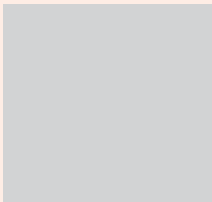
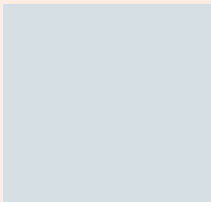
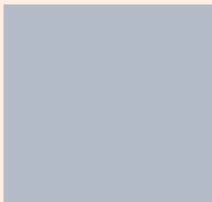




DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED

# The Core Of Life

ENRICHING... NOURISHING... EMPOWERING...



## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

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

## MANAGEMENT TEAM

Somnath Patil, *President & CFO*  
Rajendra Sinh, *President - HRD & Corporate Services*  
Dr. Rajeev Chemburkar, *President - Chemicals*  
Guy R. Goves, *President - Agribusiness*  
Karthik Menon, *President - Strategy & Business Development*  
Pandurang Landge, *President - Projects*

## BANKERS

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

## SOLICITORS

Crawford Bayley & Company  
J. Sagar Associates

## AUDITORS

B. K. Khare & Co.

## REGISTERED OFFICE

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## PLANTS

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## CONTENTS

The Core of Life	1
Financial Highlights	2
Strengths	3
Strategic Focus – Technical Ammonium Nitrate	4
– Industrial Chemicals	5
– Agri Business	6
– Fresh Produce Management	7
– Value Added Real Estate	7
Message from the Vice-Chairman & Managing Director	8
Management Discussion and Analysis	10
Corporate Social Responsibility	17
Notice	19
Directors' Report	21
Corporate Governance	27
General Shareholder Information	32
Auditors' Report	35
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes forming part of Accounts	41
Consolidated Financial Statements	69

## CORE

*The innermost, deepest and most essential part; something that is central to existence and character.*



At Deepak Fertilisers And Petrochemicals Corporation Ltd., we touch THE CORE OF LIFE... everyday... Enriching...Nourishing... Empowering...

With:

- Our fertilisers and agri-services that are essential to agriculture and that ensure that the cereals, staples, fruits and vegetables we eat are tasty and nourishing
- Our fresh fruits and vegetables that are essential to nutrition and, indeed, a delight to the palate
- Our chemicals that enrich everything we use from pharmaceuticals to cosmetics to printing inks
- Our mining chemicals that empower key aspects of our lives – coal, power, steel, cement, infrastructure, roads and bridges
- Our shopping centre that empowers the consumers with a world-class shopping experience and enhances their lifestyle with wider choices
- Our commitment to our social responsibilities through the Ishanya Foundation that sustains and elevates self-reliant communities

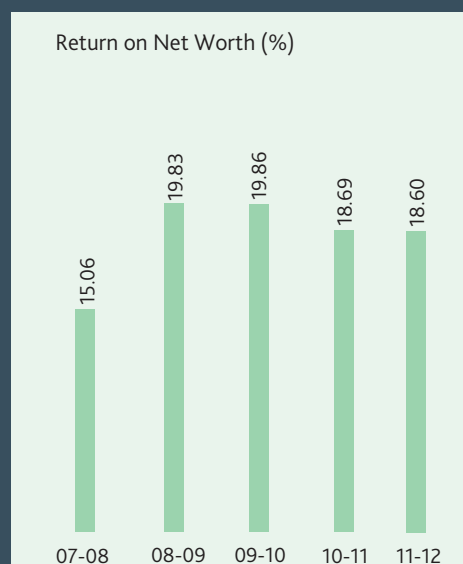
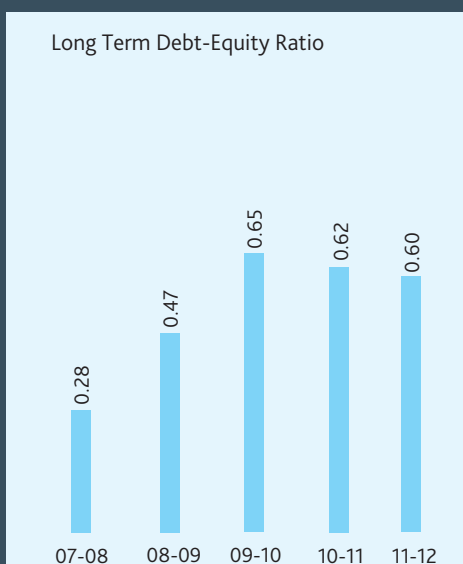
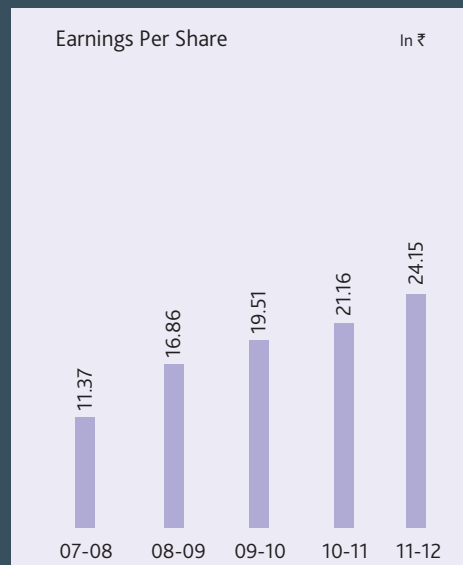
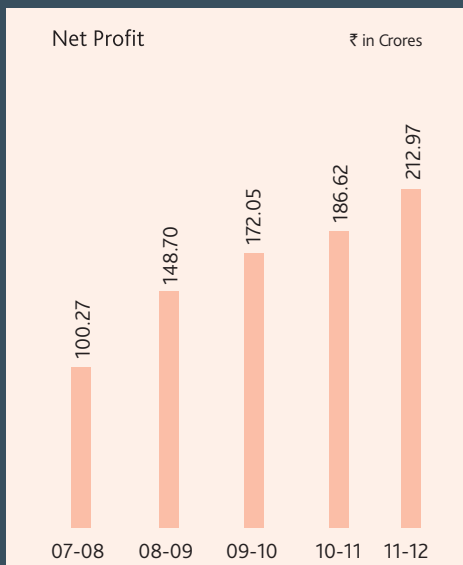
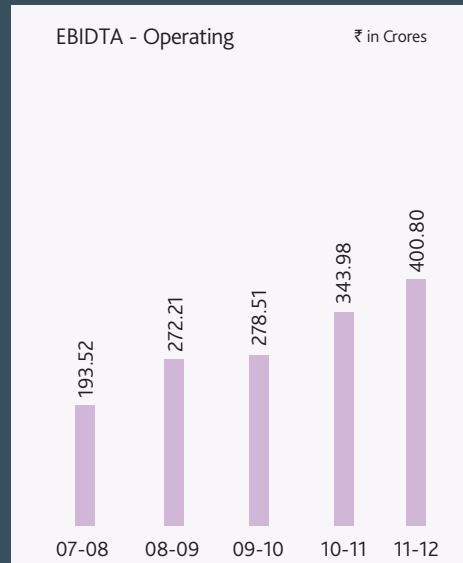
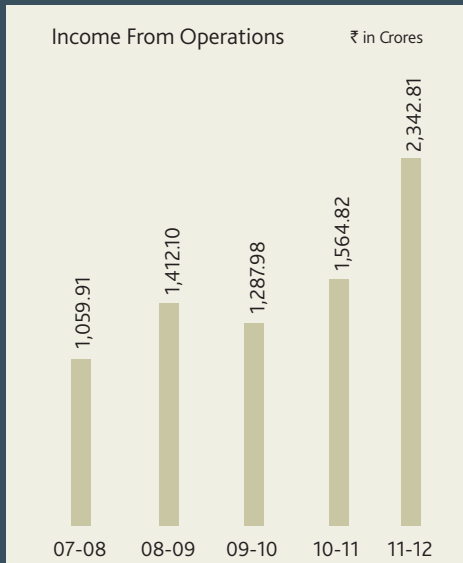
The benefit that accrues to each and every stakeholder, and indeed society, through our focus on four high growth sectors, product quality, sector diversity, management strengths and financial acumen forms the CORE of all our actions and decisions.

Firmly rooted in a strong legacy of trust, performance and value, we are today an enterprise that brings value with something beyond a 'commodity' play...

- That has built-in critical resilience through size, scale and product diversity
- That is committed to creating concrete and long-lasting value for all stakeholders
- That is ready to leverage its financial, operational and execution strengths to prudently invest in growth

It's because our businesses touch people in unique ways... Everyday...

# FINANCIAL HIGHLIGHTS



## CORE STRENGTHS BEYOND NUMBERS

*Multi-product portfolio with demonstrated resilience against economic downturns*

Spanning fertilisers, agri-services, fresh produce, bulk and specialty chemicals, mining chemicals and value-added real estate

**Resilience that stems from:**

### RAW MATERIALS

- Strategically located to obtain Natural Gas from multiple sources
- Multiple sources of ammonia – own manufactured, domestic outsourcing, global supply (firm quantity tie-up)
- Adequate storage with three ammonia tanks collectively storing 36,000 MT
- Ten-year tie-up for propylene with alternate domestic sources within reach
- Industry-price linked phos acid supplied from a Global leader

### MANUFACTURING

- Ranked 3<sup>rd</sup> among chemical manufacturers in India by Dun & Bradstreet
- Asia's largest Nitric Acid complex with five plants, each capable of working as a back-up to the other
- Three CNA plants, each capable of working as a back-up to the other
- Certifications – ISO 9001:2000, ISO 14001:2004, OHSAS 18001:2007

### MARKETING

- Serving multiple sectors – Agri, Pharma, Coal, Cement, Fine chemicals, Retail, etc. A wide range of customers that brings a unique strength safeguarding against sectoral/seasonal vagaries
- Key end-products priced at import parity, an advantage against forex fluctuation providing natural hedge to a large extent



### THE WORLD'S FINEST TECHNOLOGIES FOR EACH OF OUR PRODUCTS

- Ammonia – Fish International Engineers
- Nitric Acid – Weatherly Inc. (U.S.A.), Adolf Plinke (Germany)
- Technical Ammonium Nitrate – Grande Paroisse (France), Stamicarbon (Netherlands), Uhde (Germany)
- Nitrophosphate Fertilisers – Stamicarbon (Netherlands)
- Methanol (Davy McKee, U.K.)

