognised as revenue on the actual realisation of the applicable credits.
- Credits on account of Duty Drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.
- Dividend income is accounted for when the right to receive is established.



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

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

**F) Depreciation and amortisation****a. Tangible assets**

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

|   |                       |
|---|-----------------------|
| Computers and related Equipments                | 25.00%                |
| Air-Conditioning System                         | 9.50%                 |
| Furniture, Fixtures and Office Equipments       | 9.50%, 13.50%, 19.00% |
| Vehicles  | 25.00%                |
| Relocated DNA-III Plant (WDV)                   | 25.89%                |
| Relocated other Plants                          | 6.68%                 |
| Modification of existing Ammonia Plant          | 6.33%                 |
| Modification of existing Ammonium Nitrate Plant | 10.00%                |

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

**b. Intangible assets**

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

**c. Capital work-in-progress**

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

**d. Assets on lease**

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

**G) Impairment of assets**

- The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Impairment loss is recognised if the carrying value exceeds the recoverable amount.

**H) Inventories**

- Raw materials are valued at lower of weighted average cost and net realisable value. However, these items are considered to be realisable at cost if the finished goods in which they will be used are expected to be sold at or above cost.
- Stores, regular spares, oil, chemicals, catalysts and packing materials are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable CENVAT / VAT credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost (including depreciation and excise duty payable/paid where applicable but excluding interest cost) and net realisable value.
- Stock-in-trade are valued at lower of cost and net realisable value.
- Value of work-in-process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

**I) Investments**

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

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

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

**K) Employee benefits**

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

**Provident fund**

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

**Gratuity**

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

**Superannuation**

- The Company has a Superannuation Plan for its executives, a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary. The plan is managed by a Trust and the funds are invested with the Life Insurance Corporation of India under its Group Superannuation Scheme.

Annual contributions as specified under the Trust Deed are paid to the Life Insurance Corporation of India and recognised as an expense of the year in which the liability is incurred.

**Compensated absences**

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

**Wealth creation scheme**

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

**Medical benefits**

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

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

**L) Borrowing costs**

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

**M) Provisions and contingents liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date.

Contingent assets are not recognised or disclosed in the financial statements.

**N) Taxes on Income**

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

**O) Cash and cash equivalents**

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

**P) Earning per share**

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

**Note-2 SHARE CAPITAL**

(₹ in Lacs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| <b>Authorised</b>   |                                       |                                       |
| 12,50,00,000 Equity Shares of ₹ 10 each                         | 12,500.00                             | 12,500.00                             |
| 10,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each | 1,000.00                              | 1,000.00                              |
|   | <b>13,500.00</b>                      | <b>13,500.00</b>                      |
| <b>Issued, subscribed and paid-up</b>                           |                                       |                                       |
| 8,82,04,943 Equity Shares of ₹ 10 each fully paid-up            | 8,820.49                              | 8,820.49                              |
| <b>Total</b>  | <b>8,820.49</b>                       | <b>8,820.49</b>                       |

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

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 |             | As at<br>31 <sup>st</sup> March, 2012 |             |
|---|---------------------------------------|-------------|---------------------------------------|-------------|
|   | No. of Shares                         | Rs. in Lacs | No. of Shares                         | Rs. in Lacs |
| Balance as at the beginning of the year | 88,204,943                            | 8,820.49    | 88,204,943                            | 8,820.49    |
| Add: Issued during the year             | -                                     | -           | -                                     | -           |
| Balance as at the end of the year       | 88,204,943                            | 8,820.49    | 88,204,943                            | 8,820.49    |

**b. Terms/ Rights attached with Equity Shares**

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

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

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

During the year ended 31<sup>st</sup> March, 2013 the amount of dividend per share recognised as distribution to Equity Shareholders is ₹ 5.50 (₹ 5.50).

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

|   | As at<br>31 <sup>st</sup> March, 2013 |               | As at<br>31 <sup>st</sup> March, 2012 |               |
|---|---------------------------------------|---------------|---------------------------------------|---------------|
| Name of Shareholders                                    | No. of Shares<br>(in Lacs)            | % of Holding  | No. of Shares<br>(in Lacs)            | % of Holding  |
| Shri S. C. Mehta  | 173.92                                | 19.72%        | 171.92                                | 19.49%        |
| Nova Synthetic Limited                                  | 172.67                                | 19.58%        | 172.67                                | 19.58%        |
| Fidelity Puriton Trust - Fidelity Low-Priced Stock Fund | 75.69                                 | 8.58%         | 75.69                                 | 8.58%         |
| <b>Total</b>  | <b>422.28</b>                         | <b>47.88%</b> | <b>420.28</b>                         | <b>47.65%</b> |

**Note-3 RESERVES AND SURPLUS**

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| <b>Capital reserve</b>  | <b>0.13</b>                           | <b>0.13</b>                           |
| <b>Capital redemption reserve</b>   | 1,950.00                              | 1,350.00                              |
| Add: Transfer from General Reserve  | -                                     | 90.00                                 |
| Add: Transfer from Surplus in the Statement of Profit and Loss  | -                                     | 510.00                                |
| Balance as at the end of the year   | <b>1,950.00</b>                       | <b>1,950.00</b>                       |
| <b>Securities premium reserves</b>  | <b>10,798.95</b>                      | <b>10,798.95</b>                      |
| <b>Special reserve (*)</b>  |                                       |                                       |
| Balance as at the beginning of the year   | 9.50                                  | 27.68                                 |
| Less: Transferred to the Statement of Profit and Loss for recoupment of depreciation (Refer note no. 28)  | 9.50                                  | 18.18                                 |
| Balance as at the end of the year   | -                                     | <b>9.50</b>                           |
| <b>Revaluation reserve</b>  |                                       |                                       |
| Balance as at the beginning of the year   | 933.34                                | 1,050.73                              |
| Less: Transferred to the Statement of Profit and Loss (Refer note no. 28)   | 118.61                                | 117.39                                |
| Balance as at the end of the year   | <b>814.73</b>                         | <b>933.34</b>                         |
| <b>Debenture redemption reserve</b>   |                                       |                                       |
| Balance as at the beginning of the year   | 5,751.00                              | 3,959.00                              |
| Add: Transferred from Surplus in the Statement of Profit and Loss.  | 1,165.63                              | 1,792.00                              |
| Balance as at the end of the year   | <b>6,916.63</b>                       | <b>5,751.00</b>                       |
| <b>General reserve</b>  |                                       |                                       |
| Balance as at the beginning of the year   | 13,691.15                             | 11,580.02                             |
| Add: Transfer from Statement of Profit and Loss   | 1,475.54                              | 2,201.13                              |
| Less: Transfer to Capital redemption reserve  | -                                     | 90.00                                 |
| Balance as at the end of the year   | <b>15,166.69</b>                      | <b>13,691.15</b>                      |
| <b>Foreign currency translation reserve</b>   | <b>0.43</b>                           | <b>11.81</b>                          |
| <b>Surplus in the Statement of Profit and Loss</b>  |                                       |                                       |
| Balance as at the beginning of the year   | 79,378.79                             | 68,350.06                             |
| Add: Profit during the year   | 12,930.42                             | 21,169.52                             |
| Pre-consolidation profit / (loss) in jointly controlled entity  | (434.24)                              | -                                     |
| Less: Appropriations  |                                       |                                       |
| Proposed dividend on Equity Shares {Net of adjustments of ₹ 0.13 Lacs (₹ 0.05 Lacs) Amount per share ₹ 5.50 (₹ 5.50)}                           | 4,851.40                              | 4,851.22                              |
| Tax on proposed dividend on Equity Shares (Net of credit of tax on dividend distributions by the Subsidiary company) ₹ 16.23 Lacs (₹ 0.56 Lacs) | 754.55                                | 786.44                                |
| Transfer to Capital redemption reserve  | -                                     | 510.00                                |
| Transfer to Debenture redemption reserve  | 1,165.63                              | 1,792.00                              |
| Transfer to General reserve   | 1,475.54                              | 2,201.13                              |
| <b>Total appropriations</b>   | <b>8,247.12</b>                       | <b>10,140.79</b>                      |
| <b>Net Surplus in the Statement of Profit and Loss</b>  | <b>83,627.85</b>                      | <b>79,378.79</b>                      |
| <b>Total</b>  | <b>1,19,275.41</b>                    | <b>1,12,524.67</b>                    |

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

**Note-4 LONG TERM BORROWINGS**

(₹ in Lacs)

|  | Non-current                           |                                       | Current                               |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>Long Term borrowings - Secured</b>  |                                       |                                       |                                       |                                       |
| <b>External Commercial Borrowings (ECBs)</b>   |                                       |                                       |                                       |                                       |
| Bank of Baroda   | 8,957.03                              | 9,412.80                              | 1,085.70                              | 763.20                                |
| HSBC Bank  | 11,624.69                             | 11,537.50                             | 1,946.56                              | -                                     |
| (A)  | <b>20,581.72</b>                      | <b>20,950.30</b>                      | <b>3,032.26</b>                       | <b>763.20</b>                         |
| <b>Debentures- Secured (Listed)</b>  |                                       |                                       |                                       |                                       |
| 500, 9.31% Redeemable Privately Placed Non-Convertible Debentures (NCDs) of ₹ 10 Lacs each                 | 5,000.00                              | 5,000.00                              | -                                     | -                                     |
| 500, 10% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | 3,333.33                              | 5,000.00                              | 1,666.67                              | -                                     |
| 500, 9.75% Redeemable Privately Placed NCDs ₹ 10 Lacs each   | 3,333.33                              | 5,000.00                              | 1,666.67                              | -                                     |
| 500, 8.35% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | -                                     | -                                     | -                                     | 5,000.00                              |
| 1250, 10.80% Redeemable Privately Placed NCDs of ₹ 10 Lacs each  | 4,166.66                              | 8,333.33                              | 4,166.67                              | 4,166.67                              |
| 1000, 9.70% Redeemable Privately Placed NCDs of ₹ 10 Lacs each   | 10,000.00                             | -                                     | -                                     | -                                     |
| 2500, 9.71% Redeemable Privately Placed NCDs of ₹ 10 Lacs each   | 25,000.00                             | -                                     | -                                     | -                                     |
| (B)  | <b>50,833.32</b>                      | <b>23,333.33</b>                      | <b>7,500.01</b>                       | <b>9,166.67</b>                       |
| <b>Term loans from banks</b>   |                                       |                                       |                                       |                                       |
| Canara Bank  | -                                     | 2,054.32                              | -                                     | 922.52                                |
| Bank of Baroda   | -                                     | 4,646.00                              | -                                     | 888.00                                |
| (C)  | -                                     | <b>6,700.32</b>                       | -                                     | <b>1,810.52</b>                       |
| <b>Total</b> (A+B+C)   | <b>71,415.04</b>                      | <b>50,983.95</b>                      | <b>10,532.27</b>                      | <b>11,740.39</b>                      |
| Less: Current maturity of long term borrowings disclosed under "Other Current Liabilities" - Refer Note 10 | -                                     | -                                     | <b>10,532.27</b>                      | <b>11,740.39</b>                      |

