



Consolidated Financial Statements

Auditors' Report

To the Board of Directors of

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED on the Consolidated Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited and its Subsidiaries.

We have examined the attached Consolidated Balance Sheet of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries as at 31st March, 2009 and the Consolidated Profit and Loss Account and the Consolidated Cash Flows for the year then ended on that date.

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have not audited the financial statements of the two subsidiaries, whose financial statements reflect total assets of Rs. 6,795.54 Lacs as at 31st March, 2009 (Previous year : Rs. 8,268.32 Lacs) and total revenues of Rs. 8,420.33 Lacs (Previous year : Rs. 9,836.59 Lacs) [before giving effect to the consolidation adjustments] which have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries, we are of the opinion that

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries as at 31st March, 2009;
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Deepak Fertilisers and Petrochemicals Corporation Limited and its subsidiaries for the year then ended; and
- (c) the Consolidated Cash Flow Statement gives a true and fair view of the cash flows of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries for the year then ended.

For B. K. KHARE & CO.
Chartered Accountants

R. D. Onkar
Partner

Membership No.: 45716

Mumbai
Dated 20th May, 2009

Consolidated Balance Sheet as at 31st March, 2009

	Schedule	(Rupees in Lacs)		As at 31.03.2008
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	8,820.49		8,820.49
(b) Reserves & Surplus	2	<u>72,204.69</u>		<u>63,071.43</u>
			81,025.18	71,891.92
			0.01	0.01
2. MINORITY INTEREST				
3. LOAN FUNDS				
(a) Secured Loans	3	44,607.59		19,838.81
(b) Unsecured Loans		<u>16,167.55</u>		<u>15,099.14</u>
			60,775.14	34,937.95
			<u>6,922.65</u>	<u>6,616.84</u>
4. DEFERRED TAX LIABILITY TOTAL			<u><u>1,48,722.98</u></u>	<u><u>1,13,446.72</u></u>
II. APPLICATION OF FUNDS				
1. FIXED ASSETS (AT COST)				
(a) Gross Block	4	1,37,420.04		1,14,705.73
(b) Less : Depreciation/ Amortisation		<u>58,689.65</u>		<u>52,965.09</u>
(c) Net Block		78,730.39		61,740.64
(d) Capital Work-in-Progress-Others		846.86		928.53
(e) Capital Work-in-Progress-Projects	4a	<u>23,552.26</u>		<u>23,897.99</u>
			1,03,129.51	86,567.16
			9,138.53	8,696.26
2. INVESTMENTS				
3. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Interest Accrued on Deposits	6	327.87		103.94
(b) Inventories		10,350.93		8,493.50
(c) Sundry Debtors		27,812.48		22,627.46
(d) Cash and Bank Balances		16,018.24		3,174.57
(e) Loans and Advances		<u>8,968.29</u>		<u>9,362.87</u>
		63,477.81		43,762.34
Less : CURRENT LIABILITIES AND PROVISIONS				
(a) Liabilities	7	22,125.22		21,283.23
(b) Provisions		<u>4,952.53</u>		<u>4,416.63</u>
		27,077.75		25,699.86
Net Current Assets			36,400.06	18,062.48
4. MISCELLANEOUS EXPENDITURE (To the extent not written off)				
VRS Compensation			54.88	120.82
TOTAL			<u><u>1,48,722.98</u></u>	<u><u>1,13,446.72</u></u>

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

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009

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



Consolidated Profit And Loss Account for the year ended 31st March, 2009

(Rupees in Lacs)