## TECHNICAL AMMONIUM NITRATE

Sector Revenues: ₹ 444.03 Crores in 2011-12  
 Contribution to total revenues: 19.03%  
 Growth over 2010-11: 71%. MARKET SHARE: 31%



### BUSINESS DRIVERS

- Critical need for power and Infrastructure drives overall demand for coal, limestone and iron ore
- India possesses globally significant mineral resources. Mining Industry to grow at 7% per annum for the next 7-10 years
- Demand for coal is projected to increase to 980.5 million tonnes in India's 12<sup>th</sup> Plan, from around 650 million tonnes currently
- Coal sector growth therefore at 7–8% per year for next 10 years. Need to enhance coal production to reduce dependence on import
- 12<sup>th</sup> Five Year Plan (2012-17) envisages nearly \$1 trillion investment in infrastructure – a key to GDP growth

### BUSINESS MODEL

- TAN is a relatively specialised product requiring a high level of customer service
- Competitive advantages based on product quality, scale, market penetration and technical service
- Value chain based on value extraction at every link:
  - a. Just-In-Time services through strategically placed warehouses and channel partners – maximise proximity advantage
  - b. Bulk Mixing and Delivery equipment based trucks to provide on-the-spot, down-the-hole services
- Growth path:
  - a. Build technology capabilities to enhance technical services and customer value
  - b. Target gaps in global markets viz. South-East Asia, Australia, Africa and Middle-East
  - c. Augment scale with capacity expansion close to Indian mining centres



### STRENGTHS

- One of the world's largest manufacturers with a capacity of nearly 5,00,000 MTPA
- Broad product range – AN Melt, High-Density and Low-Density AN
- Strong brands and well-entrenched distribution system
- World-class quality with domestic scale
- Proximity advantage with ability to provide Just-In-Time service
- Strong, technology competent teams providing technical services and knowledge

## INDUSTRIAL CHEMICALS

Sector Revenues: ₹ 915.61 Crores in 2011-12  
 Contribution to total revenues: 39.23%  
 Growth over 2010-11: 20.55%



### BUSINESS DRIVERS

#### ISO-PROPYL ALCOHOL. MARKET SHARE 70%

Major IPA users in India:

- Pharmaceuticals industry growing at 9% per annum
- Printing, packaging and adhesive applications growing at 12%
- Other downstream use in products like IP Amine, IP Titanate, IP Acetate, Myristate

#### NITRIC ACID. MARKET SHARE 40%

Major Nitric Acid users in India:

- Nitro-aromatics consume about 36%. Market growing at about 10% per annum
- Inorganic Nitration consumes about 18%. Market growing at about 9% per annum
- Explosives consume about 10%. Market growing at about 5% to 6% per annum
- Manufacturers of products like MDI/TDI which go into polyurethanes

### BUSINESS MODEL

- The primary focus of this business is currently solvents
- Seek opportunities in high value petrochemical downstream products similar to solvents business
- Diversify raw material base from ammonia to petrochemicals. Ultimate focus on high value downstream products



### STRENGTHS

- Asia's largest Nitric Acid complex – scale advantages. Most production consumed in-house
- FDA-licensed Iso Propyl Alcohol
- Sales teams comprising chemical engineers providing technical support
- High levels of service with direct relationships with over 600 customers across India and the globe
- Strong distribution network. Over 50 channel partners across India
- Exports to 30+ countries globally
- One of the few global players supplying Nitric Acid in carbuoys and drums

## AGRI-BUSINESS

Sector Revenues: ₹ 969.50 Crores in 2011-12

Contribution to total revenues: 41.46%

Growth over 2010-11: 82%

### BUSINESS DRIVERS

- India's agricultural production needs to increase 50% by 2050 with population growth
- Food security issues require urgent responses
- Growing concern over declining fertiliser response ratio
- Balanced fertilisation required due to soil nutrient depletion. Need for fortified and efficient fertiliser use & balanced plant nutrition at the center stage for policy makers

### BUSINESS MODEL

Identify growth platforms at each level of the agri-value chain from farm nutrient inputs, services and fresh produce management

1. Farm nutrient inputs: Complexes, Fortified and Specialty fertilisers
  - Strategy: Augment capacity, build deeper market penetration and brand strengths
2. Services: Enhance critical last-mile connectivity to farmers
  - Strategy: Create an effective farm advisory and nutrient input delivery mechanism to the farmer's doorstep for better yields and profitability – the Saarrthie model
3. Fresh produce management: Select fresh fruits and vegetables for global and Indian markets
  - Strategy: Nascent business in India, therefore needs to acquire scale, market access and capability – Desai Fruits And Vegetables (DFV) acquisition the first step towards developing these



### STRENGTHS

- Only manufacturer of 24:24:0 in India and amongst market leaders for water solubles, specialty fertilisers and Bentonite Sulphur
- Need for water management driving need for water soluble fertiliser in India
- Two of the best recognised brands in the industry – Mahadhan and Bhoodhan
- Network of 4,500 dealers and sub-dealers. Penetration across 7 states
- Deep farmer relationships with 12 Saarrthie centres. Served over 11,500 farmers
- DeepakGap Certifications for agri-produce accepted as global standard
- ISO 17025 accredited laboratory for agri-research
- Ability to increase farm yield/value by 6 to 11 times with soil analysis/research and customised fertiliser combo





## STRATEGIC FOCUS

### NASCENT BUSINESS FRESH PRODUCE MANAGEMENT

#### BUSINESS DRIVERS

- Demand for high quality fresh fruits and vegetables rising across both India and global consumers
- Demand growth forecast in double digits for the next 7 years
- Rise of the discerning consumer up from 40,000 three years ago - organised retail doubling each year

#### VALUE DRIVERS IN THE BUSINESS

- Mastery over the back-end through focused engagement with the farmer
- Creation of processes and systems to overcome disaggregated agri-supply chain
- Access to farmers with capacity building for quality farm output that commands price premium
- Access to International markets with world-class production technologies
- Brand development at the consumer end with a safe and hygienic product

#### FOCUS

- Building value by creating sustainable relationships with farmers and with an ecology of partners
- Build capabilities in technologies like ripening and cold chains through small-ticket acquisitions like Desai Fruits And Vegetables (DFV)
- Build access to customers at front-end with year-round supply chain abilities thereby creating in-roads to global and domestic retail chains. DFV first link in chain to ensure this
- Develop dedicated production bases through owned and leased operations to ensure steady supply of high quality products to customers



### VALUE ADDED REAL ESTATE – ISHANYA

#### BUSINESS DRIVERS

- Young population aspiring to a better lifestyle driving consumption in India
- Shift to modern retail, further aided by the interest from international retailers
- Lower penetration of modern retail – further enhancing the possible upside and in turn creating a huge demand for good quality retail real estate

#### VALUE DRIVERS IN THE BUSINESS

- The ability to put together a sustainable and vibrant trade mix with the right adjacencies
- Cutting edge design
- Marketing and Experience Creation
- Efficient and high quality Shopping Centre management

#### FOCUS

- A vibrant and outdoorsy lifestyle centre with cafés and bistros spilling out into the open, flea markets and family entertainment options. The design offers a combination of the best of high street and malls
- Further reinforce Ishanya's leadership as a destination for Home and Interiors
- An attractive trade mix that combines lifestyle retail, food and leisure



MESSAGE FROM  
THE VICE-CHAIRMAN & MANAGING DIRECTOR



## A GLASS HALF FULL ...

Human beings have an innate tendency to glorify bad news, pessimism and anxieties. However, at times, contextual perspectives are important to be considered in comparison to the past.

Similarly, a nation's psyche is many times influenced not by ground level realities, but more so by expectations triggered by the context of the past. Today, when the world is crawling at a below 1% growth rate, the hope for a double digit growth rate for India based on last year's hyped expectations, needs a thorough reality check.

Look at the world around us today. A social media revolt in a country like Egypt could upturn an autocratic regime; or the conflicts over the need for economic austerity could shake up countries in Europe. Times are turbulent. We therefore need to exercise caution in thought and conclusions and accept the fact, that in comparison, the Indian Government's attempts to manage the complexities of a large coalition democracy, are obviously less likely to be

*"For myself I am  
an optimist – it does not  
seem to be much use being  
anything else."*

*– Winston Churchill*

satisfactory; more so after the recent hype of over-enthusiastic optimism all around.

Even today, there are plenty of reasons to remain optimistic about the future of our economy. The inherent entrepreneurial character of the youth of our nation remains intact and often manifests itself in the burgeoning small and medium scale sector. The youthful population of our nation with over 130 million people in the 25 to 49 age group is robust in spirit and ambition. The growing monetary muscle of the middle income group has bolstered consumption and investment in our nation. There is no turning back on the sectors that have been opened up in the Indian economy. Why then should we focus on the glass being half empty?

One look at the micro-perspectives of our domestic economy, in relation to your Company's business sectors, will give you an idea about the vast opportunities and potential we see.

Indeed, there are very few countries as blessed as India when it comes to sun, soil and manpower – three very critical inputs to agriculture. Acknowledging the significance of the farming sector, the Government has pumped in huge resources by way of incentives and grants. Adding to this positivity is the Nutrient Based Subsidy (NBS) scheme for the P&K sector. The sector is now stabilizing with fixed subsidies and free MRPs – a clear win-win formula for all stakeholders, be it the manufacturer, the farmer or the Government. Further, from a socio-economic perspective, with the growing mid-income population and the fast spreading front-end retail chain of super-markets, the Agri sector has huge potential. As one connects these dots, comprising the fertiliser subsidy scheme, agri policy initiatives and spreading retail chains, the overall prospects clearly spell strong positivity, even in the current scenario. Your Company's investment plans to double its NPK capacities and its foray in the Agri sector, are clearly aligned with this positive sentiment.