## NOTES :

| Sr. No. | Particulars   | Interest Rate and Repayment Schedule  | Security   |
|---------|---|---|--|
| 1.      | ECBs from Bank of Baroda, ₹ 10,042.73 Lacs (₹ 10,176.00 Lacs). ₹ 271.37 Lacs (Nil) kept as fixed deposit with Bank of Baroda as a lien for ECBs (refer note no. 15) | At variable interest rate of Libor plus 325 basis points payable quarterly (average for the year 3.87%) (3.56%). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 and last installment is payable on 30 <sup>th</sup> June, 2017   | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, remuneration of the Trustees and all other monies thereto.   |
| 2.      | ECBs from HSBC Bank, ₹ 13,571.25 Lacs (₹ 11,537.50 Lacs)  | At variable interest rate of Libor plus 300 basis points payable half yearly. The Company has taken interest rate swap from floating rate to fixed rate of 6.09%. Repayable in 6 equal half yearly installments commencing from 31 <sup>st</sup> January, 2014 and last installment is payable on 29 <sup>th</sup> July, 2016 |  |
| 3.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 9.31% per annum payable annually. Redeemable in single installment on 15 <sup>th</sup> July, 2015   | Pari-passu first charge on the Company's fixed assets, plant and machinery pertaining to Iso Propyl Alcohol (IPA) Plant located at Plot No. K-2, MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debenture costs, charges, expenses and remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times. |
| 4.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 10% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015   | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans. remuneration of the Trustees and all other monies ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.                         |
| 5.      | Redeemable Privately Placed NCDs ₹ 5,000 Lacs (₹ 5,000 Lacs)  | 9.75% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015   |  |



| Sr. No. | Particulars  | Interest Rate and Repayment Schedule  | Security   |
|---------|--|---|--|
| 6.      | Redeemable Privately Placed NCDs ₹ Nil (₹ 5,000 Lacs)            | 8.35% per annum payable annually. Redeemed during the year on 9 <sup>th</sup> February, 2013  | Pari-passu first charge on the entire fixed assets pertaining to Ishanya Mall of the Company located at Off Airport Road, Shastri Nagar, Yerawada, Pune along with interest, additional interest, costs, charges, expenses and remuneration of the Trustees and all other monies thereto of the asset value over the outstanding debenture issue amount, at all times.   |
| 7.      | Redeemable Privately Placed NCDs ₹ 8,333.34 Lacs (₹ 12,500 Lacs) | 10.80% per annum payable annually. Redeemable in three equal installments from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014 | Pari-passu charge on the entire assets of the Company's immovable properties, plant and machinery, whether immovable or movable, pertaining to the Company's undertaking situated at Plot Nos. K-1 and K-2, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra to rank pari-passu with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favor of the banks together with interest, remuneration of the Trustees and all other monies thereto ranking pari-passu with subsisting mortgage with minimum asset cover of 1.25 times of the asset value over the outstanding debenture issue amount, at all times.  |
| 8.      | Redeemable Privately Placed NCDs ₹ 10,000 Lacs (₹ Nil)           | 9.70% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2016  | Pari-passu charge on the present and future immovable and movable fixed assets (i.e. Land, Building and Plant and Machinery) pertaining to Ammonia, WNA, CNA, LDAN, ANP, Bagging, ETP, DNA4, Methanol, CO <sub>2</sub> Plants located at Plot No. K-1, MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra of the Company, ensuring a minimum asset cover of 1.25 times of the gross value of assets over the outstanding debenture issue amount, at all times.  |
| 9.      | Redeemable Privately Placed NCDs ₹ 25,000 Lacs (₹ Nil)           | 9.71% per annum payable annually. Redeemable in single installment on 18 <sup>th</sup> January, 2018  |  |
| 10.     | Rupee Term Loan from Canara Bank ₹ Nil (₹ 2,976.84 Lacs)         | At variable average interest rate payable monthly (average for the year: 11.50%) (11.45%). Loan prepaid on 18 <sup>th</sup> February, 2013.       | First charge over the immovable property consisting of appropriate built-up space of property in Survey Nos. 190 and 192 (part) situated Opp. Golf Course, Shastri Nagar, Yerawada, Pune together with interest, default interest, costs, charges, expenses and other monies.  |
| 11.     | Rupee Term Loan from Bank of Baroda ₹ Nil (₹ 5,534 Lacs)         | At variable average interest rate payable monthly (average for the year: 13.54%) (13.47%). Loan prepaid on 8 <sup>th</sup> December, 2012.        | Pari-passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Talaja, Dist. Raigad, Maharashtra and the building(s) structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipment and other movable assets of the said project, both present and future and the equipment, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans costs, charges, expenses and remuneration of the Trustees and all other monies thereto. |

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

(₹ in Lacs)

|   | As at<br>1 <sup>st</sup> April, 2012 | Increase/<br>(Decrease) | As at<br>31 <sup>st</sup> March, 2013 |
|---|--------------------------------------|-------------------------|---------------------------------------|
| <b>Deferred tax liabilities</b>                     |                                      |                         |                                       |
| - Timing Difference on account of depreciation      | 11,491.41                            | 2,446.41                | 13,937.82                             |
| - Others  | 82.84                                | 3.95                    | 86.79                                 |
| <b>(A)</b>  | <b>11,574.25</b>                     | <b>2,450.36</b>         | <b>14,024.61</b>                      |
| <b>Deferred tax assets</b>                          |                                      |                         |                                       |
| - Provision for doubtful debts / loans and advances | 323.20                               | 12.73                   | 335.93                                |
| - Accrued expenses deductible on actual payments    | 845.11                               | 341.64                  | 1,186.75                              |
| - Others  | -                                    | (1.85)                  | -                                     |
| <b>(B)</b>  | <b>1,168.31</b>                      | <b>352.52</b>           | <b>1,522.68</b>                       |
| <b>Total</b>  | <b>(A-B)</b>                         | <b>10,405.94</b>        | <b>12,501.93</b>                      |

**Note-6 OTHER LONG TERM LIABILITIES**

(₹ in Lacs)

|                   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|-------------------|---------------------------------------|---------------------------------------|
| Retention money   | 13.95                                 | 55.91                                 |
| Other liabilities | 63.07                                 | 63.07                                 |
| <b>Total</b>      | <b>77.02</b>                          | <b>118.98</b>                         |

**Note-7 PROVISIONS**

(₹ in Lacs)

| Provisions-Long-term                           | Long Term Provisions                  |                                       | Short Term Provisions                 |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>Provision for employee benefits</b>         |                                       |                                       |                                       |                                       |
| Compensated absences                           | 1,092.91                              | 911.70                                | 228.53                                | 203.60                                |
| Gratuity                                       | 795.90                                | 346.28                                | 378.10                                | 315.65                                |
| Post retirement benefits                       | 170.47                                | 184.52                                | 43.41                                 | 8.29                                  |
| Wealth creation scheme                         | 9.94                                  | 55.56                                 | 38.15                                 | 42.55                                 |
| Others   | -                                     | -                                     | 699.81                                | 285.60                                |
| <b>(A)</b>                                     | <b>2,069.22</b>                       | <b>1,498.06</b>                       | <b>1,388.00</b>                       | <b>855.69</b>                         |
| <b>Others</b>                                  |                                       |                                       |                                       |                                       |
| Provision for tax (Net)                        | -                                     | -                                     | 20.67                                 | -                                     |
| Proposed dividend                              | -                                     | -                                     | 4,851.27                              | 4,851.27                              |
| Dividend distribution tax on proposed dividend | -                                     | -                                     | 770.78                                | 787.00                                |
| <b>(B)</b>                                     | <b>-</b>                              | <b>-</b>                              | <b>5,642.72</b>                       | <b>5,638.27</b>                       |
| <b>Total</b>                                   | <b>(A+B)</b>                          | <b>1,498.06</b>                       | <b>7,030.72</b>                       | <b>6,493.96</b>                       |

**Note-8 SHORT TERM BORROWINGS**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>a) Secured</b>                      |                                       |                                       |
| From Banks:                            |                                       |                                       |
| - Buyer's credit (in foreign currency) | 29,327.09                             | 26,110.05                             |
| - Cash credit facilities               | 1,115.93                              | 831.67                                |
| <b>Total</b>                           | <b>30,443.02</b>                      | <b>26,941.72</b>                      |

Notes:

- (i) Cash credit facilities sanctioned by banks including working capital demand loan and buyers credit are secured by a first charge by way of hypothecation of stocks of raw materials stock-in-process, consumable stores and book debts.
- (ii) Cash credit is repayable on demand and carries a variable interest rate. Average rate for the year is 13.25% (13.25%).
- (iii) Buyer's credit is generally due within 180 days and carries a variable interest rate. Average rate for the year is 1.71% (1.81%).

**Note-9 TRADE PAYABLES**

(₹ in Lacs)

|                | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|----------------|---------------------------------------|---------------------------------------|
| Trade payables | 21,240.97                             | 21,480.82                             |
| <b>Total</b>   | <b>21,240.97</b>                      | <b>21,480.82</b>                      |

**Note-10 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| Current maturities of long term debts (Refer Note 4) | 10,532.27                             | 11,740.39                             |
| Interest accrued but not due on borrowings           | 1,841.18                              | 1,410.08                              |
| Advances from customers                              | 727.30                                | 215.54                                |
| Unclaimed dividend                                   | 368.91                                | 372.73                                |
| Other payables (*)                                   | 3,698.18                              | 3,839.01                              |
| Due to directors                                     | 722.58                                | 972.47                                |
| Security deposits                                    | 1,382.72                              | 1,112.44                              |
| Statutory liabilities                                | 759.85                                | 579.91                                |
| Creditors for capital goods                          | 853.64                                | 1,340.06                              |
| <b>Total</b>   | <b>20,886.63</b>                      | <b>21,582.63</b>                      |

(\*) Other payables includes ₹ 1,797.71 Lacs (₹ 2,214.41 Lacs) related to employees.

