



SCALING NEW HEIGHTS

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, 2008 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. 8,268.32 lacs as at 31st March, 2008 (Previous year: Rs. 6,834.39 lacs) and total revenues of Rs. 9,836.58 lacs (Previous year: Rs. 4,681.52 lacs) [before giving effect to the consolidation adjustments] which have been audited by other auditors whose report 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 report 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 report 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, 2008;
- (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 Flows 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 30th May, 2008

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
28TH ANNUAL REPORT 2007-2008

Consolidated Balance Sheet as at 31st March, 2008

		(Rupees in Lacs)		As at 31.03.2007
		Schedule		
I. SOURCES OF FUNDS				
1.	SHAREHOLDERS' FUNDS			
	(a) Share Capital	1	8,820.49	8,820.49
	(b) Reserves & Surplus	2	<u>63,071.43</u>	<u>56,000.44</u>
			71,891.92	64,820.93
2.	MINORITY INTEREST		0.01	0.01
3.	LOAN FUNDS	3		
	(a) Secured Loans		19,838.81	25,531.40
	(b) Unsecured Loans		<u>15,099.14</u>	<u>7,000.00</u>
			34,937.95	32,531.40
4.	DEFERRED TAX LIABILITY		<u>6,616.84</u>	7,051.34
	TOTAL		<u>1,13,446.72</u>	<u>1,04,403.68</u>
II. APPLICATION OF FUNDS				
1.	FIXED ASSETS (AT COST)	4		
	(a) Gross Block		1,14,705.73	99,272.76
	(b) Less: Depreciation/ Amortisation		<u>52,965.09</u>	<u>47,959.29</u>
	(c) Net Block		<u>61,740.64</u>	51,313.47
	(d) Capital Work-in-Progress-Others		928.53	412.26
	(e) Capital Work-in-Progress-Projects	4a	<u>23,897.99</u>	<u>18,394.65</u>
			86,567.16	70,120.38
2.	INVESTMENTS	5	8,696.26	14,077.68
3.	CURRENT ASSETS, LOANS AND ADVANCES	6		
	(a) Interest Accrued on Deposits		103.94	79.42
	(b) Inventories		8,504.65	12,055.82
	(c) Sundry Debtors		22,627.46	12,883.54
	(d) Cash and Bank Balances		3,174.57	3,598.58
	(e) Loans and Advances		<u>9,362.87</u>	<u>9,255.25</u>
			43,773.49	37,872.61
	Less: CURRENT LIABILITIES AND PROVISIONS	7		
	(a) Liabilities		21,349.93	14,252.97
	(b) Provisions		<u>4,361.08</u>	<u>3,600.79</u>
			25,711.01	17,853.76
	Net Current Assets		18,062.48	20,018.85
4.	MISCELLANEOUS EXPENDITURE (to the extent not written off) VRS Compensation		120.82	186.77
	TOTAL		<u>1,13,446.72</u>	<u>1,04,403.68</u>

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

Mumbai
Dated 30th May, 2008

C.K. MEHTA
Chairman

S.C. MEHTA
Vice-Chairman & Managing Director

Mumbai
Dated 30th May, 2008

S.S. MARATHE
Director

N.C. SINGHAL
Director

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



SCALING NEW HEIGHTS

Consolidated Profit and Loss Account for the year ended 31st March, 2008

		(Rupees in Lacs)		Year Ended 31.03.2007
	Schedule			
INCOME				
Gross Sales Own Produced Commodities		84,308.60		63,470.94
Less: Excise Duty		10,332.28		7,756.53
Net Sales Own Produced excluding Excise, Value Added Tax and Sales Tax Traded Products		73,976.32		55,714.41
Less: Counter Vailing Duty		239.42		160.61
Net Sales Traded Products excluding Counter Vailing Duty, Value Added Tax and Sales Tax		38,808.95		31,738.80
Total Sales		1,12,545.85		87,292.60
Other Income	8	4,515.99		3,696.83
		1,17,061.84		90,989.43
EXPENDITURE				
Manufacturing and Other Expenses	9	90,899.28		76,427.87
Inventory Adjustment	10	2,329.62		(4,248.71)
Interest and Other Financial Charges	11	1,706.19		1,162.58
		94,935.09		73,341.74
PROFIT BEFORE DEPRECIATION		22,126.75		17,647.69
Depreciation/Amortisation		5,290.79		4,727.70
Less: Transferred from Special Reserve		18.18		18.18
Transferred from Revaluation Reserve		118.88		118.88
		5,153.73		4,590.64
PROFIT BEFORE PRIOR YEARS' ADJUSTMENTS		16,973.02		13,057.05
Prior Years' Adjustments (Net)		-		(58.65)
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		16,973.02		13,115.70
Exceptional Items (Net) [Refer Note 10]		276.02		182.12
PROFIT BEFORE TAX		16,697.00		12,933.58
PROVISION FOR DIRECT TAXES				
Current Income Tax		6,087.77		1,915.80
Fringe Benefit Tax		93.23		70.71
Deferred Income Tax		(402.45)		1,728.83
Wealth Tax		23.11		17.71
		5,801.66		3,733.05
NET PROFIT		10,895.34		9,200.53
Balance Brought Forward		36,330.89		31,388.09
Less: Transferred from Stock Reserve		12.31		(4.33)
		36,318.58		31,392.42
AMOUNT AVAILABLE FOR APPROPRIATION		47,213.92		40,592.95
APPROPRIATIONS				
Transferred to Debenture Redemption Reserve		190.00		190.00
Transferred to General Reserve		1,145.10		973.00
Proposed Dividend		3,087.20		2,646.20
Corporate Dividend Tax		527.75		452.86
		4,950.05		4,262.06
SURPLUS IN PROFIT AND LOSS ACCOUNT		42,263.87		36,330.89
Earnings Per Share [Refer Note 15] (Rs.)		12.35		10.43
NOTES FORMING PART OF ACCOUNTS				