The huge shale gas reserves in the USA and its resultant pricing of below \$2.5/mmbtu for natural gas is a definite game changer. This has the potential of positively impacting the global fertiliser sector, including India. The huge gas finds in Mozambique and other African countries will again benefit India

since it is in a freight-economic zone. Your Company is studying these developments closely for an aligned growth path.

With the ever-growing demand for power and infrastructure, growth and reforms in the coal mining sector are inevitable. Despite the current roadblocks in the coal mining sector, we see a promising future spurred by the demand from consumer industries. We are already seeing gradual clearances by the Government to Coal Mining Policies. This coupled with the growth in the South-East Asian mining sector, all the way to Australia, means a strong positive impact on our TAN business.

*“Optimism is the faith  
that leads to achievement.  
Nothing can be done without  
hope and confidence”*

*– Helen Keller*

In the retail sector, the practice of randomly commoditizing demand trends and the resultant shake-out, is now being replaced with a higher level of focused and true retail understanding and research. The offerings need to be sharper and more aligned to consumer needs. It needs to go beyond just shops and commodities to shopping experiences; from mere products or brands to greater perceived value.

In conclusion, while it is essential to weigh the hype of positive sentiments with sharp criticality, it is equally important to refrain from over critiquing and pessimism when things are relatively tough. As humans, we have within us, immense powers to change things for the better, even in the most adverse situations. Let us believe in that power ... Let us look at the glass as half full.

Warm Regards,



S C MEHTA

# MANAGEMENT DISCUSSION AND ANALYSIS

## THE BUSINESS ENVIRONMENT

During the year 2011-12 (FY12) the global economy remained dichotomous. A clear performance differential arose between emerging market nations who could maintain a relatively faster pace of growth, and developed countries whose fiscal and monetary challenges considerably hindered growth rates. The situation during 2012-13 (FY13) is not expected to be much different.

Clear signs of global recovery are still to emerge. Though some of the developed nations, notably the USA, have shown early signs of recovery, the structural problems in the Euro Zone will continue to pose challenges. The Emerging Market Economies (EMEs) will also not find it easy to maintain their previous high growth rates for two reasons. One, most EMEs introduced massive fiscal stimuli to counter the global contraction of 2008-09. Most EMEs have also imposed monetary restraint. This has caused slowdowns in both new corporate investment and consumer spending. Two, trade flows to the developed economies, notably large parts of the Euro Zone, have reduced, putting pressure on exports from the EMEs and their trade balances.

If, however, the US recovery continues, the global slowdown may be somewhat counteracted with a moderate growth in global trade.

Net private capital flows to major EMEs have also weakened in recent months and most projections do not foresee significant increases in 2012. However, capital flows are expected to pick up momentum in 2013, with growing evidence of emerging economies investing in one another.

The Indian scenario too has been challenging. The Reserve Bank of India has pointed out that growth slowed down in FY12 following a sharp fall in corporate investment, lower levels of private consumption and a fall in net external demand. The fall in global net capital flows has also impacted India. Though inflation has



moderated to around 7 percent, higher global oil prices, supply side constraints, exchange rate challenges and higher tax rates could continue to pose problems.

On the positive side, the year FY13 is expected to see improved demand conditions. A normal monsoon is expected and should be positive for the Indian economy. Efficient fiscal management by the government could positively impact the monetary cycle and lower interest rates, with a consequent upturn in corporate investment.

## THE SCENARIO FOR DFPCL

Your Company has over the years proven itself to be considerably resilient in the face of swings in the economy. This is essentially due to its product portfolio and the advantages of scale, proximity to local markets, and distribution strengths across key products like Technical Ammonium Nitrate, Iso Propyl Alcohol and Nitric Acid. In Fertilisers, its brand and distribution network in all its markets is also strong.

### Raw Materials

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

The Natural Gas scenario in India is today uncertain with a lack of clarity on how much gas can actually be extracted from the KG Basin and other gas finds across the country, besides policy and pricing uncertainties. The advent of large production from huge shale gas



reserves in the USA is a definite game changer; it has brought natural gas prices in USA to below \$2.5/mmbtu, and has also opened up a large alternate source of gas around the world. This has the potential of positively impacting the global fertiliser sector, including India, by way of reasonably priced ammonia and urea in the near future. The huge gas finds in East Africa countries also offer opportunities to benefit India since it is in a freight-economic zone. Your Company is studying these developments closely for an aligned growth path.

Your Company, nevertheless, is in an advantageous position. Its key products like Nitro-Phosphate Fertiliser, Technical Ammonium Nitrate and Nitric Acid can be manufactured using bought out Ammonia as well. Your Company has secured firm quantity contracts for Ammonia with a leading global player, besides the several sources available domestically. Your Company's location and storage facilities enable it to source and store Ammonia either domestically or globally.

In the global Ammonia market, supply constraints may not ease until the second quarter of FY13 when new capacity additions are expected to come on-stream. From January 2013 onwards prices are expected to come down and stay on a reasonably even keel with supply constraints easing.

Phos Acid prices should soften in FY13, as the global Phos Acid manufacturers come to terms with Indian demand and policy conditions. Your Company is confident, it will manage its procurement of this crucial raw material efficiently.

Your Company has also achieved considerable raw material security for Propylene required for IPA production with a long-term contract with BPCL apart from alternative sources available domestically. The strong demand for the product, coupled with the advantageous position your Company enjoys in the Indian IPA market, should stand it in good stead through FY13.

### Agri-business

The future for this business remains promising. While, the fertilisers business is gradually deregulating, the medium-to-long term prognosis for fertilisers in India remains buoyant because of the growing demand for

agricultural products including staples and horticultural produce. Fertiliser usage, especially that of vital complex fertiliser products, customised and specialty fertilisers will increase. Discerning urban consumers will strengthen the demand growth for fresh fruits and vegetables. The growth of supply chains for retail will also create opportunities in fresh produce marketing.

Indian industry is beginning to cope with the new competitive scenario that is emerging post-the new NBS policy effective over the last two years. MRPs have been liberalised for non-urea fertilisers. However, higher use of (and pricing of) complex fertilisers, will remain subject to the farmer being able to manage his profit margins satisfactorily at an operating level and this, in turn, is a function of procurement prices. This is the challenge the Indian fertiliser industry faced during the second half of FY12; one which impacted both pricing strategies and inventory levels. A good monsoon could, however, provide impetus for volume and price buoyancy in the latter half of FY13.

The new NBS regime has also meant increased competition across key agricultural markets in India. Brand strategies, designed to enhance the farmer-customer's loyalty will be vital in coming years. Your Company is well-placed on this front given the strong recall and loyalty its Mahadhan and Bhoodhan brands command.

Your Company remains committed to growth in the agri-business. Its emerging business model clearly identifies growth platforms at each level of the agri-value chain where value can be maximised from farm nutrient inputs, to services and fresh produce management. This integrated value chain, in time, will emerge as a critical differentiator in the Indian market. Your Company has now taken the first steps towards fructifying this vision across three levels.

At the first level, it will commence a drive to augment its fertiliser capacities organically. It will also seek inorganic opportunities if they arise. As part of this strategy, your Company will invest around ₹ 360 crores in a project that will augment the capacity of its NPK grades complex fertilisers from the current 2,29,000 MTPA to 6,00,000 MTPA. The execution of this project will enable the Company to gain the flexibility to produce NP / NPK grades with additional fortification of micro-



*TAN bagging plant  
at Taloja*

nutrients as per the seasonal crop requirements. With this capacity augmentation project being undertaken by your Company, the region of Western India will now move towards self-sufficiency in NPK fertilisers. This project will also help considerably enhance soil and crop productivity in the region and improve overall soil health. Your Company will also set up a Greenfield Bentonite Sulphur project at a cost of ₹ 55 crores near Panipat, Haryana. This project will help compensate the sulphur deficiency in Indian soils improving soil quality and farm yield.

Specialty fertilisers will continue to remain a focus area for growth. Outsourcing of select bulk fertilisers will remain a key strategy to maximise advantages accruing from brands and distribution networks.

At the second level, it will enhance the critical last-mile connectivity to farmers; a task it commenced in the year 2006. This comprises creating effective mechanisms to deliver vital nutrient inputs coupled with services and advisories, both nutrient and technological, required to increase farm yields and profitability – a critical differentiator as the market turns more competitive. Your Company is well-poised on this score with its 12 Saarthi centres across its key markets which have catered to over 11,500 farmers.

At the third level, your Company is also gradually augmenting its fresh produce management business. It has over the past few years been quite successful in exporting select fruits and vegetables across the global markets, as indeed supplying select Indian chains. Your Company has now acquired a 49% stake in Desai Fruits

and Vegetables, one of India's leading exporters of bananas, which will give it both the knowledge base and market access to augment its fresh produce business. Your Company believes that this is a business with a promising future.

#### Technical Ammonium Nitrate

Technical Ammonium Nitrate (TAN) remains the blasting agent of choice for the global and Indian mining industry. The US Geological Survey notes India's "globally significant mineral resources; its deposits of coal, bauxite, and iron ore account for 10%, 4%, and 3% of the world's total resources, respectively". With the magnitude of mining resources available and clear need for mining to grow, the market for TAN in India is expected to continue to grow at about 8% annually over the next decade.

Globally, widening demand-supply gaps for TAN especially in East and South-East Asia, Australia, the Middle-East and South Africa offer new opportunities for TAN exports in the coming years.

With its new TAN plant now operating efficiently, maximising capacity utilisation is now the primary goal; your Company is advantageously placed to achieve this by 2013-14. There is a significant demand supply gap in the market which is currently met by imports of low quality Fertiliser Grade Ammonium Nitrate (FGAN). Your Company's superior product grades include Low Density Ammonium Nitrate which remains the product of choice.

