



Schedule 13

NOTES FORMING PART OF ACCOUNTS

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.

B) REVENUE RECOGNITION

- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from FICC/Ministry of Agriculture/Ministry of Fertilisers.
- Revenue in respect of Interest, Insurance claims, Subsidy and Reimbursement of cost escalation claimed from FICC/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.

C) VOLUNTARY RETIREMENT SCHEME

Compensation paid under voluntary retirement scheme is amortised over a period of 60 months from the date of incurrence.

D) FIXED ASSETS

- 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 (including interest/financial charges and expenditure incidental and related to such acquisition/development).
- Machinery Spares other than those required for regular maintenance are capitalised at cost.
- Cost of Fixed Assets, the ownership of which does not vest with the Company as also expenditure on installation/erection etc. of assets taken on lease is capitalised.
- 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

- Depreciation is provided on Straight Line Method, except for relocated DNA 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	23.75%
Air Conditioning System	9.5%
Furniture, Fixtures and Office Equipments	9.5%, 13.5%, 19%
Vehicles	15.83%
Relocated DNA plant (WDV)	25.89%
IPA plant	6.68%
Modification of existing Ammonia plant	6.33%
Modification of existing Ammonium Nitrate plant	10.00%

- Depreciation on exchange rate variance capitalised as part of the cost of Fixed Assets upto 31st March, 2009, has been provided prospectively over the residual useful life of the assets.
- Machinery Spares other than those required for regular maintenance are capitalised as per Accounting Standard-10 on Fixed Assets and depreciated over remaining useful life of the related machinery/equipments. Costs of such spares are charged to Profit and Loss Account when issued for actual use at written down value.
- Cost of Fixed Assets, ownership of which does not vest with the Company, is amortised over a period of 60 months.
- 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 the effective useful life of such rights.
- Cost of Leasehold Land is amortised over the lease period.

F) IMPAIRMENT OF ASSETS

Impairment of Assets, if any, is ordinarily assessed by comparing value in use of cash generating units, identified in conformity with the classification of business segments, with the carrying value of assets.

G) INVENTORIES

- Inventories of raw materials are valued at lower of moving weighted average cost and net realisable value.
- Inventories of stores, regular spares, oil, chemicals, catalysts and packing material are valued at moving weighted average cost.
- Inventories of finished goods including those held for captive consumption are valued at lower of factory cost (including depreciation but excluding interest) 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.
- The inventory of seeds is written down towards possible diminution in the germination capacity considering seasonal time cycle.
- CENVAT is accounted as per exclusive method of accounting in terms of Accounting Standard-2 on Valuation of Inventories.

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 and fair value.

I) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the dates of the transactions. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet or, as the case may be, at forward contract rates.
- Exchange differences either on settlement or on translation are dealt with in the Profit and Loss Account. However, exchange differences, arising either on settlement or on translation, in case of borrowings used for acquisition of Fixed Assets are capitalised.
- The Company uses foreign currency forward contracts to hedge its actual underlying exposures and not for trading or speculation purpose. The use of these forward contracts reduces the risk and/or cost to the Company.
- Derivative transactions are restricted to swapping of variable interest in respect of External Commercial Borrowings for fixed interest rates. Accordingly, fixed interest expense is recognised in the accounts.

J) EMPLOYEE BENEFITS

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



- 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.
- The Company has an obligation towards gratuity, a defined retirement benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognises the liability for gratuity benefits payable in future based on an independent actuarial valuation.
- 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 fund is invested with Life Insurance Corporation of India under its Group Superannuation Scheme. The contributions as specified under the trust deed are paid to the Life Insurance Corporation of India. The Company is liable for annual contributions and recognises such contributions as an expense of the year in which the liability is incurred.
- 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.
- The Company has a Wealth Creation Scheme for its executives - a defined contribution plan. The Company makes annual contributions at 3% of the covered employees' salary which are then invested by the Company in securities. Subject to the Company's Rule, the vested employees are eligible to receive accumulated balance at retirement, death while in employment or on termination of employment. The Company is liable for annual contributions and recognises such contributions as an expense of the year in which the liability is incurred.
- 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.

K) BORROWING COST

- Borrowing cost on working capital is charged against the profit/loss for the year in which it is incurred.
- Borrowing costs that are attributable to the construction/acquisition of 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 that are attributable to the development/acquisition of intangible asset are capitalised till the date of use.

L) PRIOR PERIOD ITEMS

Significant items of Income and Expenditure which relate to prior accounting periods, are accounted in the Profit and Loss Account under the head "Prior Years' Adjustments" other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year.

M) CONTINGENT LIABILITIES

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

N) TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. For this purpose, deferred tax liabilities and assets are reckoned on net basis, after inter-se set-off, for each component of the timing differences.