	Schedule	Year Ended 31.03.2008	
INCOME			
Income from Operations	8	1,48,257.00	1,14,447.96
Other Income	9	1,806.53	2,613.88
		<u>1,50,063.53</u>	<u>1,17,061.84</u>
EXPENDITURE			
Manufacturing and Other Expenses	10	1,18,302.30	90,899.28
Inventory Adjustment	11	784.96	2,329.62
Interest and Other Financial Charges	12	4,070.44	1,706.19
		<u>1,23,157.70</u>	<u>94,935.09</u>
PROFIT BEFORE DEPRECIATION		<u>26,905.83</u>	<u>22,126.75</u>
Depreciation/Amortisation		6,070.54	5,290.79
Less: Transferred from Special Reserve		18.18	18.18
Transferred from Revaluation Reserve		118.88	118.88
		<u>5,933.48</u>	<u>5,153.73</u>
PROFIT BEFORE PRIOR YEARS' ADJUSTMENTS		<u>20,972.35</u>	<u>16,973.02</u>
Prior Years' Adjustments (Net)		5.62	–
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		<u>20,966.73</u>	<u>16,973.02</u>
Exceptional Items (Net) [Refer Note 11]		331.11	276.02
PROFIT BEFORE TAX		<u>20,635.62</u>	<u>16,697.00</u>
PROVISION FOR DIRECT TAXES			
Current Income Tax (Net of Reversal of earlier years' excess provision of Rs. 112.27 Lacs; Previous Year: Nil)		6,484.03	6,087.77
Fringe Benefit Tax		121.50	93.23
Deferred Income Tax (Gross of Previous Year's short provision of Rs. 330.51 Lacs; Previous Year: Nil)		305.81	(402.45)
Wealth Tax		26.53	23.11
		<u>6,937.87</u>	<u>5,801.66</u>
NET PROFIT		<u>13,697.75</u>	<u>10,895.34</u>
Balance Brought Forward		42,263.87	36,330.89
Transferred from Debenture Redemption Reserve		285.00	–
Less: Transferred from Stock Reserve		–	12.31
		<u>42,548.87</u>	<u>36,318.58</u>
AMOUNT AVAILABLE FOR APPROPRIATION		<u>56,246.62</u>	<u>47,213.92</u>
APPROPRIATIONS			
Transferred to Debenture Redemption Reserve		625.00	190.00
Transferred to General Reserve		1,625.30	1,145.10
Proposed Dividend		3,528.31	3,087.20
Corporate Dividend Tax		273.65	527.75
SURPLUS IN PROFIT AND LOSS ACCOUNT		<u>50,194.36</u>	<u>42,263.87</u>
Earnings Per Share [Refer Note 16] (Rs.)		15.53	12.35

NOTES FORMING PART OF ACCOUNTS 13

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

Consolidated Cash Flow Statement for the year ended 31st March, 2009

(Rupees in Lacs)

	2008-09	2007-08
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	20,635.62	16,697.00
Adjustments For -		
Depreciation and Amortisation	5,933.48	5,153.73
Exceptional Items	331.11	276.02
Exchange Fluctuations (net)	2,930.86	(560.27)
Profit on Sale of Investments	(211.19)	(312.89)
Loss/ (Profit) on Sale of Asset	262.67	(53.08)
Interest/Dividends (net)	3,073.03	620.58
Provisions	867.47	150.16
Operating Profit Before Working Capital Changes	<u>33,823.05</u>	<u>21,971.25</u>
Adjustments For -		
Trade And Other Receivables	(6,909.48)	(10,859.16)
Inventories	(1,857.43)	3,551.17
Trade Payables	177.29	7,027.97
Cash Generated From Operations	<u>25,233.43</u>	<u>21,691.23</u>
Direct Taxes Paid (net)	(6,140.75)	(5,655.37)
Cash Flow Before Exceptional Items	<u>19,092.68</u>	<u>16,035.86</u>
Exceptional Items	(331.11)	(276.02)
Net Cash From Operating Activities	<u>(A) 18,761.57</u>	<u>15,759.84</u>
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(23,779.21)	(21,855.01)
Sale of Fixed Assets	264.40	170.57
Acquisition of Investments- Others (net)	(786.43)	5,694.31
Deposits Redeemed	1,721.28	473.92
Interest Received	522.42	596.14
Dividend Received	251.07	464.96
Net Cash Used in Investing Activities	<u>(B) (21,806.47)</u>	<u>(14,455.11)</u>
(C) Cash Flow From Financing Activities		
Exchange Fluctuations (net)	(2,930.86)	560.27
Increase in Working Capital Borrowings	8,068.40	15,099.14
Repayment of External Commercial Borrowings	(2,752.30)	(4,628.90)
Proceeds / (Repayment) from Term Loans (net)	9,161.08	(8,063.69)
Proceeds from Debentures (net)	11,360.00	-
Repayment of Unclaimed Matured Debentures	(2.27)	(0.33)
Interest Paid	(3,416.43)	(1,618.75)
Equity Dividend and Corporate Dividend Tax Paid	(3,599.05)	(3,076.48)
Net Cash Generated / (Used) in Financing Activities	<u>(C) 15,888.57</u>	<u>(1,728.74)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(A+B+C) 12,843.67</u>	<u>(424.01)</u>
Cash and Cash Equivalents Opening Balance	3,174.57	3,598.58
Cash and Cash Equivalents Closing Balance	16,018.24	3,174.57

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 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
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Director

Dr. MANU SETH
Director

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009

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



Schedules forming part of the Consolidated Balance Sheet

Schedule 1

SHARE CAPITAL AUTHORISED

12,50,00,000 Equity Shares of Rs. 10/- each
10,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
	12,500.00	12,500.00
	1,000.00	1,000.00
	<u>13,500.00</u>	<u>13,500.00</u>
	8,820.49	8,820.49
	<u>8,820.49</u>	<u>8,820.49</u>