Your Company is also now actively upgrading the user industries to new methodologies, which are



IPA Drumming facility

increasingly finding favour in the market. Improved logistics management systems and processes have also been put into place. To provide a just-in-time product, your Company has augmented its distribution chain with warehouses close to the customer, which give a proximity advantage.

Your Company is currently doing market and capex studies for its planned 3,00,000 MT Technical Ammonium Nitrate project in South Australia. These studies are expected to be completed and a decision taken on how to proceed with the project around end-FY13 or early FY14.

The drafting of new regulation for TAN by the Government of India is round the corner. The Regulations are based on the underlying principles of Identification, Traceability and Accountability. The Regulation is expected to provide sufficient time to put in place the system and ensure obtaining necessary approvals and licenses. In anticipation of the Regulations, your Company has already put into place the processes necessary for its implementation and compliance.

### Industrial Chemicals

Although, the overall economy is slowing down, your Company's industrial chemicals products viz. IPA and CO<sub>2</sub> represent some of the faster growing sectors of the chemical industry.

The biggest user of IPA in India is the pharmaceuticals industry. With growth expected to continue in the Indian pharmaceuticals industry, demand estimates for IPA

are also robust. With the market growing at about 6% per annum, your Company has started importing IPA to improve its presence and build market share, as it considers ways to augment capacity.

The sales of Nitric Acid, a basic commodity chemical, with widespread use across several sectors, are expected to be stable though challenges will need to be faced with sluggish growth in the export segments of nitro-aromatics and dyestuffs, in particular, owing to the Euro Zone crisis. Your Company enjoys a strong scale advantage as Asia's largest single-location manufacturer of Dilute Nitric Acid (DNA). Your Company's customer relationships and its domestic geographical advantages are proving to be key strengths. Your Company has set up an additional Concentrated Nitric Acid (CNA) plant to ensure strong domestic supply. In the Strong Nitric Acid (SNA) segment, your Company is working on infrastructure, packaging and logistics improvement to enable it maximize the export of this product.

Your Company's CO<sub>2</sub> product is food-grade and is extensively used in beverages. With its product quality and ease of availability, your Company is confident that it will be able to grow this product with satisfactory margins in the years to come.

The Indian Methanol market size is about 1.8 million MTPA and is dominated by imports. Given the global dynamics of this market, price volatility is a regular feature. Your Company seizes every opportunity available to satisfy gaps in the market depending upon favourable pricing.

### Value Added Real Estate

The scenario in the Indian shopping-centre (malls) industry is paradoxical. On one hand, lifestyle changes among consumers clearly demand new shopping environments where food, entertainment, apparels, accessories, etc., need to be combined to create unified settings. Yet on the other hand, shopping centres seem to be in oversupply, especially in the metros and Tier-1 cities. With the number of organised, branded retailers still not keeping pace with the growth of shopping centres, the situation is quite challenging.

Your Company remains confident that good value will be derived from its Ishanya venture through business improvement strategies and other value-drivers. Further, with the expected FDI in multi-brand retail, business prospects could enhance.

## DETAILED FINANCIAL AND OPERATIONAL ANALYSIS

### Financial Analysis

During the year 2011-12 your Company showed strong growth in production across all its major products. Total Revenue for FY12 stood at ₹ 2,342.81 crores against ₹ 1,564.81 crores in FY11, an increase of 50%. Sales for the agri-business grew 82% to ₹ 969.50 crores in FY12 from ₹ 531.18 crores in FY11 while sales for the chemicals business grew 33% to ₹ 1,430.49 crores in FY12 from ₹ 1,075.94 crores in FY11. Profit Before Tax increased to ₹ 290.06 crores in FY12 from ₹ 261.05 crores in FY11, while Net Profit stood at ₹ 212.97 crores in FY12 against ₹ 186.62 crores in FY11.

On the one hand, profitability was impacted due to a steep increase in raw material costs during the last quarter, coupled with a time lag in finished product price adjustment. Profitability for FY 12 was also impacted adversely to the extent of ₹ 17 crores by rupee depreciation. Earnings Per Share (EPS) went up to ₹ 24.15 compared to ₹ 21.16 in the previous year. On the other hand, your Company continues to remain financially sound. The average debt cost stood at 9% for FY12 against 9.24% for FY11. During FY12, long term debt stood at ₹ 509.84 crores. The debt-equity ratio stood at a healthy 0.60 as compared to 0.62 in the previous year. The current ratio (excluding short-term borrowings during the year) was 2.15 in FY12 against 2.53 in FY11.

### Operational Analysis

Your Company utilised 0.64 MMSM<sup>3</sup> per day of Natural Gas (NG) during the year under review on an average, compared to 0.65 MMSM<sup>3</sup> per day of NG during FY11.

Ammonia requirements were met through both in-house manufacture and outsourcing. Production of Ammonia increased during FY12 to 1,14,684 MT against 1,07,100 MT in FY11. Your Company outsourced 83,800 MT of Ammonia from the market.

The details of production and sales during FY12 and FY11 are as under:

### Product-wise business review

Record levels of production were achieved across Technical Ammonium Nitrate, Nitric Acid and Iso Propyl Alcohol for the year under review. Capacity utilization in IPA has now been maximized.

### Fertilisers/Agri-Sector

The total bulk fertiliser sales volume for FY12 was 3,85,355 MT against 2,84,935 MT in FY11. Total revenue from the agri-business grew 82% to ₹ 969.50 crores in FY12 from ₹ 531.18 crores in FY11. Higher capacity utilisation, coupled with stronger operations, and cost management and good margins on specialty fertilisers, has led to better profitability in this segment.

Production volumes of Nitro-Phosphate Fertiliser (NP) rose to 1,77,908 MT in FY12 from 1,25,231 MT in FY11 with better availability of Phos Acid. Sales of specialty fertilisers saw an increase of 23% in value terms.

Your Company's new 24:24:0 grade of NP introduced during the second half of FY11 is quite unique in India and is performing well given its crop productivity enhancement qualities. Production volumes of Bentonite Sulphur rose to 13,036 MT in FY 12 against 11,254 MT in FY11 though sales remained constrained. The product, given the inadequacy of sulphur in Indian soil, will see good growth in the years to come.

Your Company's move to expand its business into newer geographies like Punjab and Haryana, in addition to the markets of Maharashtra, Gujarat, Karnataka, MP and UP, has been successful.





## Production

Product	Quantity (MT)	
	FY12	FY11
Ammonia	1,14,684	1,07,100
Methanol	63,733	81,888
Iso Propyl Alcohol	71,075	67,462
Propane	14,962	9,166
Dilute Nitric Acid	3,79,431	3,08,950
Concentrated Nitric Acid	76,257	83,356
Technical Ammonium Nitrate	2,08,718	1,46,827
Nitro Phosphate Fertiliser	1,77,908	1,25,231
Bentonite Sulphur	13,036	11,254
Liquid Carbon Dioxide	31,398	30,403

## Sales

Product	Quantity (MT)	
	FY12	FY11
Methanol	62,226	81,708
Iso Propyl Alcohol	71,016	67,652
Propane	14,962	9,060
Dilute Nitric Acid	43,014	37,101
Concentrated Nitric Acid	66,992	74,599
Technical Ammonium Nitrate	2,02,717	1,46,115
Bulk Fertilisers	3,85,355	2,84,935
Bentonite Sulphur	10,140	12,178
Liquid Carbon Dioxide	31,493	30,310
Windmill Power (KWH)	1,60,17,615	1,52,81,995

## Industrial Chemicals

The total revenue for the chemical segment increased to ₹ 1,430.49 crores in FY 12 against ₹ 1,075.94 crores in FY11, a growth of 33%.

### ■ Technical Ammonium Nitrate (TAN)

Your Company's TAN business continues to be a key growth driver. Overall sales volumes for TAN stood at 2,02,717 MT in FY 12 against 1,46,115 MT in FY11. Your Company, along with its subsidiary, Smartchem Technologies Ltd., enjoys around 31% market share in the domestic market.

During the year under review, the scenario for this product was quite challenging with the mining industry facing regulatory problems and demand growth for mining products coming under pressure as the Indian economy turned sluggish. However, mining is a fundamental driver of macro-economic growth and growth prospects for the TAN business continue to remain strong both in India and globally.

### ■ Methanol

Methanol markets saw considerable price volatility and your Company's Methanol production during FY12 stood at 63,733 MT against 81,888 MT in FY 11. Given the rising price of gas in India, your Company will manufacture this product only when global prices enable the derivation of a satisfactory EBIDTA margin.

### ■ Iso Propyl Alcohol (IPA)

During the year, your Company recorded the highest production and sale of IPA. The total production of IPA was 71,075 MT in FY 12 compared to 67,462 MT in FY11. During the year, the sales volume was 71,016 MT compared to 67,652 MT in FY11.