2. CHANGES IN ACCOUNTING POLICIES

The Accounting Standard - 11 on Effects of Changes in Foreign Exchange rates has been amended vide Companies (Accounting Standards) Amendment Rules, 2009 giving an option to the Company to capitalise the effect of foreign currency translation / variance pertaining to borrowings related to acquisition of Fixed Assets. The Company has exercised the option and accordingly adjusted exchange loss in the cost of Fixed Assets during the year. This hitherto was debited to Profit and Loss Account. Also, exchange gain pertaining to previous financial year has been adjusted in the cost of Fixed Assets and debited to General Reserve. Correspondingly, profit for the year is higher by Rs. 1,952.28 Lacs. Fixed Assets/Capital Work-in-Progress and Reserves are also higher by an amount of Rs. 1,333.04 Lacs after adjusting a gain of Rs. 619.24 Lacs of the preceding financial year.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 20,743.15 Lacs (Previous Year : Rs. 13,607.23 Lacs).

4. The following liabilities are classified and considered contingent due to contested claims and legal disputes:

- Claims by Suppliers : Rs. 5,321.09 Lacs (Previous Year : Rs. 3,575.89 Lacs).

Taxes & Duties

- Income tax demands : Rs. 523.16 Lacs (Previous Year : Rs. 1,024.61 Lacs).
- Excise demands : Rs. 727.44 Lacs (Previous Year : Rs. 169.15 Lacs).
- Customs demands : Nil (Previous Year : Rs. 28.44 Lacs).
- Sales tax / VAT demands : Rs. 2.45 Lacs (Previous Year : Nil)

5. The following foreign currency transactions remain outstanding as at 31st March, 2009:

Un-hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US\$	1,10,00,000	1,50,00,000
Short Term Loan	US\$	Nil	2,17,09,135
Buyers' Credit	US\$	2,20,18,032	1,59,35,205
Imports	US\$	1,55,91,586	2,50,86,524
	GBP	8,535	27,620
	EUR	1,446	Nil
	CHF	18,716	Nil
Exports	US\$	7,47,569	14,89,834
	EUR	2,29,729	Nil
	GBP	1,27,515	Nil

6. 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.

7. Exceptional items represent:

- Amortisation of VRS Compensation paid Rs. 65.95 Lacs (Previous Year : Rs. 65.95 Lacs).
- Expenditure on brand launching Rs. 265.16 Lacs (Previous Year : Rs. 210.07 Lacs).

8. In respect of long term investment in listed securities, the diminution in value is estimated on the basis of appraisal made by Portfolio Managers.



9. **IMPAIRMENT OF ASSETS** : The Company has examined carrying cost of its identified Cash Generating Units (CGU) 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 31st March, 2009.

		(Rs. in Lacs)
10. A) Computation of Managerial Remuneration		
	Profit Before Tax	21,200.09
	Add:	
	1) Managerial Remuneration	762.99
	2) Directors' sitting fees/commission	92.44
	3) Provision for diminution in value of Investments	555.56
	4) Exceptional items	331.11
	5) Loss on sale/discard of assets (net)	<u>262.67</u>
		2,004.77
	Less:	
	1) Profit on Sale of Investments	196.15
	2) Provision for Doubtful Debts (net)	<u>30.23</u>
		<u>226.38</u>
	Profit as per Section 349	<u><u>22,978.48</u></u>

(a) Commission payable to Vice-Chairman & Managing Director 3.00% (Previous Year : 2.90%) of profit as per Section 349 amounting to Rs. 689.35 Lacs (Previous Year : Rs. 437.56 Lacs).

(b) Commission payable to other directors @ 1% (Previous Year : 1%) of net profit restricted to Rs. 85 Lacs in aggregate (Previous Year : Rs. 70 Lacs).

- B) Employees' emoluments as per Schedule 10, include remuneration to Vice-Chairman & Managing Director as under:

		(Rs. in Lacs)	
		<u>2008-09</u>	<u>2007-08</u>
(i)	Salary and allowances	50.89	25.31
(ii)	Contribution to Provident Fund and Superannuation Fund(*)	12.96	6.64
(iii)	Perquisites	9.79	10.01
(iv)	Commission	<u>689.35</u>	<u>437.56</u>
		<u><u>762.99</u></u>	<u><u>479.52</u></u>

(*) Since the premium on Group Policy with LIC for Gratuity is computed on totality valuation basis, the contribution applicable is not ascertainable and accordingly, the same has not been considered above.

11. (i) Sundry Debtors include dues from companies in which some of the Directors are Directors/Members : Rs. 223.28 Lacs (Previous Year : Rs. 194.27 Lacs) maximum amount due during the year : Rs. 1,326.75 Lacs (Previous Year : Rs. 661.16 Lacs).
- (ii) Loans and Advances include :
- Security deposit of Rs. 200 Lacs (Previous Year : Rs. 200 Lacs) placed with Vice-Chairman & Managing Director towards lease of residential premises.
 - Due from officers Rs. 8.54 Lacs (Previous Year : Rs. 12.66 Lacs) Maximum amount due during the year Rs. 12.66 Lacs (Previous Year : Rs. 16.48 Lacs).