**Note-11 TANGIBLE ASSETS**

(₹ in Lacs)

|  | Land<br>(Freehold) | Land<br>(Leasehold) | Building         | Plant &<br>Equipment | Electric<br>Installation | Furniture &<br>Fixtures | Office<br>Equipments | Vehicles        | Total              |
|--|--------------------|---------------------|------------------|----------------------|--------------------------|-------------------------|----------------------|-----------------|--------------------|
| <b>Gross block as at:</b>  |                    |                     |                  |                      |                          |                         |                      |                 |                    |
| <b>1<sup>st</sup> April, 2011</b>                                  | <b>5,915.85</b>    | <b>1,371.87</b>     | <b>25,357.15</b> | <b>1,32,264.04</b>   | <b>2,531.47</b>          | <b>1,139.73</b>         | <b>1,774.44</b>      | <b>1,089.76</b> | <b>1,71,444.31</b> |
| Additions  | 722.61             |                     | 10,403.61        | 23,671.13            | 290.85                   | 22.43                   | 319.17               | 297.12          | 35,726.92          |
| Disposals  | -                  | -                   | 1.53             | 311.40               | 1.32                     | 69.31                   | 119.28               | 195.49          | 698.33             |
| Other adjustments:   |                    |                     |                  |                      |                          |                         |                      |                 |                    |
| - Exchange differences   | -                  | -                   | -                | 1,648.00             | -                        | -                       | -                    | -               | 1,648.00           |
| - Borrowing costs  | -                  | -                   | -                | -                    | -                        | -                       | -                    | -               | -                  |
| <b>1<sup>st</sup> April, 2012</b>                                  | <b>6,638.46</b>    | <b>1,371.87</b>     | <b>35,759.23</b> | <b>1,57,271.77</b>   | <b>2,821.00</b>          | <b>1,092.85</b>         | <b>1,974.33</b>      | <b>1,191.39</b> | <b>2,08,120.90</b> |
| Additions  | 2,701.76           | -                   | 3,420.18         | 12,333.22            | 413.63                   | 49.70                   | 107.92               | 844.09          | 19,870.50          |
| Disposals  | -                  | -                   | 242.17           | 1,711.69             | -                        | 12.82                   | 18.56                | 366.96          | 2,352.20           |
| Other adjustments:   |                    |                     |                  |                      |                          |                         |                      |                 |                    |
| Related to jointly controlled entity                               | 5.38               |                     | 251.93           | 157.49               |                          | 15.74                   | 15.77                | 73.78           | 520.09             |
| Exchange differences   | -                  | -                   | -                | 1,624.93             | -                        | -                       | -                    | -               | 1,624.93           |
| Borrowing costs  | -                  | -                   | -                | -                    | -                        | -                       | -                    | -               | -                  |
| <b>Gross carrying amount 31<sup>st</sup> March, 2013 (A)</b>       | <b>9,345.60</b>    | <b>1,371.87</b>     | <b>39,189.17</b> | <b>1,69,675.72</b>   | <b>3,234.63</b>          | <b>1,145.47</b>         | <b>2,079.46</b>      | <b>1,742.30</b> | <b>2,27,784.22</b> |
| <b>Accumulated depreciation on 1<sup>st</sup> April, 2012</b>      | <b>-</b>           | <b>145.29</b>       | <b>4,076.49</b>  | <b>69,298.55</b>     | <b>577.83</b>            | <b>564.72</b>           | <b>1,081.07</b>      | <b>529.03</b>   | <b>76,272.98</b>   |
| Deductions/adjustments   | -                  | -                   | (21.32)          | 643.97               | -                        | 0.62                    | 5.94                 | 234.63          | 863.84             |
| Depreciation during the year*                                      | -                  | 17.48               | 849.22           | 7,837.44             | 227.13                   | 77.52                   | 230.35               | 402.82          | 9,641.96           |
| <b>Accumulated Depreciation on 31<sup>st</sup> March, 2013 (B)</b> | <b>-</b>           | <b>162.77</b>       | <b>4,947.03</b>  | <b>76,492.02</b>     | <b>804.96</b>            | <b>641.62</b>           | <b>1,305.48</b>      | <b>697.22</b>   | <b>85,051.10</b>   |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2013 (A-B)</b> | <b>9,345.60</b>    | <b>1,209.10</b>     | <b>34,242.14</b> | <b>93,183.70</b>     | <b>2,429.67</b>          | <b>503.85</b>           | <b>773.98</b>        | <b>1,045.08</b> | <b>1,42,733.12</b> |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>       | <b>6,638.46</b>    | <b>1,226.58</b>     | <b>31,682.74</b> | <b>87,973.22</b>     | <b>2,243.17</b>          | <b>528.13</b>           | <b>893.26</b>        | <b>662.36</b>   | <b>1,31,847.92</b> |

\*Net of depreciation of ₹ 118.61 Lacs (₹ 117.39 Lacs) withdrawn from revaluation reserve (Refer Note 28).

**Note-12 INTANGIBLE ASSETS**

(₹ in Lacs)

|  | Computer<br>Software | Technical<br>Know-how/<br>Engineering<br>Fee | License/<br>Franchise<br>Fees | Upfront Fees/<br>Way Leave<br>Charges | Design      | Goodwill on<br>Consolidation | Total           |
|--|----------------------|--|-------------------------------|---------------------------------------|-------------|------------------------------|-----------------|
| <b>Gross block as at:</b>  |                      |  |                               |                                       |             |                              |                 |
| <b>1<sup>st</sup> April, 2011</b>                                  | <b>381.27</b>        | <b>142.26</b>                                | <b>954.67</b>                 | <b>485.13</b>                         | <b>5.96</b> | <b>5,115.76</b>              | <b>7,085.05</b> |
| Additions  | 204.98               | -  | -                             | -                                     | -           | -                            | 204.98          |
| Disposals  | -                    | -  | -                             | -                                     | -           | -                            | -               |
| Other adjustments:   |                      |  |                               |                                       |             |                              |                 |
| - Exchange differences   | -                    | -  | -                             | -                                     | -           | -                            | -               |
| - Borrowing costs  | -                    | -  | -                             | -                                     | -           | -                            | -               |
| <b>1<sup>st</sup> April, 2012</b>                                  | <b>586.25</b>        | <b>142.26</b>                                | <b>954.67</b>                 | <b>485.13</b>                         | <b>5.96</b> | <b>5,115.76</b>              | <b>7,290.03</b> |
| Additions  | 24.50                | -  | 18.98                         | 26.24                                 | -           | 1,899.99 #                   | 1,969.71        |
| Disposals  | -                    | -  | -                             | -                                     | -           | -                            | -               |
| Other adjustments:   |                      |  |                               |                                       |             |                              |                 |
| - Exchange differences   | -                    | -  | -                             | -                                     | -           | -                            | -               |
| - Borrowing costs  | -                    | -  | -                             | -                                     | -           | -                            | -               |
| <b>Gross carrying amount 31<sup>st</sup> March, 2013 (A)</b>       | <b>610.75</b>        | <b>142.26</b>                                | <b>973.65</b>                 | <b>511.37</b>                         | <b>5.96</b> | <b>7,015.75</b>              | <b>9,259.74</b> |
| <b>Accumulated Amortisation on 1<sup>st</sup> April, 2012</b>      | <b>392.37</b>        | <b>142.23</b>                                | <b>260.91</b>                 | <b>86.77</b>                          | <b>2.12</b> | <b>4,092.64</b>              | <b>4,977.04</b> |
| Deductions/adjustments   | -                    | -  | -                             | -                                     | -           | -                            | -               |
| Amortisation during the year                                       | 77.86                | -  | 206.91                        | 29.26                                 | 1.99        | 869.17                       | 1,185.19        |
| <b>Accumulated Amortisation on 31<sup>st</sup> March, 2013 (B)</b> | <b>470.23</b>        | <b>142.23</b>                                | <b>467.82</b>                 | <b>116.03</b>                         | <b>4.11</b> | <b>4,961.81</b>              | <b>6,162.23</b> |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2013 (A-B)</b> | <b>140.52</b>        | <b>0.03</b>                                  | <b>505.83</b>                 | <b>395.34</b>                         | <b>1.85</b> | <b>2,053.94</b>              | <b>3,097.51</b> |
| <b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>       | <b>193.88</b>        | <b>0.03</b>                                  | <b>693.76</b>                 | <b>398.36</b>                         | <b>3.84</b> | <b>1,023.12</b>              | <b>2,312.99</b> |

# represents goodwill arising on consolidation of jointly controlled entity.

- (a) Freehold land includes:  
 - ₹ 3,600 Lacs (₹ 3,600 Lacs) represented by 24,000 Equity Shares of ₹ 10 each in a company, Yarrowda Investments Limited, which is the legal owner of the land in respect of which the Company, has acquired exclusive rights of development.  
 - ₹ 2,442.54 Lacs (₹ 1,046.42 Lacs) represented by 1,41,764 (1,38,888) Equity Shares of ₹ 10 each in the said company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.
- (b) Buildings include a sum of ₹11,398.32 Lacs (₹11,572.87 Lacs) represented by 38,236 (38,236) Equity Shares of ₹ 10 each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.
- (c) The above equity shares so held do not really represent financial investment simplicities but rather the means to acquire and hold the properties for use in Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard - 10 on "Fixed Assets".
- (d) Gross Block of Plant and Machinery includes ₹ 7,837.54 Lacs (₹ 6,212.61 Lacs) towards foreign exchange fluctuations on Long Term Loans.
- (e) Impairment of Assets: The Company has examined carrying cost of its identified Cash Generating Units (CGUs) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets (wherever applicable), according to which no provision for impairment is required as assets of none of CGUs are impaired during the financial year ended 31<sup>st</sup> March, 2013.
- (f) The gross block of fixed assets includes an amount of ₹ 2,251.44 Lacs (₹ 2,251.44 Lacs) on account of revaluation of assets of a subsidiary company Smartchem Technologies Limited, done as on 1<sup>st</sup> April, 2001.
- (g) Consequent to the said revaluation there is an additional charge of depreciation of ₹ 118.61 Lacs (₹ 117.39 Lacs) for the year charged to the Statement of Profit and Loss. Similar amount is withdrawn from the revaluation reserve and credited to the Statement of Profit and Loss.