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

Mumbai
Dated 30th May, 2008

C.K. MEHTA
Chairman

S.C. MEHTA
Vice-Chairman & Managing Director

Mumbai
Dated 30th May, 2008

S.S. MARATHE
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Sr. Vice-President (Legal) &
Company Secretary

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
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Information pursuant to the Listing Agreement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. in Lacs)

	<u>2007-2008</u>	<u>2006-2007</u>
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	16,697.00	12,933.58
Adjustments For-		
Depreciation and Amortisation	5,153.73	4,590.64
Exceptional Items	276.02	65.95
Exchange Fluctuations (net)	560.27	461.94
Loss / (Profit) on Sale of Investments	(312.89)	(142.90)
Loss / (Profit) on Sale of Asset	(53.08)	37.63
Interest/Dividends (net)	620.58	77.03
Provisions	150.16	75.75
Operating Profit Before Working Capital Changes	<u>23,091.79</u>	<u>18,099.62</u>
Adjustments For-		
Trade And Other Receivables	(10,859.16)	(3,496.09)
Inventories	3,551.17	(5,365.63)
Trade Payables	7,027.97	2,132.40
Cash Generated From Operations	<u>22,811.77</u>	<u>11,370.30</u>
Direct Taxes Paid/Refund	<u>(5,655.37)</u>	<u>(3,608.80)</u>
Cash Flow Before Exceptional Items	17,156.40	7,761.50
Exceptional Items	(276.02)	(65.95)
Net Cash From Operating Activities (A)	<u><u>16,880.38</u></u>	<u><u>7,695.55</u></u>
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(21,855.01)	(17,187.72)
Sale of Fixed Assets	170.57	16.12
Purchase of Investments- Others (net)	5,694.31	639.43
Deposits Redeemed/ (Made)	473.92	(1,046.01)
Interest Received	596.14	359.29
Dividend Received	464.96	741.29
Net Cash Used in Investing Activities (B)	<u><u>(14,455.11)</u></u>	<u><u>(16,477.60)</u></u>
(C) Cash Flow From Financing Activities		
Exchange Fluctuation	(560.27)	(461.94)
Increase / (Decrease) In Working Capital Borrowings	15,099.14	(52.01)
Repayment of External Commercial Borrowings	(4,628.90)	(595.60)
Repayment / (Proceeds) from Term Loans (net)	(8,063.69)	15,571.00
Repayment of Unclaimed Matured Debentures	(0.33)	(152.03)
Interest Paid	(1,618.75)	(1,308.94)
Equity Dividend and Corporate Dividend Tax Paid	(3,076.48)	(3,007.44)
Net Cash Used in Financing Activities (C)	<u><u>(2,849.28)</u></u>	<u><u>9,993.04</u></u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u><u>(424.01)</u></u>	1,210.99
Cash and Cash Equivalents Opening Balance	3,598.58	2,387.59
Cash and Cash Equivalents Closing Balance	3,174.57	3,598.58

Note :

(i) Figures in brackets are outflows.

(ii) Previous Year's figure's 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

S.S. MARATHE
Director

N.C. SINGHAL
Director

S.R. WADHWA
Director

Mumbai
Dated 30th May, 2008

Mumbai
Dated 30th May, 2008

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



SCALING NEW HEIGHTS

Schedules forming part of the consolidated balance sheet

Schedule 1

SHARE CAPITAL

	(Rupees in Lacs)	
	As at 31.03.2008	As at 31.03.2007
AUTHORISED		
12,50,00,000 Equity Shares of Rs.10/- each	12,500.00	12,500.00
10,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each	1,000.00	1,000.00
	<u>13,500.00</u>	<u>13,500.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
8,82,04,943 Equity Shares of Rs.10/- each fully paid up	8,820.49	8,820.49
	<u>8,820.49</u>	<u>8,820.49</u>