12. To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as 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 there is no default in payment to such enterprise as specified in the said Act. However, the amount outstanding as well as interest applicable are insignificant and hence not separately disclosed.

13. The Investor Education And Protection Fund shall be credited by the following amounts

	(Rs. in Lacs)	
	2008-2009	2007-2008
a) Unclaimed dividends	258.54	245.58
b) Unclaimed debentures matured	-	2.27
	<u>258.54</u>	<u>247.85</u>

14. Auditor's Remuneration (included in Schedule 10)

	(Rs. in Lacs)	
	2008-2009*	2007-2008
a) Statutory Audit	17.19	17.56
b) Report on Consolidated Accounts	4.13	4.21
c) Quarterly Results Limited Review	4.13	4.21
d) Tax Audit	4.13	4.21
e) Certification	6.67	5.02
f) Taxation Matters	7.76	11.68
g) Out-of-pocket Expenses	1.09	1.17
	<u>45.10</u>	<u>48.06</u>

* Figures are net of Cenvat credit of Service Tax

15. Defined Benefit Plans - As per actuarial valuation as on 31st March, 2009

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity Benefits		Compensated Absences	
		31-03-2009	31-03-2008	31-03-2009	31-03-2008
1.	Components of employer expenses				
	Current service cost	83.19	57.44	49.63	43.56
	Interest cost	90.94	82.29	32.83	25.79
	Expected return on plan assets	(100.12)	(73.93)	N.A.	N.A.
	Actuarial losses	289.26	105.89	168.09	122.38
	Total expenses recognised in the Profit and Loss Account	363.27	171.69	250.55	191.73
2.	Actual contribution and benefits paid during the year				
	Actual benefits paid	105.03	71.01	115.91	76.39
	Actual contribution	167.85	137.28	N.A.	N.A.
3.	Net asset / (liability) recognised in the Balance Sheet as at 31st March, 2009				
	Present Value of Defined Benefit Obligation	(1,570.85)	(1,212.49)	(572.35)	(437.71)
	Fair value of plan assets	1,103.05	940.11	N.A.	N.A.
	Net asset / (liability) recognised in the Balance Sheet	(467.80)	(272.38)	(572.35)	(437.71)
4.	Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2009				
	Present Value of DBO at beginning of year	1,212.49	1,028.67	437.71	322.37
	Current Service cost	83.19	57.44	49.63	43.56
	Interest cost	90.94	82.29	32.83	25.79
	Actuarial losses	289.26	115.10	168.09	122.38
	Benefits paid	(105.03)	(71.01)	(115.91)	(76.39)
	Present Value of DBO at the end of year	1,570.85	1,212.49	572.35	437.71
5.	Change in Fair Value of Assets during the year ended 31st March, 2009				
	Plan assets at beginning of year	940.11	790.70	N.A.	N.A.
	Actual return on plan assets	100.12	83.14	N.A.	N.A.
	Actual Company contributions	167.85	137.28	N.A.	N.A.
	Benefits paid	(105.03)	(71.01)	N.A.	N.A.
	Plan assets at the end of year	1,103.05	940.11	N.A.	N.A.
6.	Actuarial Assumptions				
	Discount Rate	7.50%	8.00%	7.50%	8.00%
	Expected Return on plan assets	9.40%	9.35%	N.A.	N.A.
	Salary escalation	5.00%	5.00%	5.00%	5.00%

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



16. Major Items of Deferred Tax Liabilities and Deferred Tax Assets

(Rs. in Lacs)

Sr. No.	Particulars	Opening Balance as on 01-04-2008	Net Increase/ (Decrease) during the year	Closing Balance as on 31-03-2009
A. Deferred Tax Liabilities				
1.	Timing Difference on account of depreciation	6,590.32	604.30*	7,194.62
2.	Others	74.57	4.26	78.83
	Total A	6,664.89	608.56	7,273.45
B. Deferred Tax Assets				
1.	Provision for Doubtful Debts/Loans & Advances	272.77	(8.98)	263.79
2.	Accrued expenses deductible on actual payment/ Quantification	223.34	280.84	504.18
	Total B	496.11	271.86	767.97
	Net Tax effect of Timing Difference (A-B)	6,168.78	336.70	6,505.48

* includes Rs. 330.51 Lacs towards short provision in the previous year.

17. Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

A. QUANTITATIVE DETAILS (PRODUCED COMMODITIES)

PARTICULARS	UNIT	AMMONIA	CNA	DNA	METHANOL	IPA	PROPANE	CRUDE IPE	AN	CO ₂	ANP	Sulphur	POWER (KWH)
Licensed Capacity/Annum													
Current Year	MT	125400	79200	297000	100000	70000	-	-	132000	33000	229500	25000	87600000
Previous Year	MT	125400	79200	297000	100000	70000	-	-	90000	16500	229500	-	87600000
Installed Capacity/ Annum													
Current Year	MT	125400	79200	297000	100000	70000	-	-	100000	33000	229500	12650	87600000
Previous Year	MT	125400	79200	297000	100000	70000	-	-	90000	16500	229500	-	87600000
<u>01-04-2008 to 31-03-2009</u>													
Production/Purchase(*)	MT	112745	84971	235964	12207	51217	9298	1443	117366	21516	57378	554	16342395
Captive Consumption (**)	MT	105872	-	206100	-	-	-	-	-	-	-	-	-
Damage/Losses	MT	-	-	-	17	30	-	-	-	-	-	-	584386
Sales (***)	MT	3127	85195	29667	12332	51264	9361	1443	116724	21473	56795	133	15758009
	Rs. in Lacs	541	11151	3092	2398	27734	3278	230	21472	884	16475	39	579
<u>01-04-2007 to 31-03-2008</u>													
Production/Purchase(*)	MT	97244	80457	217349	31548	49447	9789	1047	117786	15472	29907	-	9177736
Captive Consumption (**)	MT	94953	-	187908	-	-	-	-	-	-	-	-	-
Damage/Losses	MT	-	-	-	5	30	-	-	-	-	-	-	439434
Sales (***)	MT	2789	80467	29077	35798	52239	9685	1047	117907	15498	32538	-	8738302
	Rs. in Lacs	460	9314	2567	5957	25485	3193	186	16511	577	3736	-	310
Opening Stock 01-04-2008/	MT	2837	369	2139	282	507	183	-	113	25	342	-	-
Closing Stock 31-03-2008	Rs. in Lacs	169	29	93	35	240	71	-	10	1	20	-	-
Opening Stock 01-04-2007	MT	3335	379	1775	4537	3329	79	-	234	51	2973	-	-
	Rs. in Lacs	157	29	69	603	1824	27	-	16	1	283	-	-
Closing Stock 31-03-2009	MT	6583	145	2336	140	430	120	-	755	68	925	421	-
	Rs. in Lacs	408	9	95	21	193	34	-	68	1	57	110	-

(*) Ammonia production includes purchased Ammonia 23,934.85 MT (Previous Year : 29,598.83 MT) and equivalent Ammonia for Hydrogen production 3,126.79 MT (Previous Year : 2,789.38 MT).

NP producton includes off- grade production of 400 MT (Previous Year : 600 MT)

(**) Shown only for information without assigning value.

(***) Ammonia sales include equivalent Ammonia 3,126.79 MT (Previous Year : 2,789.38 MT) for Hydrogen sale. Sale value of Hydrogen Rs. 540.66 Lacs (Previous Year : Rs. 460.23 Lacs).

NP sales include off-grade sales Nil (Previous Year : 399.69 MT) Sales Value of off-grade Nil (Previous Year : Rs. 9.99 Lacs)