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

(₹ in Lacs)

|              | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--------------|---------------------------------------|---------------------------------------|
| Projects     | 2,002.18                              | 10,415.23                             |
| Others       | 669.23                                | 1,642.02                              |
| <b>Total</b> | <b>2,671.41</b>                       | <b>12,057.25</b>                      |

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

(₹ in Lacs)

| Trade investments (Unquoted)   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Investment in Jointly controlled entity</b>   |                                       |                                       |
| Equity Shares of face value of ₹ 10 each of Desai Fruits and Vegetables Private Limited <sup>#</sup> | -                                     | 2,377.98                              |
| <b>Investments in others (Fully paid-up)</b>   |                                       |                                       |
| 88,448 (88,448) Equity Shares of face value of Sterling Pound 1 each of Deepak International Limited | 68.69                                 | 68.69                                 |
| 49,994 (49,994) Equity Shares of face value of ₹ 10 each of Ishanya Realty Corporation Limited       | 5.00                                  | 5.00                                  |
| 49,994 (49,994) Equity Shares of face value of ₹ 10 each of Ishanya Brand Services Limited           | 5.00                                  | 5.00                                  |
|  | <b>78.69</b>                          | <b>78.69</b>                          |
| <b>Non-trade investments (Quoted)</b>  |                                       |                                       |
| Investments in Equity Shares   | 141.25                                | 141.25                                |
| Less: Provision for diminution in value  | (50.13)                               | (17.98)                               |
|  | <b>91.12</b>                          | <b>123.27</b>                         |
| <b>Investments in Debentures or Bonds (Unquoted)</b>   |                                       |                                       |
| Nil (1) Zero Coupon Debenture of Crompton Greaves Limited (Face value ₹ 750 Lacs)                    | -                                     | 783.26                                |
| <b>Total</b>   | <b>169.81</b>                         | <b>3,363.20</b>                       |

<sup>#</sup> being first year of consolidation refer note 34**Details of Investments in Equity Shares (Quoted)**

(₹ in Lacs)

| Equity (All Fully paid-up)    | Face Value | As at<br>31 <sup>st</sup> March, 2013 |               | As at<br>31 <sup>st</sup> March, 2012 |               |
|-------------------------------|------------|---------------------------------------|---------------|---------------------------------------|---------------|
|                               | (₹)        | No. of Shares                         | Cost          | No. of Shares                         | Cost          |
| HDFC Limited                  | 2          | 5,000                                 | 26.76         | 5,000                                 | 26.76         |
| Infosys Technologies Limited  | 5          | 750                                   | 20.38         | 750                                   | 20.38         |
| ITC Limited                   | 1          | 16,400                                | 18.61         | 16,400                                | 18.61         |
| IVRCL Infrastructures Limited | 2          | 15,239                                | 31.98         | 15,239                                | 31.98         |
| Sterlite Industries Limited   | 1          | 20,000                                | 39.84         | 20,000                                | 39.84         |
| Punjab National Bank Limited  | 10         | 943                                   | 3.68          | 943                                   | 3.68          |
|                               |            |                                       | <b>141.25</b> |                                       | <b>141.25</b> |

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| Aggregate amount of quoted investments   | 141.25                                | 141.25                                |
| Market value of quoted investments       | 135.34                                | 133.38                                |
| Aggregate amount of unquoted Investments | 78.69                                 | 3,239.93                              |

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

(₹ in Lacs)

|   | Long Term                             |                                       | Short Term                            |                                       |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Capital advances  | 3,212.75                              | 1,147.20                              | -                                     | -                                     |
| Deposits with Bank with original maturity for more than 12 months * | 276.62                                | 0.19                                  | -                                     | -                                     |
| Security deposits   | 1,555.05                              | 1,727.19                              | 20.55                                 | 10.00                                 |
| Balance with Central Excise and Customs                             | 624.85                                | 624.44                                | 810.54                                | 2,062.36                              |
| Loans and advances - related parties #                              | 200.00                                | 200.00                                | -                                     | -                                     |
| Advances recoverable in cash or kind or for value to be received:   |                                       |                                       |                                       |                                       |
| - Advances/ loans to employees                                      |                                       |                                       | 185.12                                | 137.84                                |
| - Advances to suppliers   | -                                     | -                                     | 3,520.11                              | 3,227.60                              |
| - Others @  |                                       |                                       | 3,399.40                              | 2,958.29                              |
| - Prepaid expenses  | 109.19                                | 71.09                                 | 1,667.50                              | 1,216.97                              |
| Advance payments of taxes (Net)                                     | -                                     | -                                     | 1,202.52                              | 1,938.29                              |
| MAT Credit entitlements   | -                                     | -                                     | 706.37                                | -                                     |
| <b>Total</b>  | <b>5,978.46</b>                       | <b>3,770.11</b>                       | <b>11,512.11</b>                      | <b>11,551.35</b>                      |

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

# Loans and advances- Related parties

(₹ in Lacs)

|  | Long Term                             |                                       | Short Term                            |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Security deposit placed with Chairman and Managing Director towards lease of residential premises. | 200.00                                | 200.00                                |                                       | -                                     |
| <b>Total</b>   | <b>200.00</b>                         | <b>200.00</b>                         | <b>-</b>                              | <b>-</b>                              |

@ Other advances includes VAT/Sales Tax receivable of ₹ 2,480.40 lacs (₹ 2,426.29 lacs) and Duty drawback receivable of ₹ 170.23 Lacs.

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

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Quoted Bonds/Securities (Non-trade)</b> |                                       |                                       |
| Investments in Debt PMS                    | 5,245.06                              | -                                     |
| Investments in Tax Free Bonds              | 2,502.20                              | -                                     |
| Investments in Government Securities       | 1,081.50                              | -                                     |
| Less: Provision for diminution in value    | (14.36)                               | -                                     |
| <b>(A)</b>                                 | <b>8,814.40</b>                       | <b>-</b>                              |
| <b>Quoted Mutual Funds (Non-trade)</b>     |                                       |                                       |
| Mutual Funds                               | 16,475.00                             | 2,225.00                              |
| Less: Provision for diminution in value    | (6.78)                                | (5.48)                                |
| <b>(B)</b>                                 | <b>16,468.22</b>                      | <b>2,219.52</b>                       |
| <b>Total</b>                               | <b>(A+B) 25,282.62</b>                | <b>2,219.52</b>                       |

**Investments in Debt PMS**

(₹ in Lacs)

| Name of Securities                                  | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2013 |                 |                 | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2012 |      |                 |
|---|-----------------|---------------------------------------|-----------------|-----------------|-----------------|---------------------------------------|------|-----------------|
|   |                 | Face<br>Value                         | Cost            | Market<br>Value |                 | Face<br>Value                         | Cost | Market<br>Value |
| 10.75% DPSC BONDS 03/11/2016                        | 200             | 400                                   | 424.48          | 426.40          | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2017                        | 50              | 100                                   | 103.51          | 106.23          | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2017                        | 41              | 82                                    | 84.89           | 87.11           | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2017                        | 28              | 56                                    | 59.33           | 59.49           | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2018                        | 98              | 196                                   | 207.88          | 208.43          | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2018                        | 16              | 32                                    | 33.47           | 34.03           | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2018                        | 95              | 190                                   | 201.40          | 202.05          | -               | -                                     | -    | -               |
| 10.75% DPSC BONDS 03/11/2020                        | 60              | 120                                   | 127.34          | 127.92          | -               | -                                     | -    | -               |
| 9.70% IFCI BONDS 04/05/2030                         | 6               | 60                                    | 66.79           | 67.00           | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 05/11/2022                     | 400             | 100                                   | 99.92           | 100.11          | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 05/11/2027                     | 160             | 40                                    | 39.91           | 40.00           | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 05/11/2032                     | 376             | 94                                    | 93.79           | 94.01           | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 31/10/2027                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 31/10/2032                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -    | -               |
| 9.90% IFCI LTD BONDS 31/10/2037                     | 520             | 130                                   | 127.21          | 130.01          | -               | -                                     | -    | -               |
| 12.75% INDIA INFOLINE FIN. NCD 17/09/2018           | 5,069           | 51                                    | 51.19           | 51.26           | -               | -                                     | -    | -               |
| 9.40% RRVP NIGAM LTD BONDS 22/03/2025               | 215             | 2,150                                 | 2,150.00        | 2,151.72        | -               | -                                     | -    | -               |
| 10.00% RELIANCE CAPITAL LTD NCD 03/11/2017          | 21              | 210                                   | 212.14          | 214.18          | -               | -                                     | -    | -               |
| 10.10% RELIANCE CAP F SERIES B-NCD260 28/09/2022    | 10              | 100                                   | 102.01          | 102.32          | -               | -                                     | -    | -               |
| 10.20% RELIANCE CAPITAL NCD (RCAP F SERIES B-NCD 2) | 31              | 310                                   | 318.80          | 319.05          | -               | -                                     | -    | -               |
| 10.20% RELIANCE CAPITAL BONDS 31/07/2022            | 6               | 60                                    | 60.97           | 61.21           | -               | -                                     | -    | -               |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 5               | 50                                    | 50.88           | 50.95           | -               | -                                     | -    | -               |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 1               | 10                                    | 10.04           | 10.19           | -               | -                                     | -    | -               |
| 11.15% WELSPUN CORP LTD BONDS 28/08/2019            | 2               | 20                                    | 20.34           | 20.38           | -               | -                                     | -    | -               |
| 12.50% MAGMA FINCORP LTD PERPETUAL BONDS            | 25              | 250                                   | 253.20          | 253.35          | -               | -                                     | -    | -               |
| 12.50% MAGMA FINCORP LTD PERPETUAL BONDS            | 9               | 90                                    | 91.15           | 91.21           | -               | -                                     | -    | -               |
| <b>Total</b>  |                 |                                       | <b>5,245.06</b> | <b>5,268.63</b> |                 |                                       | -    | -               |

**Investments in Tax Free Bonds**

(₹ in Lacs)

| Name of Securities                           | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2013 |                 |                 | No. of<br>Units | As at<br>31 <sup>st</sup> March, 2012 |      |                 |
|--|-----------------|---------------------------------------|-----------------|-----------------|-----------------|---------------------------------------|------|-----------------|
|  |                 | Face<br>Value                         | Cost            | Market<br>Value |                 | Face<br>Value                         | Cost | Market<br>Value |
| 7.51% HUDCO Tax Free Bonds TRANCH A SR 2     | 5               | 500                                   | 500.00          | 500.00          | -               | -                                     | -    | -               |
| 7.34% IRFC Tax Free Bonds 2012 TRANCH A SR 2 | 10              | 1,000                                 | 1,000.00        | 1,000.00        | -               | -                                     | -    | -               |
| 7.22% RECL Tax Free Bonds 2022               | 10              | 1,009                                 | 1,002.20        | 1,002.14        | -               | -                                     | -    | -               |
| <b>Total</b>                                 |                 |                                       | <b>2,502.20</b> | <b>2,502.14</b> |                 |                                       | -    | -               |

## Investments in Government Securities

(₹ in Lacs)

| Name of Securities   | No of Units | As at 31 <sup>st</sup> March, 2013 |                 |                 | No of Units | As at 31 <sup>st</sup> March, 2012 |      |              |
|----------------------|-------------|------------------------------------|-----------------|-----------------|-------------|------------------------------------|------|--------------|
|                      |             | Face Value                         | Cost            | Market Value    |             | Face Value                         | Cost | Market Value |
| 8.97% GOI 05/12/2030 | 10.00       | 1,000                              | 1,081.50        | 1,067.14        | -           | -                                  | -    | -            |
| <b>Total</b>         |             |                                    | <b>1,081.50</b> | <b>1,067.14</b> | -           | -                                  | -    | -            |