### ■ Acids

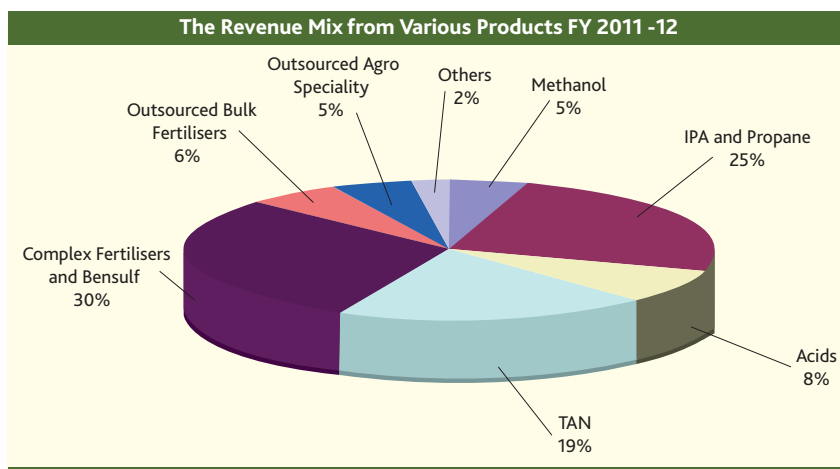
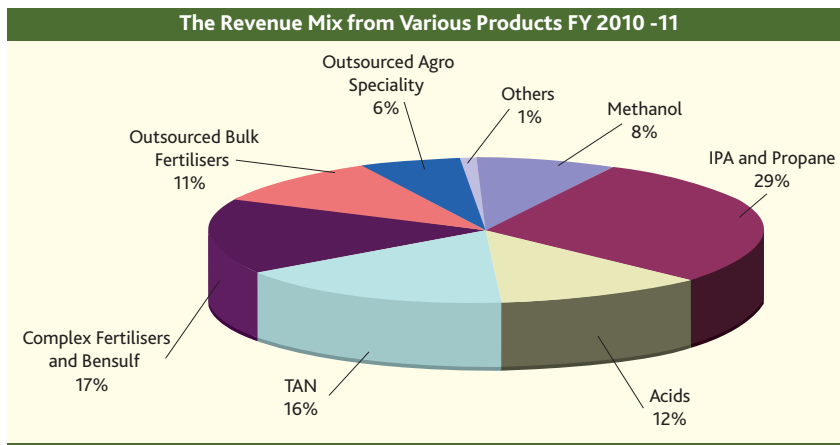
Production of DNA which is largely captively consumed was recorded at 3,79,431 MT in FY12 against 3,08,950 MT in FY11. The total sales volume of Nitric Acid of different grades stood at 1,31,083 MT against 1,30,248 MT in FY 11. Your Company's market share of Nitric Acid put together is about 40% in the Indian market.

### ■ Liquid CO<sub>2</sub>

Demand for this product, a by-product from the Ammonia plant, continues to be strong. Total sales volume stood at 31,493 MT in FY 12 against 30,310 MT in FY11.

## Value Added Real Estate

Total revenues from this segment stood at ₹ 6.80 crores in FY12 against ₹ 11.80 crores in FY11. Work on the remodelling of the mall for its new High Street positioning is nearly complete. This segment of your Company's business is now in a turnaround phase. Efforts to maximise customer acquisition are in full swing.



product quality and service, brands, distribution network and relationships. New avenues for growth are being continually explored both in the fertilisers and chemicals space. Your Company has a track record of having continuously paid dividend for the last 15 years. Your Company remains committed to the highest standards of ethics and transparent financial management.

**CAUTIONARY STATEMENT**

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

**INTERNAL CONTROLS**

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

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

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

**ENHANCED VALUE TO THE SHAREHOLDERS**

Your Company remains committed to growth and shareholder value. It will continue to seek ways to enhance market share and profitability through its

*A view of the Prilling tower at Taloja*



# CORPORATE SOCIAL RESPONSIBILITY

## Encourage, Enhance, Enrich, Empower

For over three decades, your Company has been Enriching, Nourishing and Empowering millions of lives by effectively addressing issues that plague our society. Through Ishanya Foundation (Pune & Taloja) and through Deepak Foundation (Vadodara), we constantly strive to create self-sufficient and self-reliant communities. Your Company maintains an unwavering commitment towards improving society and remains a sensitive corporate citizen.

## ISHANYA FOUNDATION

- The mission of Ishanya Foundation is to enhance security of livelihood and secondary sources of income for women, youth and marginal farmers.
- Provide subsidy for job oriented skills training, support income generation activities, extend facilities for preventive health and undertake research in options for livelihood.

## Livelihood Programs for EWS

Livelihood Programs Conducted	No. of Batches	No. of aspirants trained	No. of aspirants placed
Professional Beautician Practice, Art of Mehendi Three and a half months + 15 days internship	5	111	136, rest self employed
Housekeeping * Duration: 10 days	2	20	22
Retail Operations Duration: One month	3	45	90
Soft skills to enhance employability at CCD for boys * Duration: One Month	1	09	0
Security Guard Course Duration: 10 days	3	47	45
Four Wheeler Driving Course* Duration: 2 months	1	03	-
Customer Care Associate * Duration: 10 days	1	12	09
Ward Assistant Course * Duration: 6 months	1	10	-
Diploma in Computer Applications, Business Accounting & Multilingual DTP* Duration: One year	1	15	-
Tailoring Course Need Based	3	71	Self Employed
<b>Total</b>	<b>21</b>	<b>345</b>	<b>149</b>

\*New courses in the year 2011-12



Chief Guest Mrs. Lila Poonawalla with Mrs. Parul Mehta, Trustee-Ishanya Foundation, seen along with the dignitaries during the inauguration of the Yellow Ribbon NGO Fair 2011

## Yellow Ribbon NGO fair – participation of 103 NGOs/SHGs

- The fourth year of the Yellow Ribbon NGO Fair organized in association with NABARD, saw participation by 103 NGOs/SHGs from across Maharashtra, Gujarat and Karnataka.
- The fair provides a platform to NGOs to showcase and sell their products made as a part of their income generation program.
- The Awards instituted for the best NGOs were given to:
  - Shodh Samajik Sansthan
  - Nirmalya Trust
  - Dezeinary Art and Craft



Donation of Cow (Holstein Frezer) to one of the lady farmers in Nitlaj village

### Livelihood Programs for Economically Weaker Section (EWS) – Pune & Talaja

- As a part of its initiative to empower the EWS, the Foundation conducts livelihood skills training.
- On completion of the course, the aspirants are placed in jobs through a unique referral program.
- In 21 batches, 345 aspirants have successfully completed the courses.

### Muskaan Project – an unique initiative

- Muskaan Store-on-Wheels, launched on 17<sup>th</sup> March, 2012, is a programme where pre-owned garments donated by 15 brand ambassadors are sold at bare minimum price by Muskaan Parees to society's underprivileged.
- Proceeds from the sales are retained by the Parees.
- A film about this initiative, made by students from Symbiosis Institute of Media and Communications, will soon be uploaded on Youtube.

### Health Initiative around Talaja

Cataract Detection Camps were conducted thrice during FY 2011-12. Of 1015 patients who visited the camp, 43 were operated upon and 135 were given spectacles.

### Fodder and Cow breeding as a secondary source of income

- 25 women from marginal farmers' families have received the donation of cows (HF) with calves.

- Training was given in Fodder management, health and hygiene in cow breeding, resulting in average income of ₹ 3,500 per month by sale of milk.

### Skilling Rural India (SRI)

- In collaboration with Dr. Reddy's Foundation, on-the-job training and soft skills training will be given to the youth.
- By end of the project, 250 youths will be placed in jobs or be self employed.

### Ishanya Foundation's Excellence Award and Scholarship at ITI Panvel

- To encourage rural youth to pursue education, Ishanya Foundation instituted the Academic Excellence Award and a unique Scholarship programme in four streams of engineering in partnership with ITI, Panvel – the first such in Maharashtra with ITI.

### DEEPAK FOUNDATION

The Foundation has been implementing health and livelihood interventions in rural and tribal areas of Gujarat for the past 28 years, in partnership with various government departments. The Foundation has been accredited by Credibility Alliance and also certified as an ISO 9001:2008 organization this year.

### Public Health Training Institute at Waghodia

The Foundation established a Public Health Training Institute in Vadodara, which aims at building capacities of grassroots functionaries and establishes evidence based models of human resource management. The Foundation conducts ASHAs trainings, undertakes collaborative research work for various national and international organisations, clinical activities through hospitals and livelihood programmes. The Foundation has recently inked an MoU with Indian Institute of Public Health, Gandhinagar (Unit of Public Health Foundation of India, New Delhi) for research and surveillance work.

Your Company has and will continue to reach out to the society and be an active channel of change to the economically weaker sections of the society.



## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Thursday, 26<sup>th</sup> July, 2012 at 11.30 a.m. at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Raj Bhavan Complex, Baner Road, Pune – 411 007 to transact the following business :

### ■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2012 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Shri Pranay Vakil, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil Sachdev, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. Parul S. Mehta, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Dated 18<sup>th</sup> May, 2012

*Registered Office:*

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

By Order of the Board of Directors,  
R. SRIRAMAN  
*Sr. Vice-President (Legal) &  
Company Secretary*

### ■ NOTES

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (2) The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 16<sup>th</sup> July, 2012 to Thursday, 26<sup>th</sup> July, 2012 (both days inclusive).
- (3) The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 26<sup>th</sup> July, 2012, being the date of the Annual General Meeting of the Company.

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

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



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Account, if any, to enable the Company to print these details on the Dividend Warrants; and (b) change in their address, if any, with the Pin Code Number.

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

- (5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.
- (6) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
- (7) Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company immediately as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund. Please visit Company's website: [www.dfpcl.com](http://www.dfpcl.com) for details.
- (8) Members are requested to note that pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, brief particulars including shareholding of the Non-Executive Directors proposed to be re-appointed are given below and forms part of the Notice.