B. QUANTITATIVE DETAILS (TRADED PRODUCTS)

Product	01-04-2008 to 31-03-2009				01-04-2007 to 31-03-2008				Opening Stock		Opening Stock		Closing Stock	
	Purchase	Damage/ Losses	Sales		Purchase	Damage/ Losses	Sales		01-04-2008/ Closing Stock 31-03-2008		01-04-2007		31-03-2009	
			MT	Rs. Lacs			MT	Rs. Lacs	MT	Rs. Lacs	MT	Rs. Lacs	MT	Rs. Lacs
Methanol	54218	172	52834	7890	52351	218	53327	8563	576	80	1770	283	1788	168
Ammonium Nitrate	200	-	200	70	-	-	-	-	-	-	-	-	-	-
Acetone	1970	-	1970	975	358	-	358	152	-	-	-	-	-	-
NP Ethoxylates 9.5	192	-	192	177	132	-	132	93	-	-	-	-	-	-
Propylene Glycol	-	-	-	-	34	-	34	21	-	-	-	-	-	-
DEE Surf	-	-	-	-	8	-	8	6	-	-	-	-	-	-
Toluene	943	-	943	527	2152	-	2152	856	-	-	-	-	-	-
Ortho Xylene	-	-	-	-	529	-	529	228	-	-	-	-	-	-
Methyl Ethyl Glycol	-	-	-	-	6	-	6	4	-	-	-	-	-	-
Lauryl Alcohol Ethoxylate	-	-	-	-	3	-	3	2	-	-	-	-	-	-
Chloroform	-	-	-	-	37	-	37	10	-	-	-	-	-	-
Di Methyl Formamide	-	-	-	-	76	-	76	35	-	-	-	-	-	-
Cinnamic Aldehyde	32	-	32	57	-	-	-	-	-	-	-	-	-	-
Ammonia	1063	-	1063	300	-	-	-	-	-	-	-	-	-	-
Muriate of Potash	81017	1	87714	26180	106269	206	124820	13632	6877	781	25634	2376	179	50
Ammonium Sulphate	10000	-	9902	977	10650	-	10650	804	-	-	-	-	98	8
Mixtures	34452	-	36523	2724	90440	-	91318	6484	2071	148	2949	197	-	2
Single Super Phosphate	108203	-	108203	3863	59354	-	59354	2050	-	-	-	-	-	-
Micronutrients	21599	4	21642	1643	2168	1	2157	262	211	42	201	44	164	32
Seeds	-	-	-	-	-	-	-	-	88	8	88	1	88	8
Solid Soluble Fertiliser	2746	30	5323	3005	8422	15	4040	1458	4916	1489	549	161	2309	985
Sulphur	904	5	1417	613	1940	2	1546	400	560	126	168	23	42	19
Magnesium Sulphate	3533	7	3474	327	5278	-	5187	337	96	6	5	-	148	14
Zinc Sulphate	237	-	220	75	177	-	147	45	30	8	-	-	47	14
Tropicote	528	1	70	28	-	-	-	-	-	-	-	-	457	139
Bio Fert - Liquid (KL)	147	5	124	413	64	1	53	180	24	56	14	35	42	138
Bio Fert - Solid	3806	39	3486	710	460	2	392	124	135	33	69	17	416	62
Pesticides	1	-	1	2	-	-	-	-	-	-	-	-	-	3
Fruits/ Vegetables	1114	-	1110	384	302	-	302	47	-	-	-	-	2	1

C. PRINCIPAL RAW MATERIALS CONSUMED

	Gas (For Production & Utilities)		Phosphoric Acid		R G Propylene		Ammonia	DNA
	SM ³ Million	Rs. in Lacs	M.T.	Rs. in Lacs	M.T.	Rs. in Lacs	M.T.	M.T.
01.04.2008 TO 31.03.2009	139.27	4,397.10	13,528.13	12,366.44	50,420.42	20,434.11	1,05,871.78	2,06,100.00
01.04.2007 TO 31.03.2008	138.26	4,285.77	7,053.05	1,564.13	49,478.08	17,599.60	94,952.26	1,87,908.01

D. CIF VALUE OF IMPORTS

	2008-2009	2007-2008
(i) Raw Material	14,207.75	627.15
(ii) Capital Goods	72.17	4,373.00
(iii) Components and Spares	516.94	393.84
(iv) Traded Goods	31,388.06	22,921.52
	<u>46,184.92</u>	<u>28,315.51</u>

E. PAYMENTS IN FOREIGN CURRENCY (CASH BASIS)

	2008-2009	2007-2008
(i) Interest and repayment of Loans and Debentures	49,645.08	4,920.36
(ii) Dividend	15.02	13.29
No. of Shareholders	373	389
No. of Shares	4,29,150	4,42,850
(iii) Technical Fees to Foreign Vendors	260.56	255.97
(iv) Foreign Travel	27.29	49.42
(v) Others (Net of Reimbursements)	87.38	102.11
	<u>50,035.33</u>	<u>5,341.15</u>


F. EARNINGS IN FOREIGN EXCHANGE

	2008-2009	(Rs. in Lacs) 2007-2008
FOB Value of exports	4,567.82	6,130.04
Others	846.05	572.64
	<u>5,413.87</u>	<u>6,702.68</u>

G. VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARES CONSUMED

	2008-2009		2007-2008	
	Rs. in Lacs	Percentage	Rs. in Lacs	Percentage
(i) Raw Materials				
- Imported	13,141.32	29.63	2,358.91	7.10
- Indigenous	<u>31,210.52</u>	<u>70.37</u>	<u>30,861.11</u>	<u>92.90</u>
	<u>44,351.84</u>	<u>100.00</u>	<u>33,220.02</u>	<u>100.00</u>
(ii) Components and Spares				
- Imported	272.28	7.82	164.43	5.43
- Indigenous	<u>3,210.40</u>	<u>92.18</u>	<u>2,866.26</u>	<u>94.57</u>
	<u>3,482.68</u>	<u>100.00</u>	<u>3,030.69</u>	<u>100.00</u>

18. Earnings Per Share as computed in accordance with the Accounting Standard-20

	2008-2009	2007-2008
(i) Net Profit After Tax (Rs. in Lacs)	14,870.36	10,026.55
(ii) Number of Equity Shares of Rs. 10/- each	8,82,04,943	8,82,04,943
(iii) Basic and Diluted Earnings Per Share	16.86	11.37