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 (*)	100.40	118.58	
Less : Transferred to Profit and Loss Account	18.18	18.18	
	<u>82.22</u>		100.40
Revaluation Reserve	1,538.18	1,657.06	
Less : Transferred to Profit and Loss Account	118.88	118.88	
	<u>1,419.30</u>		1,538.18
Debenture Redemption Reserve			
Balance as per last Balance Sheet	760.00	570.00	
Add : Transferred from Profit and Loss Account	190.00	190.00	
	<u>950.00</u>		760.00
General Reserve			
Balance as per last Balance Sheet	6,319.78	5,346.78	
Less : Transferred to Employee Benefits (Net of Tax Rs. 32.04 lacs) [Refer Note 13]	62.22	-	
Add : Transferred from Profit and Loss Account	1,145.10	973.00	
	<u>7,402.66</u>		6,319.78
Foreign Currency Translation Reserve	4.30		2.11
Surplus in Profit and Loss Account	42,263.87		36,330.89
	<u>63,071.43</u>		<u>56,000.44</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. TERM LOANS

(a) External Commercial Borrowings	8,331.50	12,960.40	
(b) From Banks	7,707.31	8,771.00	
	<u>16,038.81</u>		21,731.40

B. SECURED NON-CONVERTIBLE DEBENTURES

(a) 7.50% Privately Placed Non-Convertible Debentures	2,000.00	2,000.00	
(b) 7.25% Privately Placed Non-Convertible Debentures	1,800.00	1,800.00	
	<u>3,800.00</u>		3,800.00
Total Secured Loans	<u>19,838.81</u>		25,531.40

UNSECURED LOANS

A. Short Term Loan from Bank	8,707.53	7,000.00	
B. Buyers Credit	6,391.61	-	
	<u>15,099.14</u>		7,000.00
	<u>34,937.95</u>		<u>32,531.40</u>

Repayable within one year

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
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Schedules forming part of the consolidated balance sheet

Schedule 4

FIXED ASSETS

(Rupees in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-07	Addi- tions	Deduct- ions/ Adjust- ments	Total upto 31-03-08	As on 01-04-07	Deduct- ions/ Adjust- ments	For the year	Total upto 31-03-08	As on 31-03-08	As on 31-03-07
Land - Freehold (a)	223.68	3,714.68	2.48	3,935.88	-	-	-	-	3,935.88	223.68
Land - Leasehold (b)	1,064.25	1,492.44	-	2,556.69	110.03	-	21.99	132.02	2,424.67	954.22
Buildings (c)	9,495.89	4,746.78	31.54	14,211.13	2,206.80	9.36	218.26	2,415.70	11,795.43	7,289.09
Plant and Machinery (d)	81,052.16	4,591.56	162.72	85,481.00	42,419.08	130.66	4,295.17	46,583.59	38,897.41	38,633.08
Electrical Installation and Fittings	94.87	491.24	-	586.11	77.56	-	4.73	82.29	503.82	17.31
Furniture & Fixtures	513.78	51.74	1.80	563.72	424.44	1.80	21.35	443.99	119.73	89.34
Office Equipments	896.26	126.87	39.86	983.27	713.27	39.50	82.97	756.74	226.53	182.99
Vehicles	410.11	583.69	164.03	829.77	192.56	103.64	105.53	194.45	635.32	217.55
Intangible Assets	406.00	36.40	-	442.40	280.81	-	29.18	309.99	132.41	125.19
Goodwill on Consolidation	5,115.76	-	-	5,115.76	1,534.74	-	511.58	2,046.32	3,069.44	3,581.02
TOTAL	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
Previous Year	78,508.11	20,977.43	212.78	99,272.76	43,390.62	159.03	4,727.70	47,959.29	51,313.47	35,117.49

Capital Work-in-Progress (e)

928.53 412.26

- (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.
- (b) Leasehold land includes Rs. 2,381.12 lacs (Previous Year: Rs. 910.67 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. 4,537.03 lacs (Previous Year: Rs. 4,537.03 lacs) represented by 25,652 (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. 455.01 lacs (Previous Year: Rs. 157.23 lacs) being the cost of Fixed Assets, ownership of which does not vest with the Company, being amortised over 60 months.
- (e) Capital Work-in-Progress includes advances/deposits for fixed assets Rs. 87.40 lacs (Previous Year: Rs. 71.17 lacs).