## Details of Investments in Mutual Funds

(₹ in Lacs)

| Name of the Fund   | As at 31 <sup>st</sup> March, 2013 |                  |                  | As at 31 <sup>st</sup> March, 2012 |                 |                 |
|--|------------------------------------|------------------|------------------|------------------------------------|-----------------|-----------------|
|  | No. of Units                       | Cost             | Market Value     | No. of Units                       | Cost            | Market Value    |
| IDFC Money Manager Fund                                  | -                                  | -                | -                | 6.071                              | 100.00          | 101.10          |
| DSP BlackRock FMP - Series 38 - 12.5 Months - Growth     | 50.00                              | 500.00           | 554.09           | 50                                 | 500.00          | 502.56          |
| DWS Fixed Maturity Plan -Series 7 Growth Plan            | 50.00                              | 500.00           | 554.34           | 50                                 | 500.00          | 504.96          |
| IDFC Fixed Maturity Plan Thirteen Months Series 7 Growth | 50.00                              | 500.00           | 554.42           | 50                                 | 500.00          | 505.11          |
| TATA Fixed Maturity Plan Series 39 Scheme G Growth       | 50.00                              | 500.00           | 554.44           | 50                                 | 500.00          | 505.18          |
| SBI Infrastructure Fund I - Dividend                     | 2.50                               | 25.00            | 18.22            | 3                                  | 25.00           | 19.53           |
| DSP BlackRock Strategic Bond Fund - IP - Growth          | 1.11                               | 1,500.00         | 1,513.90         | -                                  | -               | -               |
| DWS Premier Bond Fund - Regular Plan - Growth            | 51.91                              | 1,000.00         | 1,009.53         | -                                  | -               | -               |
| HDFC Income Fund - Growth                                | 55.95                              | 1,500.00         | 1,509.09         | -                                  | -               | -               |
| ICICI Prudential Income Fund - Growth                    | 40.72                              | 1,500.00         | 1,510.93         | -                                  | -               | -               |
| IDFC D B F - Dir - Growth                                | 72.05                              | 1,000.00         | 1,016.25         | -                                  | -               | -               |
| Kotak Bond Scheme - Plan A - Growth                      | 44.49                              | 1,500.00         | 1,507.20         | -                                  | -               | -               |
| Reliance Income Fund - Retail - G P - Growth             | 39.07                              | 1,500.00         | 1,508.24         | -                                  | -               | -               |
| Reliance Dynamic Bond Fund - Growth                      | 64.06                              | 1,000.00         | 1,005.36         | -                                  | -               | -               |
| SBI Dynamic Bond Fund - Growth                           | 102.85                             | 1,500.00         | 1,515.92         | -                                  | -               | -               |
| Tata Income Fund - Plan A - Growth                       | 28.31                              | 1,000.00         | 1,010.83         | -                                  | -               | -               |
| UTI Bond Fund - Growth                                   | 28.81                              | 1,000.00         | 1,009.47         | -                                  | -               | -               |
| JM High Liquidity Fund - Growth                          | 6.26                               | 200.00           | 200.20           | -                                  | -               | -               |
| Birla Sunlife Savings Fund - Growth                      | 0.89                               | 200.00           | 200.00           | -                                  | -               | -               |
| Axis Equity Fund   | -                                  | -                | -                | 500,000                            | 50.00           | 51.75           |
| HDFC Top 200 Fund  | 0.25                               | 50.00            | 53.19            | 25272                              | 50.00           | 50.89           |
| <b>Total</b>   |                                    | <b>16,475.00</b> | <b>16,805.62</b> |                                    | <b>2,225.00</b> | <b>2,241.07</b> |

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

(₹ in Lacs)

|  | As at 31 <sup>st</sup> March, 2013 | As at 31 <sup>st</sup> March, 2012 |
|--|------------------------------------|------------------------------------|
| Aggregate amount of quoted investments | 25,303.76                          | 2,225.00                           |
| Market value of quoted investments     | 25,643.53                          | 2,241.07                           |



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

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| Raw materials   | 7,412.31                              | 7,429.58                              |
| Packing materials   | 956.71                                | 715.0                                 |
| Finished goods {in transit ₹ 667.04 Lacs (₹ 254.79 Lacs)} | 4,215.04                              | 3,940.10                              |
| Stock-in-trade  | 4,928.84                              | 1,967.75                              |
| Stores and spares   | 7,168.64                              | 7,079.78                              |
| <b>Total</b>  | <b>24,681.54</b>                      | <b>21,132.21</b>                      |

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

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| <b>Outstanding for a period exceeding six months:</b> |                                       |                                       |
| - Considered good                                     | 9,797.17                              | 1,415.06                              |
| - Considered doubtful                                 | 527.58                                | 597.11                                |
|   | <b>10,324.75</b>                      | <b>2,012.17</b>                       |
| Less: Provision for doubtful debts                    | (527.58)                              | (597.11)                              |
|   | <b>9,797.17</b>                       | <b>1,415.06</b>                       |
| Others  | 55,376.54                             | 55,188.05                             |
| <b>Total</b>  | <b>65,173.71</b>                      | <b>56,603.11</b>                      |

**Note-19 CASH AND BANK BALANCES**

(₹ in Lacs)

|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>Cash and cash equivalents:</b>                                    |                                       |                                       |
| - Cash on hand   | 24.88                                 | 54.47                                 |
| - Cheques on hand  | 1,337.46                              | 1,254.40                              |
| - Balance in current account with Banks                              | 8,679.20                              | 12,758.32                             |
|  | <b>10,041.54</b>                      | <b>14,067.19</b>                      |
| <b>Other Bank balances:</b>  |                                       |                                       |
| - On unpaid dividend (Earmarked balances)                            | 368.91                                | 372.73                                |
| - Deposits - maturity for more than 3 months but less than 12 months | 65.55                                 | 209.02                                |
| - Others   | -                                     | 930.27                                |
|  | <b>434.46</b>                         | <b>1,512.02</b>                       |
| <b>Total</b>   | <b>10,476.00</b>                      | <b>15,579.21</b>                      |

**Note-20 OTHER ASSETS**

(₹ in Lacs)

|  | Non-Current                           |                                       | Current                               |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| Sales tax paid under protest                   | 48.19                                 | 48.25                                 | -                                     | -                                     |
| (A)  | <b>48.19</b>                          | <b>48.25</b>                          | -                                     | -                                     |
| Interest income accrued on deposits and others | -                                     | -                                     | 655.37                                | 366.09                                |
| Derivative contracts receivable                | -                                     | -                                     | 1,280.61                              | -                                     |
| (B)  | -                                     | -                                     | <b>1,935.98</b>                       | <b>366.09</b>                         |
| <b>Total</b>                                   | <b>(A+B) 48.19</b>                    | <b>48.25</b>                          | <b>1,935.98</b>                       | <b>366.09</b>                         |

**Note-21 REVENUE FROM OPERATIONS**

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| <b>A. Sale of products</b>             |  |  |
| - Finished goods                       | 1,97,719.61                                | 1,79,499.77                                |
| Less: Excise duty                      | 17,318.51                                  | 13,807.63                                  |
|  | <b>1,80,401.10</b>                         | <b>1,65,692.14</b>                         |
| Stock-in-trade                         | 53,990.40                                  | 33,054.36                                  |
| Subsidy on manufactured fertilisers    | 20,334.17                                  | 25,803.77                                  |
| Subsidy on traded fertilisers          | 11,270.24                                  | 15,658.19                                  |
|  | <b>2,65,995.91</b>                         | <b>2,40,208.46</b>                         |
| <b>Revenue from realty business</b>    | 311.56                                     | 740.43                                     |
| Less: Service tax                      | 49.28                                      | 60.78                                      |
|  | <b>262.28</b>                              | <b>679.65</b>                              |
| <b>Other operating revenues</b>        | 914.57                                     | 252.22                                     |
| Less: Service tax                      | 8.92                                       | 11.29                                      |
|  | <b>905.65</b>                              | <b>240.93</b>                              |
| <b>Revenue from operations (Net)</b>   | <b>2,67,163.84</b>                         | <b>2,41,129.04</b>                         |
| <b>B. Details of Sales of products</b> |  |  |
| Finished goods                         |  |  |
| Iso propyl alcohol                     | 55,014.45                                  | 49,892.69                                  |
| Nitrophosphate                         | 49,218.78                                  | 46,691.77                                  |
| Bentonite sulphur                      | 2,432.08                                   | 2,528.33                                   |
| Technical ammonium nitrate             | 60,992.32                                  | 51,240.14                                  |
| Nitric acid                            | 17,554.17                                  | 19,268.49                                  |
| Methanol                               | 3,549.24                                   | 11,660.92                                  |
| Propane                                | 7,223.91                                   | 6,990.68                                   |
| Liquid CO <sub>2</sub>                 | 1,257.45                                   | 1,266.05                                   |
| Hydrogen                               | 1,127.21                                   | 1,008.41                                   |
| Windmill power                         | 779.99                                     | 659.47                                     |
| Others                                 | 392.22                                     | 288.96                                     |
| (A)                                    | <b>1,99,541.82</b>                         | <b>1,91,495.91</b>                         |
| <b>Stock-in-trade</b>                  |  |  |
| Muriate of potash                      | 10,152.56                                  | 8,626.88                                   |
| Speciality fertiliser                  | 12,030.07                                  | 11,496.14                                  |
| Single super phosphate                 | 5,500.23                                   | 3,023.55                                   |
| Mixture fertiliser                     | 1,047.27                                   | 1,748.21                                   |
| Ammonium sulphate                      | 1,107.64                                   | 669.16                                     |
| DAP                                    | 15,474.82                                  | -  |
| Complex fertiliser                     | 18.40                                      | 20,507.55                                  |
| Bulk chemicals                         | 17,906.76                                  | 1,184.51                                   |
| Others                                 | 3,216.34                                   | 1,456.55                                   |
| (B)                                    | <b>66,454.09</b>                           | <b>48,712.55</b>                           |
| <b>Total</b>                           | <b>2,65,995.91</b>                         | <b>2,40,208.46</b>                         |

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

**Note-22 OTHER INCOME**

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| Interest on term deposits with Banks                 | 16.25                                      | 45.72                                      |
| <b>Income from long term investments:</b>            |  |  |
| - Interest on fertiliser bonds                       | -  | 63.97                                      |
| - Other Interest                                     | 1,959.25                                   | 993.38                                     |
| - Dividend   |  |  |
| a) Trade investments                                 | 39.18                                      | -  |
| b) Non trade investments                             | 2.16                                       | 51.07                                      |
|  | <b>2,000.59</b>                            | <b>1,108.42</b>                            |
| <b>Income from current Investments</b>               |  |  |
| Dividend from Mutual Funds                           | 4.50                                       | -  |
| Profit on sale of current investments in Mutual Fund | 893.82                                     | 1,232.47                                   |
|  | <b>898.32</b>                              | <b>1,232.47</b>                            |
| Miscellaneous receipts *                             | 2,985.24                                   | 1,342.44                                   |
| <b>Total</b>   | <b>5,900.40</b>                            | <b>3,729.05</b>                            |

\* Includes income from Carbon Credit ₹ 1,426 Lacs (₹ 27.99 Lacs).

**Note-23 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

|                               | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|-------------------------------|--|--|
| <b>Raw materials consumed</b> |  |  |
| Ammonia                       | 31,738.54                                  | 26,278.51                                  |
| Natural gas                   | 24,001.42                                  | 25,971.43                                  |
| Propylene                     | 45,312.79                                  | 37,840.33                                  |
| Phosphoric acid               | 22,148.06                                  | 22,566.06                                  |
| Others                        | 2,390.55                                   | 2,660.68                                   |
|                               | <b>1,25,591.36</b>                         | <b>1,15,317.01</b>                         |
| Packing material consumed     | 3,321.67                                   | 2,752.19                                   |
| <b>Total</b>                  | <b>1,28,913.03</b>                         | <b>1,18,069.20</b>                         |

Note: Raw Material consumption figures are derived from Purchases and Stock variations. Wastage, if any, is within the tolerable limit and included in above amount.