19. Segment Reporting - Refer Annexure - A.

20. Related Party Disclosure - Refer Annexure - B.

21. Statutory dues not deposited on account of dispute - Refer Annexure - C.

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

As per our Report of even date For B. K. KHARE & CO. Chartered Accountants R. D. ONKAR Partner Membership No. : 45716 Mumbai Dated 20th May, 2009	C. K. MEHTA Chairman S. C. MEHTA Vice-Chairman & Managing Director Mumbai Dated 20th May, 2009	N. C. SINGHAL Director S. R. WADHWA Director R. SRIRAMAN Sr. Vice-President (Legal) & Company Secretary	Dr. MANU SETH Director
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ANNEXURE-A

SEGMENT REPORTING

(Rs. in Lacs)

SR. NO.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	Revenue							
a)	External Sales							
i)	Produced	70,779.65	16,514.17	-	578.69	-	-	87,872.51
	Previous Year	64,250.91	3,735.94	-	309.42	-	-	68,296.27
ii)	Traded	9,996.14	40,943.64	-	-	-	-	50,939.78
	Previous Year	9,970.05	25,822.58	-	-	-	-	35,792.63
b)	Inter-segment sales	1,580.70	-	-	-	(1,580.70)	-	-
	Previous Year	849.02	-	-	-	(849.02)	-	-
c)	Other income	374.04	222.66	1,591.70	210.00	-	-	2,398.40
	Previous Year	1,021.48	257.90	457.18	165.55	-	-	1,902.11
d)	Unallocated Corporate other income	-	-	-	-	-	3,600.14	3,600.14
	Previous Year	-	-	-	-	-	2,140.06	2,140.06
	Total Revenue	82,730.53	57,680.47	1,591.70	788.69	(1,580.70)	3,600.14	1,44,810.83
	Previous Year	76,091.46	29,816.42	457.18	474.97	(849.02)	2,140.06	1,08,131.07
2.	Segment Result	25,440.18	1,854.01	324.10	480.51	-	3,600.14	31,698.94
	Previous Year	19,292.58	(1,000.57)	49.10	215.86	-	2,140.06	20,697.03
3.	Unallocated Corporate expenses	-	-	-	-	-	16,828.58	16,828.58
	Previous Year	-	-	-	-	-	10,670.48	10,670.48
4.	Net Profit	-	-	-	-	-	-	14,870.36
	Previous Year	-	-	-	-	-	-	10,026.55
5.	Other Information							
a)	Segment Assets	70,769.05	29,304.98	27,443.93	4,444.70	-	-	1,31,962.66
	Previous Year	64,404.22	17,189.97	22,084.83	4,858.30	-	-	1,08,537.32
	Unallocated Corporate Assets	-	-	-	-	-	42,748.16	42,748.16
	Previous Year	-	-	-	-	-	27,564.14	27,564.14
	Total Assets	-	-	-	-	-	-	1,74,710.82
	Previous Year	-	-	-	-	-	-	1,36,101.46
b)	Segment Liabilities	2,824.22	10,120.35	2,967.84	-	-	-	15,912.41
	Previous Year	6,259.88	7,863.38	9,254.51	-	-	-	23,377.77
	Unallocated Corporate Liabilities	-	-	-	-	-	78,487.05	78,487.05
	Previous Year	-	-	-	-	-	42,843.31	42,843.31
	Total Liabilities	-	-	-	-	-	-	94,399.46
	Previous Year	-	-	-	-	-	-	66,221.08
c)	Capital Expenditure incurred during the year	9,919.99	1,594.61	10,909.39	-	-	1,938.04	24,362.03
	Previous Year	3,950.32	49.73	11,287.69	7.19	-	527.71	15,822.64
d)	Depreciation/ Amortisation	3,496.95	667.42	648.92	245.49	-	178.80	5,237.58
	Previous Year	3,367.14	568.55	103.88	244.34	-	186.60	4,470.51
e)	Other non-cash expenditure	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, DNA, CNA, CO ₂ , AN, IPA, Propane, Bulk and Speciality Chemicals
b) 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

2. Inter-segment Sales Pricing: Inter-segment revenue has been recognised as estimated under Excise Regulations.

3. Secondary Segment Information: There are no reportable geographical segments since the Company caters mainly to needs of Indian Markets.