ISSUED, SUBSCRIBED AND PAID UP

8,82,04,943 Equity Shares of Rs. 10/- each fully paid up

Schedule 2

RESERVES AND SURPLUS

RESERVES

Capital Reserve	0.13	0.13
Capital Redemption Reserve	150.00	150.00
Share Premium Account	10,798.95	10,798.95
Special Reserve (*)	82.22	100.40
Less : Transferred to Profit and Loss Account	<u>18.18</u>	<u>18.18</u>
	64.04	82.22
Revaluation Reserve	1,419.30	1,538.18
Less : Transferred to Profit and Loss Account	<u>118.88</u>	<u>118.88</u>
	1,300.42	1,419.30
Debenture Redemption Reserve		
Balance as per last Balance Sheet	950.00	760.00
Less : Transferred to Profit and Loss Account	285.00	-
Add : Transferred from Profit and Loss Account	<u>625.00</u>	<u>190.00</u>
	1,290.00	950.00
General Reserve		
Balance as per last Balance Sheet	7,402.66	6,319.78
Less : Forex Loss adjustment as per (AS) 11 [Refer Note 5]	619.24	-
Less : Transferred to Employee Benefits	-	62.22
Add : Transferred from Profit and Loss Account	<u>1,625.30</u>	<u>1,145.10</u>
	8,408.72	7,402.66
Foreign Currency Translation Reserve	(1.93)	4.30
Surplus in Profit and Loss Account	<u>50,194.36</u>	<u>42,263.87</u>
	<u>72,204.69</u>	<u>63,071.43</u>

(*) Represents relief / incentive granted by Government of India by way of refund of 90% of Customs Duty paid on NP Project imports. This amount will be adjusted against depreciation over the remaining useful life of the Fixed Assets of NP Project.

Schedule 3

LOAN FUNDS

SECURED LOANS

A. LONG TERM LOAN

(a) External Commercial Borrowings	5,579.20	8,331.50
(b) From Banks	<u>16,868.39</u>	<u>7,707.31</u>
	22,447.59	16,038.81
	7,000.00	-
B. WORKING CAPITAL BORROWINGS FROM BANKS #		
C. SECURED NON-CONVERTIBLE DEBENTURES		
(a) 7.50 % Privately Placed Non-Convertible Debentures	1,400.00	2,000.00
(b) 7.25 % Privately Placed Non-Convertible Debentures	1,260.00	1,800.00
(c) 10.80% Privately Placed Non-Convertible Debentures	<u>12,500.00</u>	-
	15,160.00	3,800.00
Total Secured Loans	<u>44,607.59</u>	<u>19,838.81</u>

UNSECURED LOANS

A. Short Term Loan from Bank	5,000.00	8,707.53
B. Buyers Credit	<u>11,167.55</u>	<u>6,391.61</u>
	16,167.55	15,099.14
	<u>60,775.14</u>	<u>34,937.95</u>

Repayable within one year

Schedules forming part of the Consolidated Balance Sheet

Schedule 4

FIXED ASSETS

(Rupees in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2008	Additions	Deduct- ions/ Adjust- ments	Total upto 31-03-2009	As on 01-04-2008	Deduct- ions/ Adjust- ments	For the year 31-03-2009	Total upto 31-03-2009	As on 31-03-2009	As on 31-03-2008
Land - Freehold (a)	3,935.88	1,525.67	-	5,461.55	-	-	-	-	5,461.55	3,935.88
Land - Leasehold (b)	2,556.69	-	-	2,556.69	132.02	-	41.50	173.52	2,383.17	2,424.67
Buildings (c)	14,211.13	8,810.43	1,459.88	21,561.68	2,415.70	192.53	376.20	2,599.37	18,962.31	11,795.43
Plant and Machinery (d)	85,481.00	12,241.77	139.10	97,583.67	46,583.59	92.69	4,754.38	51,245.28	46,338.39	38,897.41
Electrical Installation and Fittings	586.11	824.12	-	1,410.23	82.29	-	76.06	158.35	1,251.88	503.82
Furniture & Fixtures	563.72	164.72	2.91	725.53	443.99	1.81	31.19	473.37	252.16	119.73
Office Equipments	983.27	223.00	1.71	1,204.56	756.74	1.32	85.12	840.54	364.02	226.53
Vehicles	829.77	196.17	84.45	941.49	194.45	57.63	142.21	279.03	662.46	635.32
Intangible Assets	442.40	416.48	-	858.88	309.99	-	52.30	362.29	496.59	132.41
Goodwill on Consolidation	5,115.76	-	-	5,115.76	2,046.32	-	511.58	2,557.90	2,557.86	3,069.44
TOTAL	1,14,705.73	24,402.36	1,688.05	1,37,420.04	52,965.09	345.98	6,070.54	58,689.65	78,730.39	61,740.64
Previous Year	99,272.76	15,835.40	402.43	1,14,705.73	47,959.29	284.96	5,290.76	52,965.09	61,740.64	51,313.47
Capital Work-in-Progress (e)									846.86	928.53

Capital Work-in-Progress (e)

(a) Freehold land includes:

- Rs. 3,600 Lacs (Previous Year : Rs. 3,600 Lacs) represented by 24,000 Equity Shares of Rs. 10/- each in a company, which is the legal owner of the land in respect of which the Company has acquired exclusive rights of development.