Schedule 4a

CAPITAL WORK-IN-PROGRESS - PROJECTS

(Rupees in Lacs)

Description	Incurred upto 31-03-2007	Incurred during 2007-08	Capitalised/ Transferred during 2007-08	Total as on 31-03-2008
Land & Site Development	3,707.29	726.83	3702.92	731.20
Building (under construction)	6,001.08	4,328.39	5,081.71	5,247.76
Plant & Machinery (under installation)	4,234.98	10,365.45	1,428.40	13,172.03
Advances	1,342.14	509.18	-	1,851.32
Technical Know - how & Engineering Fees	1,112.27	295.37	31.64	1,376.00
Other Assets	-	23.17	3.53	19.64
Pre-operative Expenditure Pending Capitalisation/ Amortisation:				
Employees emoluments	264.03	350.00	204.89	
General expenses	1,296.28	226.13	1,117.77	
	<u>1,560.31</u>	<u>576.13</u>	<u>1,322.66</u>	813.78
Interest (net) on fixed term loan and other financial charges (a)	436.58	957.32	707.64	686.26
TOTAL	18,394.65	17,781.84	12,278.50	23,897.99

- (a) Interest (net) on fixed term loan and other financial charges include Rs. Nil (Previous Year: Rs. 35.62 lacs) on account of Exchange fluctuation for outstanding loan.



SCALING NEW HEIGHTS

Schedules forming part of the consolidated balance sheet

Schedule 5

	(Rupees in Lacs)	
	As at 31.03.2008	As at 31.03.2007
INVESTMENTS [Refer Note 4(G)]		
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		
(a) 8.30% Fertilisers Company GOI Special Bonds 2023	400.00	-
(b) 7.95% Fertilisers Company GOI Special Bonds 2026	762.10	-
[Aggregate Market Price of Bonds Rs.1,097.88 lacs (Previous Year: Rs.Nil)]		
(c) Investment in Equity Shares	1,066.10	885.49
[Aggregate Market Price of Quoted Shares Rs. 963.39 lacs (Previous Year: Rs. 858.64 lacs)]		
CURRENT INVESTMENT		
A. Liquid Funds	4,731.38	8,497.14
B Short Term Funds	948.38	-
C. Fixed Maturity Plans	495.00	3,785.10
D. Income Funds	48.21	80.00
E. Floating Rate Funds	151.40	-
F. Equity and Derivatives Funds	25.00	764.70
	6,399.37	13,126.94
Less: Provision for Diminution in Value	-	3.44
	<u>6,399.37</u>	<u>13,123.50</u>
	<u>8,696.26</u>	<u>14,077.68</u>

Schedule 6

CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
1 INTEREST ACCRUED ON DEPOSITS	103.94	79.42
2 INVENTORIES (taken, valued & certified by Management)		
(a) Raw Materials	1,012.61	2,690.48
(b) Stores, Spares, Oils, Chemicals & Catalysts	4,014.44	3,212.09
[Net of provision for obsolescence Rs. 11.15 lacs; (Previous year: Rs. 43.41 lacs)].		
(c) Finished Goods	3,477.60	6,153.25
	8,504.65	12,055.82
3 SUNDRY DEBTORS		
(a) Unsecured, Considered good:		
(i) Over six months	1,307.00	955.14
(ii) Others	21,320.46	11,928.40
(b) Considered doubtful	440.31	393.95
	23,067.77	13,277.49
Less: Provision for doubtful debts	440.31	393.95
	22,627.46	12,883.54
4 CASH AND BANK BALANCES		
(a) Cash and Cheques on hand	115.14	157.35
(b) Balances with Scheduled Banks:		
(i) Current/Cash Credit Accounts	1,169.67	2,227.34
(ii) Short Term/Margin Deposits	1,889.76	1,213.89
(Under Lien with Banks Rs.1,828.62 lacs; Previous Year: Rs. 1,169.28 lacs)	3,174.57	3,598.58
B. LOANS AND ADVANCES		
Unsecured, considered good: (Unless provided for)		
1 Security and other Deposits	913.64	487.56
2 Loans/deposits with Joint Stock Companies	2,200.78	3,100.78
Less: Provision	383.78	383.78
	1,817.00	2,717.00
3 Balance with Central Excise, Customs etc.	1,761.41	1,002.34
4 Prepaid Expenses	537.79	647.16
5 Advance Payment of Taxes (net)	601.35	1,150.09
6 Advances recoverable in cash or kind or for value to be received	3,731.68	3,251.10
	9,362.87	9,255.25
	<u>43,773.49</u>	<u>37,872.61</u>

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
28TH ANNUAL REPORT 2007-2008

Schedules forming part of the consolidated balance sheet

Schedule 7

		(Rupees in Lacs)	
		As at 31.03.2008	As at 31.03.2007
CURRENT LIABILITIES AND PROVISIONS			
A. CURRENT LIABILITIES			
1	Sundry Creditors	13,932.70	8,950.23
2	Due to Directors	507.89	535.04
3	Other Liabilities	6,214.11	4,179.10
4	Unclaimed Dividend / Interest / Matured Debentures	247.85	228.66
5	Interest accrued but not due	447.38	359.94
		21,349.93	14,252.97
B. PROVISIONS			
1	Provision for Employee Costs	746.13	501.73
2	Proposed Dividend	3,087.20	2,646.20
3	Corporate Dividend Tax	527.75	452.86
		4,361.08	3,600.79
		25,711.01	17,853.76