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

(₹ in Lacs)

|                        | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|------------------------|--|--|
| DAP                    | 14,578.19                                  | -  |
| Muriate of potash      | 9,569.78                                   | 8,387.78                                   |
| Mixture fertiliser     | 1,013.62                                   | 1,665.76                                   |
| Single super phosphate | 5,296.69                                   | 2,869.03                                   |
| Speciality fertiliser  | 9,793.86                                   | 8,946.90                                   |
| Bulk chemicals         | 16,443.71                                  | -  |
| Complex fertiliser     | -  | 19,083.52                                  |
| Others                 | 6,877.56                                   | 2,969.99                                   |
| <b>Total</b>           | <b>63,573.41</b>                           | <b>43,922.98</b>                           |

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

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| <b>(Increase)/decrease in inventories</b>                       |  |  |
| Inventories at the end of the year                              |  |  |
| Finished goods  | 4,215.04                                   | 3,940.10                                   |
| Stock-in-trade  | 4,928.84                                   | 1,967.75                                   |
| (A)   | <b>9,143.88</b>                            | <b>5,907.85</b>                            |
| Inventories at the beginning of the year                        |  |  |
| Finished goods  | 3,940.10                                   | 793.42                                     |
| Stock-in-trade  | 1,967.75                                   | 2,016.48                                   |
| Opening inventory in jointly controlled entity                  | 16.59                                      | -  |
| (B)   | <b>5,924.44</b>                            | <b>2,809.90</b>                            |
| (Increase) / decrease in Excise duty on stock of finished goods | (C) <b>(106.62)</b>                        | <b>(171.63)</b>                            |
| <b>Total</b>  | <b>(A-B-C) (3,112.82)</b>                  | <b>(2,926.32)</b>                          |

**Note-26 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Salary and wages                          | 12,327.54                                  | 12,270.72                                  |
| Contribution to provident and other funds | 1,684.53                                   | 970.86                                     |
| Staff welfare                             | 1,071.45                                   | 1,028.27                                   |
| <b>Total</b>                              | <b>15,083.52</b>                           | <b>14,269.85</b>                           |

**Note-27 FINANCE COSTS**

(₹ in Lacs)

|                           | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---------------------------|--|--|
| Interest on fixed loans # | 5,561.09                                   | 5,312.30                                   |
| Interest - Others         | 2,498.95                                   | 1,373.94                                   |
| Other financial charges   | 173.21                                     | 136.99                                     |
| <b>Total</b>              | <b>8,233.25</b>                            | <b>6,823.23</b>                            |

# Exchange difference to the extent considered as an adjustment to borrowing cost ₹ 1,048.37 Lacs (₹ 954.71 Lacs) and excluding amount capitalised ₹ 74.75 Lacs (₹ 343.94 Lacs)

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

(₹ in Lacs)

|   | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---|--|--|
| Depreciation on tangible assets                           | 9,760.57                                   | 8,225.05                                   |
| Amortization on intangible assets                         | 1,185.19                                   | 806.45                                     |
|   | 10,945.76                                  | 9,031.50                                   |
| Less: Transferred from Special reserve (Refer Note 3)     | 9.50                                       | 18.18                                      |
| Less: Transferred from Revaluation reserve (Refer Note 3) | 118.61                                     | 117.39                                     |
| <b>Total</b>  | <b>10,817.65</b>                           | <b>8,895.93</b>                            |

**Note-29 A. OTHER EXPENSES**

(₹ in Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| Power, fuel and water                                  | 3,176.30                                   | 3,751.79                                   |
| Stores, spares, oils, chemicals and catalysts consumed | 3,725.79                                   | 3,124.11                                   |
| Repairs to:  |  |  |
| - Buildings  | 547.33                                     | 511.14                                     |
| - Plant and machinery                                  | 3,354.89                                   | 3,235.44                                   |
| - Others   | 531.13                                     | 624.89                                     |
|  | 4,433.35                                   | 4,371.47                                   |
| Insurance  | 1,302.55                                   | 1,028.71                                   |
| Rent   | 1,116.03                                   | 552.66                                     |
| Rates, taxes and duties                                | 992.84                                     | 656.25                                     |
| Directors' sitting fees                                | 9.80                                       | 11.07                                      |
| Auditors' remuneration                                 | 86.67                                      | 88.47                                      |
| Carriage outward (Net)                                 | 5,129.11                                   | 4,167.39                                   |
| Cash discounts   | 447.64                                     | 155.78                                     |
| Provision for diminution in value of investments (*)   | 51.89                                      | 49.90                                      |
| Foreign exchange fluctuations (Net)                    | 3,085.20                                   | 2,530.03                                   |
| Legal and professional fees                            | 1,528.47                                   | 985.22                                     |
| Sales promotion expenses                               | 463.31                                     | 661.67                                     |
| Miscellaneous expenses                                 | 5708.66                                    | 4,494.88                                   |
| <b>Total</b>   | <b>31,257.61</b>                           | <b>26,629.40</b>                           |

(\*) Consist of ₹ 15.66 Lacs (₹ 3.90 Lacs) related to current investments and ₹ 36.23 Lacs (₹ 46.00 Lacs) related to non-current investments.

**B.** Manufacturing and other expenses are excluding start-up and commissioning expenses amounting to ₹ Nil (₹ 296.12 Lacs). The details of start-up and commissioning expenses are as follows:

(₹ in Lacs)

|                           | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|---------------------------|--|--|
| 1. Raw materials consumed | -  | 288.87                                     |
| 2. Power and water        | -  | 7.25                                       |
| <b>Total Expenses</b>     | <b>-</b>                                   | <b>296.12</b>                              |
| Less: Realisations        | -  | 296.12                                     |
| <b>Net Expenses</b>       | <b>-</b>                                   | <b>-</b>                                   |

**Note-30 EARNING PER SHARE**

|  | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|--|--|--|
| <b>Profit after tax (₹ in Lacs)</b>          | <b>12,930.42</b>                           | <b>21,169.52</b>                           |
| Average number of Equity Shares of ₹ 10 each | 88,204,943                                 | 88,204,943                                 |
| <b>Basic and diluted earning per share</b>   | <b>14.66</b>                               | <b>24.00</b>                               |
| Face value per Equity Share                  | 10.00                                      | 10.00                                      |

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

(₹ in Lacs)

|                             | Year ended<br>31 <sup>st</sup> March, 2013 | Year ended<br>31 <sup>st</sup> March, 2012 |
|-----------------------------|--|--|
| <b>As Auditor:</b>          |  |  |
| - Audit fees                | 39.61                                      | 37.75                                      |
| - Tax audit                 | 6.12                                       | 5.50                                       |
| <b>Other capacity:</b>      |  |  |
| - Certifications            | 13.03                                      | 8.21                                       |
| - Taxation matters          | 26.40                                      | 35.25                                      |
| - Reimbursement of expenses | 1.51                                       | 1.76                                       |
| <b>Total</b>                | <b>86.67</b>                               | <b>88.47</b>                               |

**Note-32 RELATED PARTY DISCLOSURE**

Name of the related parties and relationship

| ASSOCIATES                         | KEY MANAGEMENT PERSONNEL  | ENTERPRISES OVER WHICH KEY<br>MANAGERIAL PERSONNEL ARE ABLE TO<br>EXERCISE SIGNIFICANT INFLUENCE |
|------------------------------------|---------------------------|--|
| Ishanya Brand Services Limited     | Shri S. C. Mehta          | Blue Shell Investments Private Limited   |
| Ishanya Realty Corporation Limited | Shri Partha Bhattacharyya | Deepak Nitrite Limited   |
|                                    | Shri Bhaskar S. Pai       | Nova Synthetic Limited   |
|                                    |                           | The Lakaki Works Private Limited   |
|                                    |                           | Superpose Credits And Capital Private Limited  |
|                                    |                           | Storewell Credits And Capital Private Limited  |
|                                    |                           | High Tide Investments Private Limited  |
|                                    |                           | Deepak Asset Reconstruction Private Limited  |
|                                    |                           | Mahadhan Investment and Finance Private Limited  |
|                                    |                           | SCM Soilfert Limited   |
|                                    |                           | SCM Fertichem Limited  |
|                                    |                           | Ishanya Foundation   |
|                                    |                           | Deepak Foundation  |

**Note-33 A RELATED PARTY TRANSACTIONS**

(₹ in Lacs)

| Nature of Transactions                          | 31 <sup>st</sup> March, 2013    |                                |   |            | 31 <sup>st</sup> March, 2012    |                                |   |            |
|---|---------------------------------|--------------------------------|---|------------|---------------------------------|--------------------------------|---|------------|
|   | Jointly<br>Controlled<br>Entity | Key<br>Management<br>Personnel | Entities<br>under<br>Significant<br>Influence | Total      | Jointly<br>Controlled<br>Entity | Key<br>Management<br>Personnel | Entities<br>under<br>Significant<br>Influence | Total      |
| Sale of goods                                   | -                               | -                              | 5,184.88                                      | 5,184.88   | -                               | -                              | 3,489.93                                      | 3,489.93   |
| Purchase of goods                               | -                               | -                              | (0.10)  | (0.10)     | -                               | -                              | (0.26)  | (0.26)     |
| Donation given                                  | -                               | -                              | (219.00)                                      | (219.00)   | -                               | -                              | (397.00)                                      | (397.00)   |
| Rendering of services/reimbursement of expenses | 4.67                            | -                              | 5.49  | 10.16      | -                               | -                              | 7.22  | 7.22       |
| Receiving of services/reimbursement of expenses | -                               | (914.87)                       | -   | (914.87)   | -                               | (1,038.11)                     | (0.25)  | (1,038.36) |
| Leasing or hire purchase arrangements           | -                               | (11.63)                        | 9.91  | (1.72)     | -                               | (9.00)                         | 24.55   | 15.55      |
| Purchase of Equity Shares                       | (621.16)                        | -                              | -   | (621.16)   | (2,377.98)                      | -                              | -   | (2,377.98) |
| Purchase of DEPB Licenses                       | (74.91)                         | -                              | -   | (74.91)    | (15.25)                         | -                              | -   | (15.25)    |
| Purchase of fixed assets                        | -                               | -                              | (1,258.25)                                    | (1,258.25) | -                               | -                              | (5.84)  | (5.84)     |
| Dividend paid                                   | -                               | (956.55)                       | (1,019.10)                                    | (1,975.65) | -                               | (859.57)                       | (919.05)                                      | (1,778.62) |
| Balance receivable/ (payable)                   | -                               | (417.26)                       | 1,233.39                                      | 816.13     | -                               | (667.15)                       | 418.27  | (248.88)   |