- Rs. 815 Lacs (Previous Year : Nil) represented by 8,024 Equity Shares (Previous Year : Nil) of Rs. 10/- each in the said company, which is the legal owner of the land on which the Company has been granted the rights of reconstruction of residential building premises.

(b) Leasehold land includes Rs. 2,340.68 Lacs (Previous Year : Rs. 2,381.12 Lacs) being premium for acquiring additional plots of leasehold land, possession of which is obtained but formal deeds are under preparation and execution.

(c) Buildings include a sum of Rs. 3,308.87 Lacs (Previous Year : Rs. 4,537.03 Lacs) represented by 17,628 (Previous Year : 25,652) Equity Shares of Rs. 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.

(d) Gross Block of Plant and Machinery includes:

- Rs. 421.63 Lacs (Previous Year : Rs. 455.01 Lacs) being the cost of Fixed Assets, ownership of which does not vest with the Company, being amortised over 60 months.

- Rs. 5,180.93 Lacs towards foreign exchange fluctuation on Long Term Loans.

(e) Capital Work-in-Progress includes advances/deposits for Fixed Assets Rs. 120.25 Lacs (Previous Year : Rs. 84.45 Lacs).

Schedule 4a

CAPITAL WORK-IN-PROGRESS- PROJECTS

(Rupees in Lacs)

Description	Incurred upto 31-03-2008	Incurred during 2008-2009	Capitalised/ Transferred during 2008-2009	Total as on 31-03-2009
Land & Site Development	731.20	210.91	845.95	96.16
Building (under construction)	5,247.76	4,487.76	8,155.46	1,580.06
Plant & Machinery (under installation)	13,172.03	9,845.79	7,617.68	15,400.14
Advances	1,851.32	1,537.16	1,578.05	1,810.43
Technical Know-how & Engineering Fees	1,376.00	791.09	641.31	1,525.78
Other Assets	19.64	916.44	711.35	224.73
Pre-operative Expenditure pending				
Capitalisation/Amortisation:				
Employees emoluments	409.14	351.24	164.51	
General expenses	404.64	481.36	279.59	
	813.78	832.60	444.10	1,202.28
Interest (net) on fixed term loan and other financial charges (a)	686.26	1,852.97	826.55	1,712.68
TOTAL	23,897.99	20,474.72	20,820.45	23,552.26

(a) Interest (net) on fixed term loan and other financial charges incurred during the year includes :

(i) Rs. 828.47 Lacs (Previous Year : Nil) on account of Exchange fluctuation on Long Term Foreign Currency Loans.

(ii) Interest on Fixed Term Loan is net of interest earned Rs. 44.33 Lacs (Previous Year : Nil) on temporary deployment of Loan Funds, Tax Deducted at Source Rs. 9.13 Lacs; (Previous Year : Nil).



Schedules forming part of the Consolidated Balance Sheet

Schedule 5

	(Rupees in Lacs)	
	As at 31.03.2009	As at 31.03.2008
INVESTMENTS [Refer Note 4(H)]		
LONG TERM		
A. TRADE UNQUOTED		
88,448 Shares of Sterling Pound 1/- each of Deepak International Limited	68.69	68.69
B. NON-TRADE QUOTED		
Investment in Equity Shares	1,151.64	1,066.10
Less: Provision for diminution in value	<u>157.08</u>	<u>-</u>
[(Aggregate Market Price of Quoted Shares Rs. 723.32 Lacs (Previous Year : Rs. 963.39 Lacs)]	994.56	1,066.10
CURRENT INVESTMENTS		
A. INVESTMENT IN BONDS*		
1. 8.30% Fertilisers Company GOI Special Bonds 2023	-	400.00
2. 7.95% Fertilisers Company GOI Special Bonds 2026	-	762.10
3. 7.00% Fertilisers Company GOI Special Bonds 2022	4,550.00	-
4. 6.65% Fertilisers Company GOI Special Bonds 2023	697.80	-
5. 6.20% Fertilisers Company GOI Special Bonds 2022	<u>1,308.20</u>	<u>-</u>
	6,556.00	1,162.10
Less: Provision for diminution in value	<u>387.60</u>	<u>-</u>
	6,168.40	1,162.10
B. INVESTMENT IN MUTUAL FUNDS		
1. Liquid Funds	1,892.76	4,731.38
2. Short Term Funds	-	948.38
3. Fixed Maturity Plans	-	495.00
4. Income Funds	-	48.21
5. Floating Rate Funds	-	151.40
6. Equity and Derivatives Funds	<u>25.00</u>	<u>25.00</u>
	1,917.76	6,399.37
Less: Provision for diminution in value	<u>10.88</u>	<u>-</u>
* Pledged towards security for short term loan of Rs. 5,500 Lacs (Previous Year : Nil)	1,906.88	6,399.37
	<u>9,138.53</u>	<u>8,696.26</u>