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

*(In pursuance of Clause 49 of the Listing Agreement)*

1. **Name of Director** : Shri Pranay Vakil; **Age** : 65 Years; **Qualification** : B.Com., C.A., LLB, FRICS; **Date of Appointment**: 25<sup>th</sup> May, 2010; **Expertise** : Rich and vast experience in realty sector; **Directorships as on 31<sup>st</sup> March, 2012**: Knight Frank (India) Private Limited; Praron Consultancy (India) Private Limited; Dignity Lifestyle Private Limited; Rutley Real Estate Investment Management (India) Private Limited; Godrej Properties Limited; Muthoot Hotels and Infrastructure Ventures Private Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; **Chairman/ Member of the Audit Committee as on 31<sup>st</sup> March, 2012** : Godrej Properties Limited - Member; **Chairman/ Member of the Shareholders'/ Investors' Grievance Committee as on 31<sup>st</sup> March, 2012** : Nil; **Chairman / Member of the Remuneration Committee as on 31<sup>st</sup> March, 2012**: Godrej Properties Limited - Member; **Shareholding in the Company** : Nil.
2. **Name of Director** : Shri Anil Sachdev; **Age** : 57 Years; **Qualification** : B.Sc., MBA; **Date of Appointment** : 23<sup>rd</sup> October, 2008; **Expertise** : Leading HR Consultant with expertise in talent management, leadership development and organisational transformation; **Directorships as on 31<sup>st</sup> March, 2012** : Grow Talent Company Ltd.; Great Retail Brands Pvt. Ltd.; Deepak Fertilisers And Petrochemicals Corporation Limited; **Chairman / Member of the Audit Committee as on 31<sup>st</sup> March, 2012** : Nil; **Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31<sup>st</sup> March, 2012** : Nil; **Chairman/ Member of Remuneration Committee as on 31<sup>st</sup> March, 2012** : Deepak Fertilisers And Petrochemicals Corporation Limited – Member; **Shareholding in the Company**: Nil.
3. **Name of Director** : Smt. Parul S. Mehta; **Age** : 47 Years; **Qualification** : B.Com.; **Date of Appointment** : 20<sup>th</sup> October, 2005; **Expertise** : Experience in the areas of corporate public relations and social welfare activities; **Directorships as on 31<sup>st</sup> March, 2012** : Deepak Fertilisers And Petrochemicals Corporation Limited; Nova Synthetic Limited; **Chairman / Member of the Audit Committee as on 31<sup>st</sup> March, 2012** : Nil; **Chairman / Member of Shareholders'/ Investors' Grievance Committee as on 31<sup>st</sup> March, 2012** : Nil; **Chairman / Member of the Remuneration Committee as on 31<sup>st</sup> March, 2012**: Nil; **Shareholding in the Company** : 10,00,000 equity shares of ₹ 10/- each.



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report together with Audited Accounts of the Company for Financial Year ended 31<sup>st</sup> March, 2012.

### ■ FINANCIAL RESULTS

The summarised financial results for the year are as under:

(₹ in Lacs)

	2011-12	2010-11
<b>Total Revenue (including Other Income)</b>	2,38,219.01	1,60,064.04
Profit Before Exceptional and Extraordinary Items and Tax	29,005.55	26,443.74
Less : Exceptional Items	–	338.09
Profit Before Tax (PBT)	29,005.55	26,105.65
Less : (a) Current Tax (Net)	5,645.01	5,591.98
(b) Deferred Tax	2,063.16	1,851.26
<b>Profit/(Loss) for the period</b>	21,297.38	18,662.41
Add : (a) Surplus brought forward	71,225.48	60,917.64
(b) Transferred from Debenture Redemption Reserve	–	380.00
Amount available for Appropriations	92,522.86	79,960.05
Appropriations :		
(a) Transferred to Debenture Redemption Reserve	1,792.00	1,792.00
(b) Transferred to General Reserve	2,135.00	1,870.00
(c) Proposed Dividend on Equity Shares (Net)	4,851.22	4,408.65
(d) Tax on Proposed Dividend (Net)	689.62	663.92
Surplus carried to Balance Sheet	83,055.02	71,225.48

Total Revenue (including Other Income) increased to ₹ 2,382.19 crores (including ₹ 487.13 crores from trading operations) as against ₹ 1,600.64 crores (including ₹ 268.86 crores from trading operations) for the previous year. PBT for the year under review improved to ₹ 290.06 crores as against ₹ 261.06 crores in the previous year. Profit for the current year was ₹ 212.97 crores as compared to ₹ 186.62 crores in the previous year.

### ■ DIVIDEND

Considering the continued good performance of the Company during the year under review, your Directors recommend a dividend @ 55% i.e. ₹ 5.50 per Equity Share (Previous Year 50% i.e. ₹ 5.00 per Equity Share) of ₹ 10/- each of the Company for year ended 31<sup>st</sup> March, 2012. The proposed dividend (including tax on proposed dividend) will absorb ₹ 55.90 crores.

### ■ MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis (MDA), which forms part of this Report, inter-alia, deals adequately with the operations as also current and future outlook of the Company.



## ■ DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the accounting policies selected had been applied consistently and judgements and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2012 and of the profit of the Company for that period;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts had been prepared on a 'going concern' basis.

## ■ CORPORATE GOVERNANCE

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

## ■ SUBSIDIARY COMPANIES

During the year under review, the Company has acquired additional equity shares of Yerrowda Investments Ltd., an associate company, by virtue of which it has become the Subsidiary of the Company under the provisions of the Companies Act, 1956.

Consequently, the Company has now four subsidiaries viz. Smartchem Technologies Limited, Deepak Nitrochem Pty. Limited, Deepak Mining Services Private Limited and Yerrowda Investments Limited.

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

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

## ■ INDUSTRIAL RELATIONS

Industrial Relations during the year under review continued to be cordial.

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

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

## ■ DIRECTORS

Shri Pranay Vakil, Shri Anil Sachdev and Smt. Parul S. Mehta, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



## ■ AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, by the Company for the year 2012-13 will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956. The Board of Directors commends their appointment.

## ■ COST AUDITOR

Your Directors have appointed Shri Y. R. Doshi, Cost Accountant as Cost Auditor for the financial year 2011-12 and the same has been approved by the Central Government.

## ■ PERSONNEL

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

## ■ ACKNOWLEDGEMENT

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

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

*Mumbai*  
Dated 18<sup>th</sup> May, 2012

For and on behalf of the Board,  
C. K. MEHTA  
*Chairman*

## Annexure to Directors' Report

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

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

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

#### A. CONSERVATION OF ENERGY

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

- (i) IPA plant is de-bottlenecked which has enhanced the incremental plant production rate by 10 MTPD with almost the same energy input.
- (ii) Steam trap audit was done and based on audit outcome, the unhealthy traps were repaired. All the steam traps are being monitored on monthly basis for sustained performance. With this, the trap losses are reduced from 2.842 MT/hr to 0.160 MT/hr, which has in turn saved the steam of 2.682 MT/hr.
- (iii) In LDAN plant, the conveying system is modified to eliminate one belt conveyer without changing the motor of conveyer which has saved the electrical energy by 3.7 KW/hr.
- (iv) The feeding arrangement of carbon source for biomass and use of AN dry condensate as boiler feed water had reduced the pumping energy of ETP to 12 KW/day.

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

1. For K-1 complex:
  - (i) Plan to conduct complex audit in the year 2012-13;
  - (ii) CPU based ignition system is under implementation to improve combustion efficiency of CES engines in ammonia plant;
  - (iii) Additional 100 Nos. of 125W HPMV lamps replacement with 70W metal halide lamps are planned;
  - (iv) WNA-1 & 2 plants: Heat recovery schemes have been proposed and are under study;
  - (v) Based on complex water service pump audit, the scheme will be taken up for replacement of the identified low efficiency pumps with more energy efficient one; and
2. For K-7 and K-8 complex steam trap audit and condensate recovery is planned for the year 2012-13.

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

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



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

**FORM A**

**Disclosure of Particulars with respect to Conservation of Energy**

I. Power & Fuel Consumption	UOM	Current Year (2011-12)	Previous Year (2010-11)
<b>1. Electricity</b>			
<b>a) Purchased</b>			
Unit	MWH	24,799	7,767
Total Amount	₹ (Lacs)	1,933	587
Rate / Unit	₹ /KWH	7.79	7.56
<b>b) Own Generation</b>			
i) Through Diesel generator			
Unit	MWH	34.85	12.47
Unit per ltr. of diesel oil	KWH/Ltr.	2.33	1.13
Cost / Unit	₹ /KWH	18.02	34.68
ii) Through Gas Turbine / generators			
Unit	MWH	68,016	63,871
Unit per M <sup>3</sup> of Gas	KWH/M <sup>3</sup>	5.47	5.43
Cost / Unit	₹ /KWH	3.01	2.68
iii) Through Steam Turbine / generators			
Unit	MWH	5,851	7,142
Cost / Unit	₹ /KWH	2.51	1.77
iv) Through Windmill Turbine / generators			
Unit	'000 KWH	16,017	15,297
Cost / Unit	₹ /KWH	2.43	2.33
<b>2. Coal</b>	-	Nil	Nil
<b>3. Furnace oil</b>	-	Nil	Nil
<b>4. Others / internal generation</b>	-	Nil	Nil

**II. Consumption per unit of Production – Unit (KWH/MT)**

Sr. No.	Product	Standard Budget Norms (2011-12)	Current Year (2011-12)	Previous Year (2010-11)
1.	Liquid Anhydrous Ammonia	76.57	76.08	85.06
2.	Weak Nitric Acid	42.40	47.24	42.94
3.	Concentrated Nitric Acid	8.50	7.26	7.43
4.	Methanol	74.15	82.88	77.54
5.	Nitro Phosphate	31.50	25.06	32.24
6.	Technical Ammonium Nitrate	42.00	49.93	44.15
7.	Liquid CO <sub>2</sub>	231.00	233.56	234.13
8.	Iso Propyl Alcohol (IPA)	262.48	257.49	254.80
9.	Bentonite Sulphur	88.00	34.97	28.81
10.	Low Density Ammonium Nitrate (LDAN)	75.00	76.84	-
11.	High Density Ammonium Nitrate (HDAN)	69.00	55.31	-

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

- (a) The Company is working to enhance the fertiliser product portfolio by adding the micro-nutrient.  
 (b) Various trials conducted for Di Iso Propyl Ether (DIPE) purification of desired quality.  
 (c) Process improvisation (LDAN Additive Trials) made to increase the shelf life of AN Product for K-8 plant.

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

- (a) The DIPE purity of 99% is achieved at pilot scale.  
 (b) The efforts will increase the Company's product portfolio and enhance efforts towards customized fertiliser production.  
 (c) LDAN quality improved at K-8 plant.

**(3) Future plan of action**

- (a) DIPE purification project from pilot to plant scale is being taken up.  
 (b) Further plant trials on micro-nutrients addition will be done.  
 (c) The improvisation for LDAN product quality will be implemented with permanent set-up with Capex of ₹ 11.26 Lacs.

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

(a) Capital	:	<b>NIL</b>
(b) Recurring	:	<b>148.87</b>
(c) Total	:	<b>148.87</b>
(d) Total R&D expenditure as a percentage of total turnover	:	<b>0.06</b>

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

At K-1 complex all the plants' technologies have been fully absorbed and are being operated efficiently.