**Note-33 B Details of the transactions of the related parties exceeding 10% of the transaction value:**

(₹ in Lacs)

| Nature of Transactions                                 | 31 <sup>st</sup> March, 2013 |                          |                                      |            | 31 <sup>st</sup> March, 2012 |                          |                                      |            |
|--|------------------------------|--------------------------|--------------------------------------|------------|------------------------------|--------------------------|--------------------------------------|------------|
|  | Jointly Controlled Entity    | Key Management Personnel | Entities under Significant Influence | Total      | Jointly Controlled Entity    | Key Management Personnel | Entities under Significant Influence | Total      |
| <b>Sale of goods</b>                                   |                              |                          |                                      |            |                              |                          |                                      |            |
| Deepak Nitrite Limited                                 | -                            | -                        | 5,184.88                             | 5,184.88   | -                            | -                        | 3,489.93                             | 3,489.93   |
| <b>Purchase of goods</b>                               |                              |                          |                                      |            |                              |                          |                                      |            |
| Ishanya Foundation                                     | -                            | -                        | (0.10)                               | (0.10)     | -                            | -                        | (0.26)                               | (0.26)     |
| <b>Donations given</b>                                 |                              |                          |                                      |            |                              |                          |                                      |            |
| Ishanya Foundation                                     | -                            | -                        | (119.00)                             | (119.00)   | -                            | -                        | (47.00)                              | (47.00)    |
| Deepak Foundation                                      | -                            | -                        | (100.00)                             | (100.00)   | -                            | -                        | (350.00)                             | (350.00)   |
| <b>Rendering of services/reimbursement of expenses</b> |                              |                          |                                      |            |                              |                          |                                      |            |
| Desai Fruits and Vegetables Private Limited            | 4.67                         | -                        | -                                    | 4.67       | -                            | -                        | -                                    | -          |
| Ishanya Foundation                                     | -                            | -                        | 4.00                                 | 4.00       | -                            | -                        | 4.00                                 | 4.00       |
| Deepak Nitrite Limited                                 | -                            | -                        | 1.49                                 | 1.49       | -                            | -                        | 3.22                                 | 3.22       |
| <b>Receiving of services/reimbursement of expenses</b> |                              |                          |                                      |            |                              |                          |                                      |            |
| Shri S. C. Mehta (Remuneration & Commission)           | -                            | (779.67)                 | -                                    | (779.67)   | -                            | (1,015.93)               | -                                    | (1,015.93) |
| Ishanya Foundation                                     | -                            | -                        | -                                    | -          | -                            | -                        | (0.25)                               | (0.25)     |
| Shri Partha Bhattacharyya (Remuneration & Commission)  | -                            | (103.38)                 | -                                    | (103.38)   | -                            | -                        | -                                    | -          |
| <b>Leasing or hire purchase arrangements</b>           |                              |                          |                                      |            |                              |                          |                                      |            |
| Deepak Nitrite Limited                                 | -                            | -                        | 9.91                                 | 9.91       | -                            | -                        | 24.55                                | 24.55      |
| Shri S. C. Mehta                                       | -                            | (9.00)                   | -                                    | (9.00)     | -                            | (9.00)                   | -                                    | (9.00)     |
| Shri Partha Bhattacharyya                              | -                            | (2.63)                   | -                                    | (2.63)     | -                            | -                        | -                                    | -          |
| <b>Purchase of Equity Shares</b>                       |                              |                          |                                      |            |                              |                          |                                      |            |
| Desai Fruits and Vegetables Private Limited            | (621.16)                     | -                        | -                                    | (621.16)   | (2,377.98)                   | -                        | -                                    | (2,377.98) |
| <b>Purchase of DEPB licenses</b>                       |                              |                          |                                      |            |                              |                          |                                      |            |
| Desai Fruits and Vegetables Private Limited            | (74.91)                      | -                        | -                                    | (74.91)    | (15.25)                      | -                        | -                                    | (15.25)    |
| <b>Purchase of fixed asset</b>                         |                              |                          |                                      |            |                              |                          |                                      |            |
| Deepak Nitrite Limited                                 | -                            | -                        | (1,258.25)                           | (1,258.25) | -                            | -                        | -                                    | -          |
| Blue Shell Investments Private Limited                 | -                            | -                        | -                                    | -          | -                            | -                        | (5.84)                               | (5.84)     |
| <b>Dividend paid</b>                                   |                              |                          |                                      |            |                              |                          |                                      |            |
| Nova Synthetic Limited                                 | -                            | -                        | (949.69)                             | (949.69)   | -                            | -                        | (855.94)                             | (855.94)   |
| Shri S. C. Mehta                                       | -                            | (956.55)                 | -                                    | (956.55)   | -                            | (859.57)                 | -                                    | (859.57)   |
| <b>Balance receivable / (payable)</b>                  |                              |                          |                                      |            |                              |                          |                                      |            |
| Deepak Nitrite Limited                                 | -                            | -                        | 1,233.39                             | 1,233.39   | -                            | -                        | 418.27                               | 418.27     |
| Shri S. C. Mehta                                       | -                            | (407.26)                 | -                                    | (407.26)   | -                            | (667.15)                 | -                                    | (667.15)   |
| Shri Partha Bhattacharyya                              | -                            | (10.00)                  | -                                    | (10.00)    | -                            | -                        | -                                    | -          |

Note : Figures in bracket are outflows.

**Note-34 IN RESPECT OF JOINTLY CONTROLLED ENTITIES, THE COMPANY'S SHARE OF ASSETS, LIABILITIES, INCOME AND EXPENDITURE WHICH ARE CONSOLIDATED ON PROPORTIONATE BASIS ARE AS UNDER -**

(₹ in Lacs)

| Particulars                            | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|---------------------------------------|
| <b>i. Assets</b>                       |                                       |                                       |
| Fixed assets                           | 1,817.25                              | -                                     |
| Deferred tax assets                    | -                                     | -                                     |
| Loans and advances                     | 14.87                                 | -                                     |
| Current assets                         | 196.72                                | -                                     |
| <b>ii. Liabilities</b>                 |                                       |                                       |
| Non-Current liabilities and provisions | 8.15                                  | -                                     |
| Current liabilities and provisions     | 277.50                                | -                                     |
| <b>iii. Income</b>                     | 1,287.66                              | -                                     |
| <b>iv. Expenses</b>                    | 2,110.20                              | -                                     |
| <b>v. Contingent liabilities</b>       | 18.38                                 | -                                     |
| <b>vi. Capital commitments</b>         | 2.53                                  | -                                     |

The Company has in the previous year acquired interest in joint venture entity viz. Desai Fruits and Vegetables Private Limited. The proportionate consolidation of the said entity is done for the first time in the current year. Goodwill on consolidation of ₹ 1,899.99 Lacs is computed based on Company's share of its net assets on the date of consolidation. Impact of loss of ₹ 434.24 Lacs arising prior to the date of consolidation till 31<sup>st</sup> March, 2012 is adjusted in the surplus in the Statement of Profit and Loss (Refer Note 3 and 12).

**Note-35 CAPITAL AND OTHER COMMITMENTS**

(₹ in Lacs)

|   | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|---|---------------------------------------|---------------------------------------|
| <b>Capital commitments:</b>   |                                       |                                       |
| - Related to projects   | 2,585.85                              | 869.41                                |
| - Related to Realty (Ishanya)   | 514.88                                | 1,382.31                              |
| - Related to Factory (Taloja)   | -                                     | 668.11                                |
| - Others  | 27.88                                 | 21.64                                 |
|   | 3,128.61                              | 2,941.47                              |
| <b>Other commitments:</b>   |                                       |                                       |
| - Desai Fruits and Vegetables Private Limited (Unpaid amount of Equity and Premium) | 931.79                                | 1,657.86                              |
| <b>Total</b>  | <b>4,060.40</b>                       | <b>4,599.33</b>                       |

**Note-36 CONTINGENT LIABILITIES**

(₹ in Lacs)

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

|                        | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|------------------------|---------------------------------------|---------------------------------------|
| Claim by suppliers     | 3,308.37                              | 2,610.52                              |
| Other claims           | 0.40                                  | 0.40                                  |
| Income tax demands     | 674.27                                | 2,143.59                              |
| Excise demands         | 2,230.12                              | 2,312.90                              |
| Sale Tax / VAT demands | 2,632.36                              | 1,794.80                              |
| <b>Total</b>           | <b>8,845.52</b>                       | <b>8,862.21</b>                       |

**Note-37** The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) Scheme, of the Government of India, at concessional rates of duty on an understanding to fulfil quantified exports against which future obligation aggregates to ₹ 941.84 Lacs (₹ Nil) over a period of eight years from the date of license.

Contingent Assets are not recognised or disclosed in the financials statements.

**Note-38** Gas Authority of India Limited (GAIL) supplier to the Company of natural gas, one of the main raw materials, has effected the supplies at provisional rate as indicated in the invoices. However, according to the Company any revision in Natural Gas price will be only prospective as per the existing convention/practice followed by Government of India.

**Note 38 A** The long term settlement with the Employees Union at Taloja Plant expired on 30<sup>th</sup> September, 2011. Pending finalisation thereof, the Company has made estimated provision for liabilities on this account based on the past experience.

**Note 38 B** The Company has made significant capital investments in Ishanya Mall. The same Mall has been incurring losses due to larger break-even period associated with the operations of the Mall which is extended due to continuing adverse economic environment since the launch of the Mall in 2007-08. The management of the Company is hopeful of turnaround in performance of the Mall in the coming years due to expected improvements in the economic environment, opening up of FDI Investments in Multi-Brand Retail and strategic initiative being planned in this regard. The Company has, however, in accordance with the requirements of Accounting Standard - 28 "Impairment of Assets", carried out impairment review of carrying value of the assets of the Mall, which has not indicated any impairment in its value.