Schedule 6

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS				
1. INTEREST ACCRUED ON DEPOSITS		327.87		103.94
2. INVENTORIES (taken, valued & certified by Management)				
(a) Raw Materials (Net of write down of Rs. 932.21 Lacs; Previous Year : Nil)	3,459.28		1,012.61	
(b) Stores, Spares, Oils, Chemicals & Catalysts (Net of provision for obsolescence Rs. 11.05 Lacs; Previous Year : Rs. 11.15 Lacs)	<u>4,240.37</u>		<u>4,003.29</u>	
(c) Finished Goods	<u>2,651.28</u>	10,350.93	<u>3,477.60</u>	8,493.50
3. SUNDRY DEBTORS				
(a) Unsecured, considered good :				
(i) Over six months	893.81		1,307.00	
(ii) Others	26,918.67		21,320.46	
(b) Considered doubtful	<u>406.47</u>		<u>440.31</u>	
	28,218.95		23,067.77	
Less : Provision for doubtful debts	<u>406.47</u>	27,812.48	<u>440.31</u>	22,627.46
4. CASH AND BANK BALANCES				
(a) Cash and Cheques on hand	158.83		115.14	
(b) Balances with Scheduled Banks:				
(i) Current/Cash Credit Accounts	5,613.25		1,169.67	
(ii) Short Term/Margin Deposits (Under Lien with Banks Rs. 2,192.24 Lacs; Previous Year : Rs. 1,828.62 Lacs)	<u>10,246.16</u>	16,018.24	<u>1,889.76</u>	3,174.57
B. LOANS AND ADVANCES				
Unsecured, considered good : (Unless provided for)				
1. Security and other Deposits	1,009.36		913.64	
2. Loans/Deposits with Joint Stock Companies	-		2,200.78	
Less : Provision	<u>-</u>		<u>383.78</u>	
	-		1,817.00	
3. Balances with Central Excise, Customs etc.	1,537.11		1,761.41	
4. Prepaid Expenses	887.11		537.79	
5. Advance Payment of Taxes (net)	110.04		601.35	
6. Advances recoverable in cash or kind or for value to be received	<u>5,424.67</u>	<u>8,968.29</u>	<u>3,731.68</u>	<u>9,362.87</u>
		<u>63,477.81</u>		<u>43,762.34</u>

Schedules forming part of the Consolidated Balance Sheet
Schedule 7

(Rupees in Lacs)

As at 31.03.2009

As at 31.03.2008

CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

1. Sundry Creditors	13,577.68		13,932.70
2. Due to Directors	805.18		507.89
3. Other Liabilities	6,382.43		6,147.41
4. Unclaimed Dividend / Interest / Matured Debentures	258.54		247.85
5. Interest accrued but not due	<u>1,101.39</u>		<u>447.38</u>
		22,125.22	21,283.23

B. PROVISIONS

1. Provision for Employee Costs	1,147.63		801.68
2. Proposed Dividend	3,528.20		3,087.20
3. Corporate Dividend Tax	<u>276.70</u>		<u>527.75</u>
		4,952.53	4,416.63
		<u>27,077.75</u>	<u>25,699.86</u>

Schedules forming part of the Consolidated Profit and Loss Account
Schedule 8

Year Ended 31.03.2009

Year Ended 31.03.2008

INCOME FROM OPERATIONS

Gross Sales: Own Produced Commodities	1,04,276.17		84,308.60
Less : Excise Duty	<u>9,292.88</u>		<u>10,332.28</u>
Net Sales: Own Produced Commodities (excluding taxes and duties)		94,983.29	73,976.32
Gross Sales: Traded Products	50,997.81		38,808.95
Less : Counter Vailing Duty	<u>122.50</u>		<u>239.42</u>
Net Sales: Traded Products (excluding taxes and duties)		50,875.31	38,569.53
Revenue from Realty Business	1,775.30		508.83
Less : Service Tax	<u>183.60</u>		<u>51.65</u>
Net Revenue from Realty Business (excluding taxes and duties)		1,591.70	457.18
Other Operating Income	854.33		1,537.95
Less : Service Tax	<u>47.63</u>		<u>93.02</u>
Net Other Operating Income (excluding taxes and duties)		<u>806.70</u>	<u>1,444.93</u>
		<u>1,48,257.00</u>	<u>1,14,447.96</u>