At K-8 complex a few plants' technologies have not yet been fully absorbed, though are being operated.

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

The qualities of products are globally accepted.

**3. Information regarding imported technology (imported during the last 5 years reckoned from the beginning of the financial year)**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note 39 and 37 to the Accounts.

Mumbai  
Dated 18<sup>th</sup> May, 2012

For and on behalf of the Board,  
C. K. MEHTA  
Chairman



## CORPORATE GOVERNANCE

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

### ■ BOARD OF DIRECTORS

Composition and category of Directors

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

Attendance of Directors at the Meeting of Board of Directors held during financial year 2011-12 and the Annual General Meeting (AGM) held on 8<sup>th</sup> August, 2011 are as follows:

Six Board Meetings were held during the year. These meetings were held on 11<sup>th</sup> May, 2011, 8<sup>th</sup> August, 2011, 20<sup>th</sup> October, 2011, 3<sup>rd</sup> November, 2011, 25<sup>th</sup> January, 2012 and 21<sup>st</sup> March, 2012.

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

Name of the Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships of other Companies <sup>§</sup>	No. of Membership of other Board Committees <sup>#</sup>	No. of Chairmanship of other Board Committees <sup>#</sup>
Shri C. K. Mehta	5	Present	2	-	-
Shri S. C. Mehta	6	Present	4	-	-
Shri R. A. Shah	6	Present	13	5	4
Shri D. Basu	5	Present	8	3	1
Shri N. C. Singhal	5	Present	9	2	3
Shri U. P. Jhaveri	6	Present	-	-	-
Shri S. R. Wadhwa	6	Present	1	1	-
Smt. Parul S. Mehta	4	Present	1	-	-
Dr. S. Rama Iyer	5	Present	6	1	-
Shri Anil Sachdev	5	Present	1	-	-
Shri Pranay Vakil	6	Present	1	1	-

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

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

### COMMITTEES OF BOARD OF DIRECTORS

#### ■ AUDIT COMMITTEE

**Brief description of Terms of Reference:**

To oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance of statutory and

internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial conditions and results of operations, statement of significant related party transactions, management letter(s) of internal control weaknesses, if any, issued by statutory auditors.

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

During the year, the Committee meetings were held on 10<sup>th</sup> May, 2011, 7<sup>th</sup> August, 2011, 24<sup>th</sup> August, 2011, 19<sup>th</sup> October, 2011, 28<sup>th</sup> December, 2011, 24<sup>th</sup> January, 2012 and 20<sup>th</sup> March, 2012. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri N. C. Singhal, Chairman	7	6
Shri S. R. Wadhwa	7	6
Dr. S. Rama Iyer	7	6

### ■ SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

#### Brief description of Terms of Reference:

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

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

During the year, the Committee meetings were held on 25<sup>th</sup> January, 2012 and 20<sup>th</sup> March, 2012. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	2	2
Shri S. C. Mehta	2	2
Shri S. R. Wadhwa	2	2

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

#### Details of Complaints received during the year 2011-12 :

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders
Transfer of shares	Nil	Nil
Non-receipt of annual report	Nil	Nil
Non-receipt of dividend warrants	2	Nil
Issue of duplicate share certificate	2	Nil
Pending share transfers	Nil	Nil
Others (related to dematerialisation, non-receipt of shares allotted upon conversion etc.)	3	Nil

### ■ REMUNERATION COMMITTEE

#### Brief description of Terms of Reference:

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

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



During the year, the Committee meeting was held on 11<sup>th</sup> May, 2011. The attendance of the Members was as follows :

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

## ■ PROJECT COMMITTEE

### Brief description of Terms of Reference :

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

- Constitution : Constituted by the Chairman and ratified by the Board of Directors at its meeting held on 21<sup>st</sup> July, 2003.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:

During the year, the Committee meetings were held on 11<sup>th</sup> May, 2011, 7<sup>th</sup> August, 2011, 19<sup>th</sup> October, 2011 and 24<sup>th</sup> January, 2012. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	4	4
Shri N. C. Singhal	4	4
Shri S. C. Mehta	4	4
Dr. S. Rama Iyer	4	4

## ■ MANUFACTURING OPERATIONS REVIEW COMMITTEE

### Brief description of Terms of Reference :

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

- Constitution : Constituted by the Vice-Chairman & Managing Director and ratified by the Board of Directors at its meeting held on 20<sup>th</sup> May, 2009.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:

During the year, the Committee meetings were held on 27<sup>th</sup> April, 2011, 8<sup>th</sup> August, 2011, 20<sup>th</sup> October, 2011 and 24<sup>th</sup> January, 2012. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. S. Rama Iyer, Chairman	4	4
Shri U. P. Jhaveri	4	4
Shri S. C. Mehta	4	4

## ■ HUMAN RESOURCES COMMITTEE

### Brief description of Terms of Reference :

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

- Constitution : Constituted by the Vice-Chairman & Managing Director and ratified by the Board of Directors at its meeting held on 8<sup>th</sup> August, 2011.
- Composition, Names of Members and record of attendance during the year : Consists of Directors as under:



During the year, the Committee meetings were held on 7<sup>th</sup> August, 2011 and 20<sup>th</sup> March, 2012. The attendance of the Members was as follows:

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Anil Sachdev, Chairman	2	2
Shri Pranay Vakil	2	2
Shri S. C. Mehta	2	2

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

**Details of remuneration paid to Executive Director for Financial Year 2011-12 :** (₹ in Lacs)

Name of Director	Designation	Salary and allowances	Perks	Commission	Company's Contribution to PF and Superannuation Fund	Total
Shri S. C. Mehta	Vice-Chairman & Managing Director	124.11	21.15	867.15	12.52	1,024.93

**Details of commission\* for financial year 2010-11 and sitting fees paid to Non-Executive Directors :**

**Commission :** Shri C. K. Mehta ₹ 35,00,000; Shri R. A. Shah: ₹ 7,00,000; Shri D. Basu : ₹ 8,00,000; Shri N. C. Singhal : ₹ 9,00,000; Shri U. P. Jhaveri : ₹ 7,00,000; Shri S. R. Wadhwa : ₹ 8,50,000; Dr. S. Rama Iyer : ₹ 9,50,000; Smt. Parul S. Mehta : ₹ 2,50,000; Shri Anil Sachdev : ₹ 6,00,000 and Shri Pranay Vakil : ₹ 2,50,000.

(\* Remuneration for financial year 2011-12 is yet to be paid)

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

**Shares held by Non-Executive Directors**

Shri C.K. Mehta : 13,64,273 equity shares (1.55%); Smt. Parul S. Mehta : 10,00,000 equity shares (1.13%); Shri R. A. Shah : 7,900 equity shares (0.009%); Shri S. R. Wadhwa : 1,000 equity shares (0.001%); Dr. S. Rama Iyer : 25,000 equity shares (0.03%)

■ **ANNUAL GENERAL MEETINGS**

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

Particulars	FY 2008-09	FY 2009-10	FY 2010-11
Day	Thursday	Thursday	Monday
Date	23 <sup>rd</sup> July, 2009	22 <sup>nd</sup> July, 2010	8 <sup>th</sup> August, 2011
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	ELAN, Arcade 3, Ishanya, Opp. Golf Course, Airport Road, Yerawada, Pune - 411 006	ELAN, Arcade 3, Ishanya, Opp. Golf Course, Airport Road, Yerawada, Pune - 411 006	MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Raj Bhavan Complex, Baner Road, Pune - 411 007
Whether any special resolutions passed	-	Yes	-

No special resolution was passed through Postal Ballot during the Financial Year 2011-12 or is being proposed at the ensuing Annual General Meeting.

■ **DISCLOSURES :**

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

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



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

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

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

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

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

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

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

■ **MEANS OF COMMUNICATION**

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

### **IMPORTANT COMMUNICATION TO MEMBERS**

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

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

## GENERAL SHAREHOLDER INFORMATION



<b>1. Annual General Meeting Day, Date, Time and Venue</b>	:	Thursday, 26 <sup>th</sup> July, 2012 at 11.30 a.m. MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Raj Bhavan Complex, Baner Road, Pune - 411 007
<b>2. Financial Year / Calendar</b>		
- Results for first quarter ending 30 <sup>th</sup> June, 2012	:	Within 45 days from the end of the quarter
- Results for second quarter ending 30 <sup>th</sup> September, 2012	:	Within 45 days from the end of the quarter
- Results for third quarter ending 31 <sup>st</sup> December, 2012	:	Within 45 days from the end of the quarter
- Results for financial year ending 31 <sup>st</sup> March, 2013	:	Within 60 days from the end of the Financial Year
<b>3. Date of Book Closure</b>	:	Monday, 16 <sup>th</sup> July, 2012 to Thursday, 26 <sup>th</sup> July, 2012 (both days inclusive)
<b>4. Dividend Payment Date</b>	:	30 <sup>th</sup> July, 2012
<b>5. Registered Office</b>	:	Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006
<b>6. Phone, Fax, E-mail, Website</b>	:	Phone : (020) 6645 8000 Fax : (020) 2668 3727 Email : investor grievance@dfpcl.com Website : www.dfpcl.com
<b>7. Plant Location</b>	:	Plot K-1, K-7 & K-8, MIDC Industrial Area, Taloja A. V. 410 208, Dist. Raigad, Maharashtra Phone : (022) 6768 4000 Fax : (022) 2741 2413
<b>8. Registrar &amp; Share Transfer Agent (RTA) and Address for Investors' Correspondence</b>	:	Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Andheri-Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai - 400 072
<b>9. Phone, Fax, E-mail of RTA</b>	:	Phone : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 Email : deepak@shareproservices.com
<b>10. Listing on Stock Exchanges</b>	:	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) Annual Listing fee for financial year 2012-13 has been paid to both the Exchanges
<b>Stock Code</b>	:	Bombay Stock Exchange Limited (BSE) : 500645 National Stock Exchange of India Limited (NSE) : DEEPAKFERT
<b>Demat ISIN in NSDL and CDSL</b>	:	INE501A01019