Schedules forming part of the consolidated profit and loss account

Schedule 8

		(Rupees in Lacs)	
		Year Ended 31.03.2008	Year Ended 31.03.2007
OTHER INCOME			
1	Interest on Inter Corporate Deposits (Gross) (Tax Deducted at Source Rs. 47.74 lacs; Previous Year: Rs. 38.19 lacs).	222.24	184.87
2	Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source Rs. 28.21 lacs; Previous Year: Rs. 15.06 lacs).	369.83	69.02
3	Other Interest (Gross) (Tax Deducted at Source Rs. Nil; Previous Year: Rs. 1.17 lacs).	28.58	90.37
4	Insurance Claims	-	11.64
5	Dividend - Non Trade Investment	5.79	6.18
6	Dividend - Mutual Funds	459.17	735.11
7	Profit on Sale / Redemption of Investments		
	a) Long Term Non Trade Quoted Shares	237.76	101.87
	b) Mutual Funds	75.13	41.03
8	Rent and other revenue from Realty business [Tax Deducted at Source Rs. 88.65 lacs; Previous Year: Rs. 52.00 lacs. (Service Tax : Rs. 51.65 lacs; Previous Year: Rs. Nil)]	457.18	231.73
9	Service Charges [Tax Deducted at Source Rs. 12.19 lacs; Previous Year: Rs. 2.16 lacs (Service Tax: Rs. 91.25 lacs; Previous Year: Rs. 39.50 lacs)]	776.19	350.94
10	Foreign Currency Fluctuation (net)	560.27	461.94
11	Miscellaneous Receipts	1,323.85	1,412.13
		4,515.99	3,696.83



SCALING NEW HEIGHTS

Schedules forming part of the consolidated profit and loss account

Schedule 9

		(Rupees in Lacs)	
		Year Ended 31.03.2008	Year Ended 31.03.2007
MANUFACTURING AND OTHER EXPENSES			
1	RAW MATERIALS CONSUMED (including use of gas for primary reformer heating)	36,109.18	27,718.69
2	MATERIAL HANDLING CHARGES	134.14	100.97
3	PURCHASES OF GOODS TRADED	36,909.83	33,193.16
4	PACKING MATERIAL CONSUMED	861.73	735.48
5	EMPLOYEES' EMOLUMENTS		
	(a) Salaries, Wages & Allowances	4,990.03	4,063.48
	(b) Contribution to Provident, Superannuation and Gratuity Funds	554.24	509.19
	(c) Welfare and other Amenities	449.60	393.80
		<u>5,993.87</u>	<u>4,966.47</u>
6	OPERATING AND OTHER EXPENSES		
	(a) Power, Fuel and Water	2,359.46	2,115.27
	(b) Stores, Spares, Oils, Chemicals & Catalysts Consumed	1,735.55	1,326.66
	(c) Repairs to:		
	(i) Buildings	150.60	247.69
	(ii) Plant & Machinery	1,031.76	989.08
	(iii) Others	210.37	203.43
		<u>1,392.73</u>	<u>1,440.20</u>
	(d) Insurance	562.33	609.67
	(e) Rent	475.95	363.52
	(f) Rates, Taxes and Duties	157.25	120.96
	(g) Directors' Sitting Fees	6.51	7.02
	(h) Auditors' Remuneration	60.41	46.39
	(i) Carriage Outward (net)	1,345.69	1,472.90
	(j) Cash Discounts	141.14	166.24
	(k) Miscellaneous Expenses	2,653.51	2,044.27
		<u>10,890.53</u>	<u>9713.10</u>
		<u>90,899.28</u>	<u>76,427.87</u>

Schedule 10

INVENTORY ADJUSTMENTS			
1	Opening Stock of Finished Goods	6,153.25	1,353.44
2	Stocks brought over from Trial Production	-	174.29
3	Closing Stock of Finished Goods	3,477.60	6,153.25
4.	Increase / (Decrease) in Excise Duty on Stock of Finished Goods	(346.03)	376.81
	(Increase) / Decrease	<u>2,329.62</u>	<u>(4,248.71)</u>

Schedule 11

INTEREST AND OTHER FINANCIAL CHARGES			
1	Interest on Loans *	1,347.17	907.55
2	Interest - Others	121.07	48.98
3	Other Financial Charges*	237.95	206.05
		<u>1,706.19</u>	<u>1,162.58</u>

* Excluding interest capitalised Rs. 957.32 lacs (Previous Year: Rs. 601.91 lacs)