Schedules forming part of the Consolidated Profit and Loss Account

Schedule 9

OTHER INCOME

(Rupees in Lacs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Interest on Inter Corporate Deposits (Gross) (Tax Deducted at Source Rs. 28.80 Lacs; Previous Year : Rs. 47.74 Lacs).	127.08	222.24
2. Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source Rs. 82.97 Lacs; Previous Year : Rs. 28.21 Lacs).	379.11	352.14
3. Interest on Fertiliser Bonds	192.66	17.69
4. Other Interest (Gross) (Tax Deducted at Source Rs. 5.24 Lacs Previous Year : Nil).	47.26	28.58
5. Insurance Claims	67.32	-
6. Dividend - Non Trade Investments	11.49	5.79
7. Dividend - Mutual Funds	239.58	459.17
8. Profit / (Loss) on Sale / Redemption of Investments		
a) Long Term Non Trade Quoted Shares	(53.92)	237.76
b) Mutual Funds	259.24	75.13
c) Fertiliser Bonds	5.87	-
9. Foreign Currency Fluctuations (net)	-	560.27
10. Miscellaneous Receipts	530.84	655.11
	<u>1,806.53</u>	<u>2,613.88</u>

Schedules forming part of the Consolidated Profit and Loss Account
Schedule 10

(Rupees in Lacs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
MANUFACTURING AND OTHER EXPENSES		
1. RAW MATERIALS CONSUMED [Includes Rs. 932.21 Lacs towards write down of the Closing Stock; (Previous Year : Nil)] (including use of gas for primary reformer heating)	48,065.64	36,109.18
2. MATERIAL HANDLING CHARGES	144.30	134.14
3. PURCHASES OF GOODS TRADED	44,510.39	36,909.83
4. PACKING MATERIAL CONSUMED	1,394.88	1,167.93
5. EMPLOYEES' EMOLUMENTS		
(a) Salaries, Wages & Allowances	6,521.94	4,990.03
(b) Contribution to Provident, Superannuation and Gratuity Funds	778.08	554.24
(c) Welfare and other Amenities	529.23	449.60
	<u>7,829.25</u>	<u>5,993.87</u>
6. OPERATING AND OTHER EXPENSES		
(a) Power, Fuel and Water	2,136.48	2,359.46
(b) Stores, Spares, Oils, Chemicals & Catalysts Consumed	1,880.89	1,735.55
(c) Repairs to:		
(i) Buildings	166.53	150.60
(ii) Plant & Machinery	2,270.30	1,031.76
(iii) Others	316.13	210.37
	<u>2,752.96</u>	<u>1,392.73</u>
(d) Insurance	502.65	562.33
(e) Rent	742.46	475.95
(f) Rates, Taxes and Duties	308.65	157.25
(g) Directors' Sitting Fees	7.44	6.51
(h) Auditors' Remuneration	57.22	60.41
(i) Carriage Outward (net)	1,191.64	1,039.49
(j) Cash Discounts	104.13	141.14
(k) Deposits Written off	383.78	-
Less : Provision reversed	(383.78)	-
(l) Foreign Currency Fluctuations (net)	2,924.62	-
(m) Provision for diminution in the value of investments	555.56	30.48
(n) Miscellaneous Expenses	3,193.14	2,623.03
	<u>16,357.84</u>	<u>10,584.33</u>
	<u>1,18,302.30</u>	<u>90,899.28</u>

Schedule 11

INVENTORY ADJUSTMENTS

1. Opening Stock of Finished Goods	3,477.60	6,153.25
2. Closing Stock of Finished Goods	2,651.28	3,477.60
3. (Increase)/Decrease in Excise Duty on Stock of Finished Goods	(41.36)	(346.03)
(Increase)/Decrease	<u>784.96</u>	<u>2,329.62</u>

Schedule 12

INTEREST AND OTHER FINANCIAL CHARGES

1. Interest on Loans*	2,840.90	1,347.17
2. Interest - Others	880.77	121.07
3. Other Financial Charges*	348.77	237.95
	<u>4,070.44</u>	<u>1,706.19</u>

* Excluding interest capitalised Rs. 892.17 Lacs (Previous Year : Rs. 957.32 Lacs)



Schedule 13

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. The consolidated financial statements envisage combining of financial statement of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiary Smartchem Technologies Limited in which its parent company holds 99.99% voting rights and Deepak Nitrochem Pty. Ltd in which its parent company holds 100% voting rights.
2. **PRINCIPLES 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.
 - The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period not exceeding 10 years beginning first full year of operation under consolidation.
 - Minority Interests’ share of the net profit of consolidated subsidiary 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 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. Ltd. registered in Australia.
3. Company holds certain rights in immovable properties by virtue of equity shares held in an associate enterprise, as stated in Note (a) and (c) of Schedule 4. 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 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. Accordingly the requirements of Accounting Standard (AS) 13 on “Accounting for Investments” and Accounting Standard (AS) 23 “Accounting for Investments in Associates in consolidated financial statements” are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.
4. **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 (AS) 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 (AS) 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 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 relating to the current year.