As per our Report of even date
For B. K. KHARE & CO.
Chartered Accountants
R. D. ONKAR
Partner
Membership No. : 45716

C. K. MEHTA
Chairman
S. C. MEHTA
Vice-Chairman & Managing Director

N. C. SINGHAL
Director

Dr. MANU SETH
Director

S. R. WADHWA
Director

R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009



ANNEXURE – B

1. NAMES OF THE RELATED PARTIES AND RELATIONSHIP

A. ASSOCIATES

1. Blue Shell Investments Pvt. Ltd.
2. Deepak Nitrite Ltd.
3. Nova Synthetic Ltd.
4. Yerrowda Investments Ltd.
5. The Lakaki Works Pvt. Ltd.
6. Superpose Credits And Capital Pvt. Ltd.
7. Storewell Credits And Capital Pvt. Ltd.
8. High Tide Investments Pvt. Ltd.
9. Deepak Asset Reconstruction Pvt. Ltd.
10. Mahadhan Investment and Finance Pvt. Ltd.
11. Ishanya Foundation

B. SUBSIDIARIES

1. Smartchem Technologies Ltd.
2. Deepak Nitrochem Pty. Ltd.

C. Key Management Personnel

Shri S. C. Mehta

2. RELATED PARTY TRANSACTIONS

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Current Year				Previous Year			
		Subsidiaries	Associates	Key Management Personnel	Total	Subsidiaries	Associates	Key Management Personnel	Total
1.	Sale of Goods	1,347.14	3,034.59	-	4,381.73	1,062.79	2,813.81	-	3,876.60
2.	Purchase of Goods	-	2.77	-	2.77	-	-	-	-
3.	Donation Given	-	5.00	-	5.00	-	-	-	-
4.	Rendering of Services	0.81	21.13	-	21.94	-	1.35	-	1.35
5.	Receiving of Services	45.11	79.28	753.99	878.38	-	71.50	470.52	542.02
6.	Leasing or Hire Purchase arrangements	-	25.01	(9.00)	16.01	-	24.55	(9.00)	15.55
7.	Sale of Fixed Assets	-	-	-	-	4.12	-	-	4.12
8.	Finance (including Loans, Equity contribution in cash or in kind)	-	-	-	-	-	-	-	-
9.	Interest Received	-	10.95	-	10.95	-	3.75	-	3.75
10.	Dividend Received	1,917.99	-	-	1,917.99	18.00	-	-	18.00
11.	Dividend Paid	-	617.28	601.70	1,218.98	-	521.17	515.75	1,036.92
12.	Balance Receivable/(Payable)	(37.78)	208.47	(489.35)	(318.66)	17.69	168.00	(237.56)	(51.87)
	Less : Provision for Receivable/(Payable)	-	-	-	-	-	-	-	-
	Net Outstanding Receivable/(Payable)	(37.78)	208.47	(489.35)	(318.66)	17.69	168.00	(237.56)	(51.87)

ANNEXURE – B (Contd.)

3. NAMES OF THE RELATED PARTIES FOR VALUE EXCEEDING 10% OF THE TRANSACTIONS

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Subsidiaries	Associates	Key Management Personnel
1.	Sale of Goods			
	Smartchem Technologies Ltd.	1,347.14	-	-
	Deepak Nitrite Ltd.	-	3,034.59	-
2.	Purchase of Goods			
	Ishanya Foundation	-	2.77	-
3.	Donation Given			
	Ishanya Foundation	-	5.00	-
4.	Rendering of Services			
	Smartchem Technologies Ltd.	0.81	-	-
	Deepak Nitrite Ltd.	-	21.13	-
5.	Receiving of Services			
	Smartchem Technologies Ltd.	45.11	-	-
	Yerrowda Investments Ltd.	-	72.06	-
	Shri S. C. Mehta (Remuneration)	-	-	64.64
	Shri S. C. Mehta (Commission)	-	-	689.35
6.	Leasing or Hire Purchase arrangements			
	Deepak Nitrite Ltd.	-	25.01	-
	Shri S. C. Mehta	-	-	(9.00)
7.	Sale of Fixed Assets			
	Smartchem Technologies Ltd.	-	-	-
	Deepak Nitrite Ltd.	-	-	-
8.	Interest Received			
	Deepak Nitrite Ltd.	-	10.95	-
9.	Dividend Received			
	Smartchem Technologies Ltd.	1,917.99	-	-
10.	Dividend Paid			
	Nova Synthetic Ltd.	-	573.11	-
	Shri S. C. Mehta	-	-	601.70
11.	Balance Receivable / (Payable)			
	Smartchem Technologies Ltd.	(37.78)	-	-
	Yerrowda Investments Ltd.	-	(3.69)	-
	Deepak Nitrite Ltd.	-	212.17	-
	Shri S. C. Mehta	-	-	(489.35)

As per our Report of even date
For B. K. KHARE & CO.
Chartered Accountants
R. D. ONKAR
Partner
Membership No. : 45716