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Schedule 12

NOTES FORMING PART OF 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 Smarchem 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**
 - (i) 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.
 - (ii) 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.
 - (iii) 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.
 - (iv) 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.
 - (v) 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.
 - (vi) 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-10. Accordingly the requirements of Accounting Standard-13 on Accounting for Investments and Accounting Standard-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) REVENUE ACCOUNTING**
 - 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.
 - Interest on refundable taxes is recognised on the receipt of final effectuating orders.
 - B) VOLUNTARY RETIREMENT SCHEME**
Compensation paid under voluntary retirement scheme is amortised over a period of 60 months from the date of incurrence.
 - C) 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.
 - D) DEPRECIATION**
 - Depreciation is provided by Straight Line Method, except for relocated DNA Plant which is depreciated by 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%



SCALING NEW HEIGHTS

- Depreciation on exchange rate variance capitalised as part of the cost of Fixed Assets upto 31st March, 2007, 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.
- Cost of Leasehold Land is amortised over the lease period.

E) 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.

F) 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.

G) INVESTMENTS

Long term investments are valued at cost after appropriate adjustment, if necessary, for permanent diminution in their value. Current Investments are stated at lower of cost and fair value.

H) 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.
- 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.

I) 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 benefit retirement 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 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.

J) 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.

K) 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.

L) 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.

M) 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. 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.
6. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 13,607.23 lacs (Previous Year: Rs. 14,427.13 lacs).
7. The following liabilities are classified and considered contingent due to contested claims and legal disputes:
 - Claims by Suppliers: Rs. 3,575.89 lacs (Previous Year: Rs. 784.68 lacs)
 - Other Claims: Rs. 3.80 lacs (Previous Year: Rs. 3.80 lacs)
 - Taxes & Duties
 - Income tax demands: Rs. 1,033.53 lacs (Previous Year: Rs. 2,265.65 lacs)
 - Excise demands: Rs. 187.69 lacs (Previous Year: Rs. 285.89 lacs)
 - Customs demands: Rs. 28.44 lacs (Previous Year: Rs. 115.03 lacs)
 - Sales Tax: Rs. 47.15 lacs (Previous Year: Rs. Nil)
8. The following foreign currency transactions remain outstanding as at 31st March, 2008:
 - Coupon Swap (US \$) : Nil (Previous Year: 12,53,376)
 - Un-hedged Exposure
 - ECB Loan (US \$) : 1,50,00,000 (Previous Year: 1,90,00,000)
 - Short Term Loan (US \$) : 2,17,09,135 (Previous Year: Nil)
 - Buyers' Credit (US \$) : 1,59,35,205 (Previous Year: Nil)
 - Imports (US \$) : 2,56,20,084 (Previous Year: 58,82,919)
 - (GBP) : 27,620 (Previous Year: Nil)
 - Exports (US \$) : 14,89,834 (Previous Year: 14,91,737)
9. 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.
10. Exceptional items represent:
 - Insurance claims reversal (net) Rs. Nil (Previous Year: Rs. 116.17 lacs)
 - Amortisation of VRS Compensation paid Rs. 65.95 lacs (Previous Year: Rs. 65.95 lacs).
 - Expenditure on Brand launching of Rs. 210.07 lacs (Previous Year: Rs. Nil)
11. The Accounting Standard 11 on Effects of Changes in Foreign Exchange rates had become part of the Companies (Accounting Standards) Rules, 2006 vide notification dated 7th December, 2006 issued by Ministry of Company Affairs and made applicable w.e.f. 1st April, 2007. The Company has accordingly taken credit during the year of an amount of Rs. 248.76 lacs (which hitherto was adjusted against the value of plant and machinery) and included the same in Other Income.
12. The Company's subsidiary has revalued its plant & 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.



SCALING NEW HEIGHTS

13. Defined benefit plans – As per actuarial valuation as on 31st March, 2008.

(Rs. in Lacs)

Particulars	Gratuity benefits	Compensated absences
1. Components of employer expenses		
Current service cost	59.93	45.00
Interest cost	84.38	26.48
Expected return on plan assets	(73.93)	NA
Actuarial losses / (gains)	106.93	122.11
Total expenses / (income) recognised in the Profit and Loss Account	177.31	193.59
2. Actual contribution and benefits paid during the year		
Actual benefits paid	74.33	77.38
Actual contribution	137.28	NA
3. Net asset / (liability) recognised in the Balance Sheet as on 31st March, 2008		
Present Value of Defined Benefit Obligation	1,240.03	446.24
Fair value of plan assets	940.11	Nil
Net asset/(liability) recognised in Balance Sheet	299.92	446.24
4. Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2008		
Present Value of DBO at beginning of year	1,053.91	330.03
Current Service cost	59.93	45.00
Interest cost	84.38	26.48
Actuarial (gains)/ losses	116.14	122.11
Benefits paid	(74.33)	(77.38)
Present Value of DBO at the end of year	1,240.03	446.24
5. Change in Fair Value of Assets during the year ended 31st March, 2008		
Plan assets at beginning of year	790.70	NA
Actual return on plan assets	83.14	NA
Actual Company contributions	137.28	NA
Benefits paid	(71.01)	NA
Plan assets at the end of year	940.11	NA
6. Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Expected Return on plan assets	9.35%	NA
Salary escalation	5.00%	5.00%