M) CONTINGENT LIABILITIES

Contingent Liabilities as defined in Accounting Standard (AS) 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.

5. CHANGES IN ACCOUNTING POLICIES

The Accounting Standard (AS) 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.

6. On acquisition of shares from Smartchem Technologies Limited (STL), STL had become a subsidiary of the Company effective 9-12-2003. While consolidating accounts for the period, Company had followed test of impairment in respect of goodwill. From the FY 2004-05, being first full year of operation for the consolidation, Company has decided to amortise goodwill over a period of 10 years. Accordingly an amount of Rs. 511.58 Lacs has been charged to Profit and Loss Account of consolidated financial statements.

7. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 20,743.33 Lacs (Previous Year : Rs. 13,607.23 Lacs).

8. 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)
- Other Claims : Rs. 0.40 Lacs (Previous Year : Rs. 3.80 Lacs)

Taxes & Duties

- Income tax demands : Rs. 535.85 Lacs (Previous Year : Rs. 1,033.53 Lacs)
- Excise demands : Rs. 745.28 Lacs (Previous Year : Rs. 187.69 Lacs)
- Customs demands : Nil (Previous Year : Rs. 28.44 Lacs)
- Sales Tax / VAT demands : Rs. 49.61 Lacs (Previous Year : Rs. 47.15 Lacs)

9. 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	2,56,20,084
	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

10. 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.

11. Exceptional items represent:

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

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

13. The Company's subsidiary has revalued its plant and machinery on the basis of replacement values. Revaluation reserve has been created towards increase in value of gross block and depreciation on incremental value is withdrawn from revaluation reserve and credited to Profit and Loss Account every year.

14. 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	85.78	59.93	51.01	45.00
	Interest cost	93.30	84.38	33.53	26.48
	Expected return on plan assets	(100.12)	(73.93)	N.A.	N.A.
	Actuarial losses	289.97	106.93	168.66	122.11
	Total expenses recognised in the Profit and Loss Account	368.93	177.31	253.20	193.59
2.	Actual contribution and benefits paid during the year				
	Actual benefits paid	106.35	74.33	117.47	77.38
	Actual contribution	167.85	137.28	N.A.	N.A.
3.	Net Asset / (Liability) recognised in the Balance Sheet as on 31st March, 2009				
	Present Value of Defined Benefit Obligation	(1,602.73)	(1,240.03)	(581.97)	(446.24)
	Fair value of plan assets	1,103.05	940.11	N.A.	N.A.
	Net Asset / (Liability) recognised in the Balance Sheet	(499.68)	(299.92)	(581.97)	(446.24)
4.	Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2009				
	Present Value of DBO at beginning of year	1,240.03	1,053.91	446.24	330.03
	Current Service cost	85.78	59.93	51.01	45.00
	Interest cost	93.30	84.38	33.53	26.48
	Actuarial losses	289.97	116.14	168.66	122.11
	Benefits paid	(106.35)	(74.33)	(117.47)	(77.38)
	Present Value of DBO at the end of year	1,602.73	1,240.03	581.97	446.24
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%



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

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	7,060.58	573.95*	7,634.53
	2. Others	74.70	4.26	78.96
	Total A	7,135.28	578.21	7,713.49
B.	Deferred Tax Assets			
	1. Provision for Doubtful Debts/Loans & Advances	280.11	(10.21)	269.90
	2. Accrued expenses deductible on actual payment/ Quantification	238.33	282.61	520.94
	Total B	518.44	272.40	790.84
	Net Tax effect of Timing Difference (A-B)	6,616.84	305.81	6,922.65

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

16. Earnings Per Share as computed in accordance with the Accounting Standard (AS) 20

	2008-09	2007-08
(i) Net Profit After Tax (Rs. in Lacs)	13,697.75	10,895.34
(ii) Number of Equity Shares of Rs. 10/- each	8,82,04,943	8,82,04,943
(iii) Basic and Diluted Earnings Per Share	15.53	12.35

17. Segment Reporting - Refer Annexure - A.

18. Related Party Disclosure - Refer Annexure - B.

19. 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

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

SEGMENT REPORTING

(Rs. in Lacs)