C. K. MEHTA
Chairman
S. C. MEHTA
Vice-Chairman & Managing Director

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

Dr. MANU SETH
Director

R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009



ANNEXURE – C

STATUTORY DUES NOT DEPOSITED ON ACCOUNT OF DISPUTES

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which Amount relates	Forum where the dispute is pending
The Maharashtra Sales Tax on Transfer of Right to Use Any Goods for any Purpose Act, 1985	Lease tax levied on crane hire charges	23,554	Assessment Year 1990-91	Dy. Commissioner of Sales Tax, Pune
The Bombay Stamp Act, 1958	Stamp Duty demanded against licence fee	26,14,695	Financial Year 1995-96	The Chief Revenue Authority, Pune
The Central Excise Act, 1944	CENVAT credit of raw material for exempted finished Goods	2,69,11,433	November 2002 to August 2007	Bombay High Court/ CESTAT
The Punjab VAT Act, 2005	Tax/ Penalty demanded on incomplete documentation	1,83,862	2008-09	Punjab Value Added Tax Tribunal

As per our Report of even date
For B. K. KHARE & CO.
Chartered Accountants
R. D. ONKAR
Partner
Membership No. : 45716

C. K. MEHTA
Chairman

S. C. MEHTA
Vice-Chairman & Managing Director

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009

N. C. SINGHAL
Director

S. R. WADHWA
Director

R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary

Dr. MANU SETH
Director

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Corporate Identity No.	L24121 MH1979 PLC 021360
Balance Sheet Date	31-03-2009

II. Capital Raised during the year

(Amount in Rs. Thousands)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
Shares allotted to Promoters against Warrants	Nil

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	1,47,59,198
Total Assets	1,47,59,198

Sources of Funds

Paid up Capital	8,82,049
Reserves and Surplus	71,49,087
Secured Loans	44,60,759
Unsecured Loans	16,16,755
Deferred Tax Liability	6,50,548

Application of Funds

Net Fixed Assets	97,26,804
Investments	15,44,569
Net Current Assets	34,82,337
Miscellaneous Expenditure	5,488
Accumulated Losses	Nil

IV. Performance of the Company

Turnover	1,44,81,083
Total Expenses	1,23,61,074
Profit Before Tax	21,20,009
Profit After Tax	14,87,036
Earnings Per Share (Rs.)	16.86
Dividend Rate (%)	40

V. Generic Names of Principal Products/Services of the Company(as per monetary terms)

Product Description	Item Code No (ITC Code)
Chemical Fertilisers containing Nitrates and Phosphates (Nitrophosphate/Ammonium Nitrate Phosphate)	31055100
Organic Chemicals : Acyclic Alcohols:Methanol (Methyl Alcohol)	29051100
Ammonium Nitrate	31023000
Iso Propyl Alcohol (IPA)	29051220
Nitric Acid	28080010



Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1. Name of the Subsidiary	: Smartchem Technologies Ltd.	Deepak Nitrochem Pty. Ltd.
2. Financial Year of the Subsidiary Company ended on	: 31.03.2009	31.03.2009
3. Date from which it became Subsidiary	: 09.12.2003	27.08.2004
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 Rs 10/- each fully paid-up. 18,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each .	160,000 Shares of AUD1/- 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%
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 31st March, 2009	: Rs. 1,253.29 Lacs	Rs. (0.32) Lacs
(ii) For the Previous Year	: Rs. 1,401.49 Lacs	Rs. (32.51) Lacs
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 31st March, 2009	: Rs. 1,917.99 Lacs	Nil
(ii) For the Previous Year	: Rs. 18.00 Lacs	Nil
7. Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	: N.A.	N.A.

C. K. MEHTA
Chairman

N. C. SINGHAL
Director

Dr. MANU SETH
Director

S. C. MEHTA
Vice-Chairman & Managing Director

S. R. WADHWA
Director

Mumbai
Dated 20th May, 2009

R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary

DETAILS OF SUBSIDIARY COMPANIES FOR 2008-09

(Rs. in Lacs)

	Name of the Subsidiary	Smartchem Technologies Ltd.	Deepak Nitrochem Pty. Ltd.
	Financial Year ends on	31st March	31st March
a.	Share Capital	1,900.00	56.14
b.	Reserves	4,095.68	–
c.	Total Assets	6,412.85	56.14
d.	Total Liabilities	6,412.85	56.14
e.	Details of Investments		
	Investments in Equity Shares	3.68	–
	Investments in Mutual Funds	1,892.76	–
f.	Turnover	8,255.05	–
g.	Profit Before Taxation	1,861.43	(0.32)
h.	Provision for Taxation	608.14	–
i.	Profit After Taxation	1,253.29	(0.32)
j.	Proposed Dividend	1,018.00	–

Accounts of Deepak Nitrochem Pty. Ltd. has been converted into Indian Rupees at exchange rate prevailing on 31-03-2009 AUD1 = Rs. 35.09

C. K. MEHTA
Chairman

N. C. SINGHAL
Director

Dr. MANU SETH
Director

S. C. MEHTA
Vice-Chairman & Managing Director

S. R. WADHWA
Director

Mumbai
Dated 20th May, 2009

R. SRIRAMAN
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