- a) The planned asset is represented by investment made under the Group Gratuity Scheme operated by Life Insurance Corporation of India.
- b) The revised Accounting Standard 15 (Employee Benefit) is adopted by Company with effect from 1st April, 2007. Pursuant to such adoption, incremental employee costs of Rs. 26.93 lacs are recognised in the Profit and Loss Account. For the current year an incremental liability of Rs. 62.22 lacs (net of tax) as on 1st April, 2007 as detailed below has been set off against the General Reserve as per the transitional provision of the Accounting Standard.

(Rs. in Lacs)

Particulars	Gross	Tax	Net
Gratuity benefits	103.93	(35.33)	68.60
Compensated absences	(9.67)	3.29	(6.38)
	94.26	(32.04)	62.22

14. Major Items of Deferred Tax Liabilities and Deferred Tax Assets :

(Rs. in Lacs)

Sr. No.	Particulars	Opening as on 01-04-2007	Net increase/(decrease) during the year	Closing Balance as on 31-03-2008
A	Deferred Tax Liabilities			
1	Timing Difference on account of depreciation	7,479.36	(418.78)	7,060.58
2	Others	0.13	74.57	74.70
	Total A	7,479.49	(344.21)	7,135.28
B	Deferred Tax Assets			
1	Provision for Doubtful Debts/Loans & Advances	264.36	15.75	280.11
2	Accrued expenses deductible on actual payment/ Quantification	163.79	42.50	206.29
3	Difference of Opening Liability as per Revised AS-15	32.04	-	32.04
	Total B	460.19	58.25	518.44
	Net Tax effect of Timing Difference (A-B)	7,019.30	(402.46)	6,616.84

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

	<u>2007-2008</u>	<u>2006-2007</u>
(i) Net Profit After Tax (Rs. in Lacs)	10,895.34	9,200.53
(ii) Number of Equity Shares of Rs.10/-each	8,82,04,943	8,82,04,943
(iii) Basic and Diluted Earnings Per Share (Rs.)	12.35	10.54

16. Segment Reporting - Refer Annexure - A.

17. Related Party Disclosure - Refer Annexure - B.

18. 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 30th May, 2008

C.K. MEHTA
Chairman

 S.C. MEHTA
Vice-Chairman & Managing Director

Mumbai
 Dated 30th May, 2008

S.S. MARATHE
Director

N.C. SINGHAL
Director

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

S.R. WADHWA
Director



SCALING NEW HEIGHTS

ANNEXURE-A

SEGMENT REPORTING

(Rs.in Lacs)