Sr. No	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	Revenue							
	a) External Sales							
	i) Produced	77,890.43	16,514.17	-	578.69	-	-	94,983.29
	Previous Year	69,930.96	3,735.94	-	309.42	-	-	73,976.32
	ii) Traded	9,931.67	40,943.64	-	-	-	-	50,875.31
	Previous Year	12,746.95	25,822.58	-	-	-	-	38,569.53
	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	-	-	-	-	-	1,806.53	1,806.53
	Previous Year	-	-	-	-	-	2,613.88	2,613.88
	Total Revenue	89,776.84	57,680.47	1,591.70	788.69	(1,580.70)	1,806.53	1,50,063.53
	Previous Year	84,548.41	29,816.42	457.18	474.97	(849.02)	2,613.88	1,17,061.84
2.	Segment Result	26,693.10	1,854.01	324.10	480.51	-	1,806.53	31,158.25
	Previous Year	20,471.93	(1,000.57)	49.10	215.86	-	2,613.88	22,350.20
3.	Unallocated Corporate expenses	-	-	-	-	-	17,460.50	17,460.50
	Previous Year	-	-	-	-	-	11,454.86	11,454.86
4.	Net Profit	-	-	-	-	-	-	13,697.75
	Previous Year	-	-	-	-	-	-	10,895.34
5.	Other Information							
	a) Segment Assets	78,138.35	29,304.98	27,443.93	4,444.70	-	-	1,39,331.96
	Previous Year	73,098.52	17,189.97	22,084.83	4,858.30	-	-	1,17,231.62
	Unallocated Corporate Assets	-	-	-	-	-	36,468.77	36,468.77
	Previous Year	-	-	-	-	-	21,914.96	21,914.96
	Total Assets	-	-	-	-	-	-	1,75,800.73
	Previous Year	-	-	-	-	-	-	1,39,146.58
	b) Segment Liabilities	3,109.08	10,120.35	2,967.84	-	-	-	16,197.27
	Previous Year	6,838.43	7,863.38	9,254.51	-	-	-	23,956.32
	Unallocated Corporate Liabilities	-	-	-	-	-	78,578.27	78,578.27
	Previous Year	-	-	-	-	-	43,298.33	43,298.33
	Total Liabilities	-	-	-	-	-	-	94,775.54
	Previous Year	-	-	-	-	-	-	67,254.65
	c) Capital Expenditure incurred during the year	9,960.33	1,594.61	10,909.39	-	-	1,938.04	24,402.37
	Previous Year	3,963.08	49.73	11,287.69	7.19	-	527.71	15,835.40
	d) Depreciation/ Amortisation	4,192.85	667.42	648.92	245.49	-	178.80	5,933.48
	Previous Year	4,050.35	568.55	103.88	244.34	-	186.61	5,153.73
	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

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 – 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. KEY MANAGEMENT PERSONNEL

1. Shri S. C. Mehta
2. Shri K. S. Gopalakrishnan

2. RELATED PARTY TRANSACTIONS

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Current Year			Previous Year		
		Associates	Key Management Personnel	Total	Associates	Key Management Personnel	Total
1.	Sale of Goods	3,034.59	-	3,034.59	2,813.81	-	2,813.81
2.	Purchase of Goods	2.77	-	2.77	-	-	-
3.	Donation Given	5.00	-	5.00	-	-	-
4.	Rendering of Services	21.13	-	21.13	1.35	-	1.35
5.	Receiving of Services	79.28	761.93	841.21	71.50	476.97	548.47
6.	Leasing or Hire Purchase arrangements	25.01	(9.00)	16.01	24.55	(9.00)	15.55
7.	Sale of Fixed Assets	-	-	-	-	-	-
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	-	-	-	-	-	-
11.	Dividend Paid	617.28	601.70	1,218.98	521.17	515.75	1,036.92
12.	Balance Receivable/(Payable)	208.47	(489.47)	(281.00)	168.00	(237.56)	(69.56)
	Less : Provision for Receivable/(Payable)	-	-	-	-	-	-
	Net Outstanding Receivable/(Payable)	208.47	(489.47)	(281.00)	168.00	(237.56)	(69.56)

ANNEXURE – B (Contd.)

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

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Associates	Key Management Personnel
1.	Sale of Goods 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 Deepak Nitrite Ltd.	21.13	-
5.	Receiving of Services 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.	Interest Received Deepak Nitrite Ltd.	10.95	-
8.	Dividend Paid Nova Synthetic Ltd.	573.11	-
	Shri S. C. Mehta	-	601.70
9.	Balance Receivable / (Payable) 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

Mumbai
Dated 20th May, 2009

Mumbai
Dated 20th May, 2009

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