## Note-39 SEGMENT REPORTING

(₹ in Lacs)

| Sr. No. | PARTICULARS  | CHEMICALS          | FERTILISERS        | REALTY            | OTHERS          | ELIMINATIONS      | COMMON             | TOTAL              |
|---------|--|--------------------|--------------------|-------------------|-----------------|-------------------|--------------------|--------------------|
| 1       | <b>Revenue</b>   |                    |                    |                   |                 |                   |                    |                    |
|         | a) <b>External Sales</b>                                 |                    |                    |                   |                 |                   |                    |                    |
|         | i) <b>Manufactured</b>                                   | <b>1,47,110.96</b> | <b>51,650.87</b>   | -                 | <b>779.99</b>   | -                 | -                  | <b>1,99,541.82</b> |
|         | Previous Year  | 1,41,616.34        | 49,220.10          | -                 | 659.47          | -                 | -                  | 1,91,495.91        |
|         | ii) <b>Traded</b>  | <b>17,906.76</b>   | <b>48,547.33</b>   | -                 | -               | -                 | -                  | <b>66,454.09</b>   |
|         | Previous Year  | 1,184.50           | 47,528.05          | -                 | -               | -                 | -                  | 48,712.55          |
|         | b) <b>Inter-segment sales</b>                            | <b>8,596.89</b>    | -                  | -                 | -               | <b>(8,596.89)</b> | -                  | -                  |
|         | Previous Year  | 7,084.74           | -                  | -                 | -               | (7,084.74)        | -                  | -                  |
|         | c) <b>Other operating income</b>                         | <b>483.44</b>      | <b>422.21</b>      | <b>262.28</b>     | -               | -                 | -                  | <b>1,167.93</b>    |
|         | Previous Year  | 38.93              | 202.00             | 679.65            | -               | -                 | -                  | 920.58             |
|         | d) <b>Unallocated Corporate other income</b>             | -                  | -                  | -                 | -               | -                 | <b>5,900.40</b>    | <b>5,900.40</b>    |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | 3,729.05           | 3,729.05           |
|         | <b>Total Revenue</b>                                     | <b>1,74,098.05</b> | <b>1,00,620.41</b> | <b>262.28</b>     | <b>779.99</b>   | <b>(8,596.89)</b> | <b>5,900.40</b>    | <b>2,73,064.24</b> |
|         | Previous Year  | 149,924.51         | 96,950.15          | 679.65            | 659.47          | (7,084.74)        | 3,729.05           | 244,858.09         |
| 2       | <b>Segment Result</b>                                    | <b>24,385.98</b>   | <b>10,156.39</b>   | <b>(1,855.67)</b> | <b>404.28</b>   | -                 | <b>5,900.40</b>    | <b>38,991.38</b>   |
|         | Previous Year  | 32,998.70          | 11,345.40          | (1,503.34)        | 270.18          | -                 | 3,729.05           | 46,839.99          |
| 3       | <b>Unallocated Corporate expenses</b>                    | -                  | -                  | -                 | -               | -                 | <b>26,060.96</b>   | <b>26,060.96</b>   |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | 25,670.47          | 25,670.47          |
| 4       | <b>Net profit</b>  | -                  | -                  | -                 | -               | -                 | -                  | <b>12,930.42</b>   |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | -                  | 21,169.52          |
| 5       | <b>Other Information</b>                                 |                    |                    |                   |                 |                   |                    |                    |
|         | a) <b>Segment Assets</b>                                 | <b>1,46,603.48</b> | <b>50,993.15</b>   | <b>27,649.13</b>  | <b>3,441.59</b> | -                 | -                  | <b>2,28,687.35</b> |
|         | Previous Year  | 1,33,614.09        | 49,391.44          | 27,639.72         | 3,771.75        | -                 | -                  | 2,14,417.00        |
|         | <b>Unallocated Corporate Assets</b>                      | -                  | -                  | -                 | -               | -                 | <b>65,073.11</b>   | <b>65,073.11</b>   |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | 46,434.23          | 46,434.23          |
|         | <b>Total Assets</b>                                      | -                  | -                  | -                 | -               | -                 | -                  | <b>2,93,760.46</b> |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | -                  | 260,851.23         |
|         | b) <b>Segment Liabilities</b>                            | <b>9,566.94</b>    | <b>11,405.62</b>   | <b>1,551.99</b>   | <b>1.87</b>     | -                 | -                  | <b>22,526.42</b>   |
|         | Previous Year  | 8,220.97           | 10,828.43          | 1,822.93          | -               | -                 | -                  | 20,872.33          |
|         | <b>Unallocated Corporate Liabilities</b>                 | -                  | -                  | -                 | -               | -                 | <b>1,43,138.14</b> | <b>1,43,138.14</b> |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | 1,18,633.74        | 1,18,633.74        |
|         | <b>Total Liabilities</b>                                 | -                  | -                  | -                 | -               | -                 | -                  | <b>1,65,664.56</b> |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | -                  | 1,39,506.07        |
|         | c) <b>Capital Expenditures incurred during the year.</b> | <b>6,819.41</b>    | <b>1,727.74</b>    | <b>923.65</b>     | -               | -                 | <b>3,697.64</b>    | <b>13,168.44</b>   |
|         | Previous Year  | 6,293.49           | 441.80             | 2,697.74          | -               | -                 | 12,799.56          | 22,232.59          |
|         | d) <b>Depreciation / Amortisation</b>                    | <b>8,252.67</b>    | <b>856.97</b>      | <b>924.34</b>     | <b>245.49</b>   | -                 | <b>538.18</b>      | <b>10,817.65</b>   |
|         | Previous Year  | 7,161.57           | 369.02             | 800.76            | 245.49          | -                 | 319.09             | 8,895.93           |
|         | e) <b>Other non-cash expenditures</b>                    | -                  | -                  | -                 | -               | -                 | -                  | -                  |
|         | Previous Year  | -                  | -                  | -                 | -               | -                 | -                  | -                  |

## Segment information

- Primary segment reporting (by business segments)

## Composition of business segment

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

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

As per our report of even date

For and on behalf of the Board of Directors

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

S. C. MEHTA  
Chairman & Managing Director  
  
PARTHA BHATTACHARYYA  
Executive Director

N. C. SINGHAL  
Director  
  
S. R. WADHWA  
Director

Dr. S. RAMA IYER  
Director

Mumbai  
Dated 30<sup>th</sup> May, 2013

Mumbai  
Dated 30<sup>th</sup> May, 2013

R. SRIRAMAN  
Executive Vice President (Legal)  
& Company Secretary

**Note-40** The following foreign currency transactions remain outstanding:

|  | 31 <sup>st</sup> March, 2013                     |   | 31 <sup>st</sup> March, 2012                     |   |
|--|--|---|--|---|
| <b>Hedged Positions</b>                | <b>Notional Amount</b><br>in Foreign<br>Currency | <b>Equivalent Amount</b><br>(₹ in Lacs) | <b>Notional Amount</b><br>in Foreign<br>Currency | <b>Equivalent Amount</b><br>(₹ in Lacs) |
| Foreign Currency Loans (in USD)        | 2,50,00,000                                      | 11,679                                  | 2,50,00,000                                      | 11,538                                  |
| Creditors (in USD)                     | 646,782  | 353                                     | 1,49,21,540                                      | 7,731                                   |
| Suppliers Credit (in USD)              | 38,23,200  | 2,122                                   | -  | -                                       |
| Buyers Credit (in USD)                 | 1,48,76,317                                      | 8,378                                   | 29,795,260                                       | 7,354                                   |
| Options Contracts Outstanding (in USD) | 4,07,90,323                                      | 21,996                                  | -  | -                                       |

|                                 | 31 <sup>st</sup> March, 2013                     |   | 31 <sup>st</sup> March, 2012                     |   |
|---------------------------------|--|---|--|---|
| <b>Unhedged Positions</b>       | <b>Notional Amount</b><br>in Foreign<br>Currency | <b>Equivalent Amount</b><br>(₹ in Lacs) | <b>Notional Amount</b><br>in Foreign<br>Currency | <b>Equivalent Amount</b><br>(₹ in Lacs) |
| Foreign Currency Loans (in USD) | 1,85,00,000                                      | 10,043                                  | 2,00,00,000                                      | 10,176                                  |
| Creditors (in USD)              | 54,33,718  | 2,950                                   | 40,57,345  | 2,064                                   |
| Creditors (in Euro)             | 1,33,407   | 93                                      | 13,968   | 9                                       |
| Suppliers Credit (in USD)       | 4,313  | 2                                       | -  | -                                       |
| Buyers Credit (in USD)          | 2,750  | 1                                       | 2,17,00,013                                      | 1,360                                   |
| Bank Balances (in USD)          | 5,00,000   | 271                                     | -  | -                                       |

**Note-41** The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Non-cancellable lease period varies from 3 months to 6 months. These lease are cancellable in nature. Lease rental recognised in the Statement of Profit and Loss is ₹ 1,116.03 Lacs.

**Note-42** Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.

**Note-43** Previous year's figures are given in bracket.

## Notes

[illegible]



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

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

**FORM OF PROXY**

Thirty Third Annual General Meeting, 8<sup>th</sup> August, 2013

|            |  |
|------------|--|
| DP Id*     |  |
| Client Id* |  |

Registered Folio No. ....

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being  
a Member / Members of the above-named Company, hereby appoint \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my / our  
proxy to attend and vote for me / us and on my / our behalf at the Thirty Third Annual General Meeting of the Company to be held  
on Thursday, 8<sup>th</sup> August, 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

15 Paise  
Revenue  
Stamp

\* Applicable to investors holding shares in electronic form.

NOTE : This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company  
not less than 48 hours before commencement of the Meeting.

..... (Cut here) .....



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

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

**ATTENDANCE SLIP**

Thirty Third Annual General Meeting, 8<sup>th</sup> August, 2013

|            |  |
|------------|--|
| DP Id*     |  |
| Client Id* |  |

Registered Folio No. ....

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my attendance at the Thirty Third Annual General Meeting of the Company at MDC Auditorium, Yashwantrao Chavan  
Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411 007 on Thursday, 8<sup>th</sup>  
August, 2013.

\_\_\_\_\_  
(Member's / Proxy's name in BLOCK letters)

\_\_\_\_\_  
(Member's / Proxy's signature)

\* Applicable to investors holding shares in electronic form.

NOTE : Please fill in this Attendance Slip and hand it over at the entrance of the hall.





## FINANCIALS AT A GLANCE

(₹ in Crores)

| Particulars                 | 2012-13  | 2011-12  | 2010-11  | 2009-10  | 2008-09  |
|-----------------------------|----------|----------|----------|----------|----------|
| Equity Capital              | 88.20    | 88.20    | 88.20    | 88.20    | 88.20    |
| Net Worth                   | 1,314.25 | 1,223.50 | 1,066.12 | 930.40   | 802.56   |
| Gross Block (Incl. of CWIP) | 2,261.99 | 2,164.76 | 1,948.18 | 1,763.52 | 1,509.46 |
| Income from Opeartions      | 2,606.46 | 2,342.81 | 1,564.82 | 1,287.98 | 1,412.11 |
| Operating Profit            | 380.20   | 440.19   | 379.80   | 323.41   | 308.21   |
| Profit Before Tax           | 200.58   | 290.06   | 261.06   | 237.78   | 212.00   |
| Profit After Tax            | 146.91   | 212.97   | 186.62   | 172.05   | 148.70   |
| Earnings Per Share (₹)      | 16.65    | 24.15    | 21.16    | 19.51    | 16.86    |
| Dividend                    | 55%      | 55%      | 50%      | 45%      | 40%      |
| Dividend Payout             | 38%      | 26%      | 27%      | 26%      | 26%      |
| Debt Equity Ratio*          | 0.62     | 0.51     | 0.62     | 0.65     | 0.47     |
| Net Profit Margin           | 5.66%    | 9.13%    | 12.04%   | 13.54%   | 10.71%   |
| Return on Net Worth         | 11.58%   | 18.60%   | 18.69%   | 19.86%   | 19.83%   |

\* Excluding Deferred Tax Liability

## BOOK-POST

*If undelivered, please return to:*



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

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