Sr. No.	PARTICULARS	CHEMICALS	BULK FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1	Revenue							
	a) External Sales							
	i) Produced	69,930.96	3,735.94	-	309.42	-	-	73,976.32
	<i>Previous Year</i>	<i>48,446.99</i>	<i>7,193.86</i>	-	<i>73.56</i>	-	-	<i>55,714.41</i>
	ii) Traded	12,746.95	25,822.58	-	-	-	-	38,569.53
	<i>Previous Year</i>	<i>8,799.30</i>	<i>22,778.89</i>	-	-	-	-	<i>31,578.19</i>
	b) Inter-segment sales	849.02	-	-	-	(849.02)	-	-
	<i>Previous Year</i>	<i>1,809.44</i>	-	-	-	<i>(1,809.44)</i>	-	-
	c) Other income	1,021.48	257.90	457.18	165.55	-	-	1,902.11
	<i>Previous Year</i>	<i>835.43</i>	<i>293.08</i>	-	-	-	-	<i>1,128.51</i>
	d) Unallocated Corporate other income	-	-	-	-	-	2,613.88	2,613.88
	<i>Previous Year</i>	-	-	-	-	-	<i>2,568.32</i>	<i>2,568.32</i>
	Total Revenue	84,548.41	29,816.42	457.18	474.97	(849.02)	2,613.88	1,17,061.84
	<i>Previous Year</i>	<i>59,891.16</i>	<i>30,265.83</i>	-	<i>73.56</i>	<i>(1,809.44)</i>	<i>2,568.32</i>	<i>90,989.43</i>
2	Segment Result	20,471.93	(1,000.57)	49.10	215.86	-	2,613.88	22,350.20
	<i>Previous Year</i>	<i>17,901.71</i>	<i>(2,706.66)</i>	-	<i>(214.49)</i>	-	<i>2,568.32</i>	<i>17,548.88</i>
3	Unallocated Corporate expenses	-	-	-	-	-	11,454.86	11,454.86
	<i>Previous Year</i>	-	-	-	-	-	<i>8,348.35</i>	<i>8,348.35</i>
4	Net profit	-	-	-	-	-	-	10,895.34
	<i>Previous Year</i>	-	-	-	-	-	-	<i>9,200.53</i>
5	Other Information							
	a) Segment Assets	73,098.52	17,189.97	22,084.83	4,858.30	-	-	1,17,231.62
	<i>Previous Year</i>	<i>58,973.62</i>	<i>16,348.94</i>	-	<i>17,895.76</i>	-	-	<i>93,218.32</i>
	Unallocated Corporate Assets	-	-	-	-	-	21,926.11	21,926.11
	<i>Previous Year</i>	-	-	-	-	-	<i>29,039.12</i>	<i>29,039.12</i>
	Total Assets	-	-	-	-	-	-	1,39,157.73
	<i>Previous Year</i>	-	-	-	-	-	-	<i>1,22,257.44</i>
	b) Segment Liabilities	6,838.43	7,863.38	9,254.51	-	-	-	23,956.32
	<i>Previous Year</i>	<i>3,213.73</i>	<i>5,916.17</i>	-	<i>8,960.06</i>	-	-	<i>18,089.96</i>
	Unallocated Corporate Liabilities	-	-	-	-	-	43,309.48	43,309.48
	<i>Previous Year</i>	-	-	-	-	-	<i>39,346.54</i>	<i>39,346.54</i>
	Total Liabilities	-	-	-	-	-	-	67,265.80
	<i>Previous Year</i>	-	-	-	-	-	-	<i>57,436.50</i>
	c) Capital Expenditure incurred during the year	3,963.08	49.73	11,287.69	7.19	-	527.71	15,835.40
	<i>Previous Year</i>	<i>15,518.51</i>	<i>269.89</i>	-	<i>4,738.44</i>	-	<i>450.59</i>	<i>20,977.43</i>
	d) Depreciation	4,050.35	568.55	103.88	-	-	186.61	5,153.73
	<i>Previous Year</i>	<i>3,604.26</i>	<i>533.18</i>	-	<i>128.61</i>	-	<i>324.59</i>	<i>4,590.64</i>
	e) Other non-cash expenditure	-	-	-	-	-	-	-
	<i>Previous Year</i>	-	-	-	-	-	-	-

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. Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Seeds, Sulphur, Micronutrients, SSF, Bio Fertilisers
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

S.S. MARATHE
Director

N.C. SINGHAL
Director

Mumbai
Dated 30th May, 2008

Mumbai
Dated 30th May, 2008

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

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
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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.

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	2,813.81	-	2,813.81	2,616.26	-	2,616.26
2	Purchase of Goods	-	-	-	-	-	-
3	Cash Discount Allowed	-	-	-	11.26	-	11.26
4	Rendering of Services	1.35	-	1.35	16.86	-	16.86
5	Receiving of Services	71.50	476.97	548.47	78.31	554.35	632.66
6	Leasing or Hire Purchase arrangements	24.55	(9.00)	15.55	231.43	(9.00)	222.43
7	Sale of Fixed Assets	-	-	-	-	-	-
8	Finance (including Loans, Equity contribution in cash or in kind)	-	-	-	-	-	-
9	Interest Received	3.75	-	3.75	-	-	-
10	Dividend Received	-	-	-	-	-	-
11	Dividend Paid	521.17	515.75	1,036.92	472.40	586.68	1,059.08
12	Balance Receivable/(Payable)	168.00	(237.56)	(69.56)	326.86	(299.88)	26.98
	Less : Provision for Receivable/(Payable)	-	-	-	-	-	-
	Net Outstanding Receivable/ (Payable)	168.00	(237.56)	(69.56)	326.86	(299.88)	26.98



SCALING NEW HEIGHTS

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 Limited	2,813.81	-
2	Rendering of Services Deepak Nitrite Limited	1.35	-
3	Receiving of Services Yerrowda Investments Limited Shri S.C. Mehta (Remuneration) Shri S.C. Mehta (Commission)	69.48 - -	- 32.96 437.56
4	Leasing or Hire Purchase arrangements Deepak Nitrite Limited Shri S.C. Mehta	24.55 -	- (9.00)
5	Interest Received Deepak Nitrite Limited	3.75	-
6	Dividend Paid Nova Synthetic Limited Shri S.C. Mehta	483.31 -	- 515.75
7	Balance Receivable / (Payable) Yerrowda Investments Limited Deepak Nitrite Limited Shri S.C. Mehta	(8.58) 176.58 -	- - (237.56)

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

Mumbai
Dated 30th May, 2008

C.K. MEHTA
Chairman

S.C. MEHTA
Vice-Chairman & Managing Director

Mumbai
Dated 30th May, 2008

S.S. MARATHE
Director

N.C. SINGHAL
Director

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

S.R. WADHWA
Director