#### 11. Market Price Data for 2011-12

MONTH	SHARE PRICE		BSE SENSEX	
	High	Low	High	Low
April, 2011	185.90	161.00	19,811.14	18,976.19
May, 2011	178.20	157.05	19,253.87	17,786.13
June, 2011	186.00	157.60	18,873.39	17,314.38
July, 2011	173.00	159.75	19,131.70	18,131.86
August, 2011	171.80	154.00	18,440.07	15,765.53
September, 2011	174.75	153.70	17,211.80	15,801.01
October, 2011	170.00	159.20	17,908.13	15,745.43
November, 2011	170.50	148.05	17,702.26	15,478.69
December, 2011	152.00	118.25	17,003.71	15,135.86
January, 2012	152.75	121.25	17,258.97	15,358.02
February, 2012	170.00	136.70	18,523.78	17,061.55
March, 2012	162.00	140.05	18,040.69	16,920.61

#### 12. Distribution of shareholding as on 31<sup>st</sup> March, 2012 : 1,13,736 shareholders held 8,82,04,943 equity shares of ₹ 10/- each

Distribution of shares (slabwise)	No. of Shareholders	Percentage to total no. of shareholders	No. of shares held	Percentage to total share capital
Upto 500	1,08,091	95.03	1,22,19,945	13.85
501-1000	3,324	2.92	25,99,446	2.95
1001-2000	1,246	1.10	18,57,403	2.11
2001-3000	346	0.30	8,96,875	1.02
3001-4000	153	0.14	5,55,204	0.63
4001-5000	136	0.12	6,35,315	0.72
5001-10000	213	0.19	15,44,045	1.75
10001 & above	227	0.20	6,78,96,710	76.97
<b>TOTAL</b>	<b>1,13,736</b>	<b>100.00</b>	<b>8,82,04,943</b>	<b>100.00</b>

#### 13. Share Transfer System:

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

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

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

#### 14. Dematerialisation of Shares:

The shares of the Company are traded in dematerialised form. 8,04,93,428 equity shares (91.26% of paid-up capital) held by 56,366 shareholders (49.56% of total number of shareholders) have been dematerialised as on 31<sup>st</sup> March, 2012.

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

Nil

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

The Company through its various communications in the past, had requested its members to furnish ECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS to those who had registered ECS mandate with the Company. However, in certain cases, although the members had furnished the ECS mandate, the remittance of dividend could not be effected through ECS at certain centers since the adequate facility for crediting the amount was not available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS whenever facilities are made available at those centers.

RBI vide its Circular dated 25<sup>th</sup> June, 2009 had introduced National Electronic Clearing Service (NECS) which aims at increasing efficiency and simplification of the ECS process. Members holding shares in physical form desirous of receiving dividend electronically through NECS but have not updated / furnished mandate details are requested to obtain the prescribed mandate form from the Company's RTA and submit the same to the RTA duly filled in and signed for registration.

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

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

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

**DECLARATION**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2011-12.

Mumbai

Dated 18<sup>th</sup> May, 2012

S. C. MEHTA

Vice-Chairman & Managing Director

**CERTIFICATE**

To the members of

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED**

We have examined the compliance of conditions of Corporate Governance by Deepak Fertilisers And Petrochemicals Corporation Limited (the Company) for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of the Listing Agreement executed by the said Company with the stock exchanges.

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

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

As on 31<sup>st</sup> March, 2012, we state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

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

For B. K. KHARE & CO.

Chartered Accountants

Santosh Parab

Partner

Mumbai

Dated 18<sup>th</sup> May, 2012

Firm's Registration No.: FRN 105102W

Membership No.: 47942



## AUDITORS' REPORT



To The Members of

### DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

We have audited the attached Balance Sheet of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED as at 31<sup>st</sup> March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. 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 the generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- 3) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- 4) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For B. K. KHARE & CO.  
Chartered Accountants  
SANTOSH PARAB  
Partner  
Firms Registration No.: 105102W  
Membership No.: 47942

Mumbai  
Dated 18<sup>th</sup> May, 2012

## Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date,

- 1) FIXED ASSETS
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanation given to us, no substantial part of fixed asset has been disposed off by the Company during the year.
- 2) INVENTORIES
  - (a) The inventories at the factory have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company has received confirmations in respect of stocks lying with third parties.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the records of inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.
- 3) LOANS
  - (a) The Company has not granted unsecured loans, to any company listed in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) Accordingly our comments in respect of sub clauses (b), (c) and (d) are not called for and offered.
  - (c) The Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence on facts our comments in respect of clauses (f) and (g) are not called for and offered.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- 5) RELATED PARTIES TRANSACTIONS
  - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Rules made thereunder.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of its products specified under the said order and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.



9) STATUTORY DUES

- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education And Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31<sup>st</sup> March, 2012, which have not been deposited on account of a dispute, are included in Note 42.

10) The Company has no accumulated losses as at 31<sup>st</sup> March, 2012 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.

11) According to the records of the Company examined by us and the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the Balance Sheet date.

12) LOANS AND ADVANCES

- (a) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records, where the Company has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (b) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities in its own name.

13) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

14) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16) In our opinion, and according to the information and explanations given to us, on an overall basis, the funds raised have been applied for the purposes for which they were obtained or pending the actual application, have been deployed for working capital purposes transitorily.

17) Based on the information and explanation given to us and on an overall examination of Balance Sheet of the Company, in our opinion, funds raised on a long-term basis have not been used for short-term investment.

18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19) The Company has created securities in respect of debentures issued and outstanding at the year end.

20) The Company has not raised any money by public issues during the year.

21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For B. K. KHARE & CO.  
Chartered Accountants  
SANTOSH PARAB  
Partner  
Firms Registration No.: 105102W  
Membership No.: 47942

Mumbai  
Dated 18<sup>th</sup> May, 2012



## BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

	Note	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,820.49	8,820.49
Reserves & Surplus	3	1,13,529.51	97,791.15
Total		1,22,350.00	1,06,611.64
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	50,983.95	64,022.75
Deferred Tax Liabilities (Net)	5	10,124.60	8,061.44
Long-Term Provisions	6	1,431.42	625.29
Total		62,539.97	72,709.48
<b>Current Liabilities</b>			
Short-Term Borrowings	7	26,941.72	12,590.19
Trade Payables		17,762.33	6,709.06
Other Current Liabilities	8	25,275.84	18,652.84
Short-Term Provisions	6	6,156.37	6,696.24
Total		76,136.26	44,648.33
<b>TOTAL</b>		<b>2,61,026.23</b>	<b>2,23,969.45</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
-Tangible Assets	9	1,29,455.84	1,00,329.36
-Intangible Assets	10	1,274.91	1,359.79
Capital Work-in-Progress	11	12,005.86	26,993.92
Total		1,42,736.61	1,28,683.07
Non-Current Investments	12	9,764.12	8,255.28
Long Term Loans and Advances	13	2,842.50	6,066.71
Total		1,55,343.23	1,43,005.06
<b>Current Assets</b>			
Current Investments	17	2,119.52	3,101.90
Inventories	18	20,671.39	15,676.75
Trade Receivables	15	55,537.75	24,313.92
Cash and Cash Equivalents	19	14,569.20	27,895.64
Short-Term Loans and Advances	13	12,427.97	9,628.23
Other Current Assets	16	357.17	347.95
Total		1,05,683.00	80,964.39
<b>TOTAL</b>		<b>2,61,026.23</b>	<b>2,23,969.45</b>
Significant Accounting Policies The accompanying notes are integral parts of the financial statements.	1		

As per our Report of even date

For B. K. KHARE & CO.  
Chartered AccountantsC. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
DirectorDr. S. RAMA IYER  
DirectorSANTOSH PARAB  
PartnerFirm's Registration No.: 105102W  
Membership No.: 47942S. C. MEHTA  
Vice-Chairman & Managing DirectorS. R. WADHWA  
DirectorMumbai  
Dated 18<sup>th</sup> May, 2012Mumbai  
Dated 18<sup>th</sup> May, 2012R. SRIRAMAN  
Sr. Vice-President (Legal) &  
Company Secretary



## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

	Note	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Continuing Operation</b>			
<b>I Income</b>			
Revenue from Operation (Gross)		2,47,372.98	1,66,365.42
Less: Excise Duty		13,091.66	9,883.65
Revenue from Operation (Net)	20	2,34,281.32	1,56,481.77
II Other Income	21	3,937.69	3,582.27
<b>III Total Revenue (I+II)</b>		<b>2,38,219.01</b>	<b>1,60,064.04</b>
<b>IV Expenses</b>			
Cost of Material Consumed	22	1,13,471.37	70,722.13
Purchase of Stock In Trade	24	43,922.98	23,780.20
Change in Inventory of Finished goods, WIP & Stock in Trade	23	(2,934.61)	405.63
Employee Benefits Expenses	25	13,931.70	10,679.65
Finance Costs	28	6,822.40	4,390.13
Depreciation and Amortisation Expenses	26	8,190.62	7,146.71
Other Expenses	26	25,809.00	16,495.85
<b>Total Expenses</b>		<b>2,09,213.46</b>	<b>1,33,620.30</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>29,005.55</b>	<b>26,443.74</b>
VI Exceptional Items	27	-	338.09
<b>VII Profit Before Extraordinary Items and Tax (V-VI)</b>		<b>29,005.55</b>	<b>26,105.65</b>
VIII Extraordinary Items		-	-
<b>IX Profit Before Tax (VII-VIII)</b>		<b>29,005.55</b>	<b>26,105.65</b>
<b>X Tax Expenses</b>			
Current Tax (Net of reversal of earlier years' provision ₹ 655 Lacs; Previous Year short provision ₹ 39.97 Lacs)		5,645.01	5,591.98
Deferred Tax		2,063.16	1,851.26
<b>Total Tax Expenses</b>		<b>7,708.17</b>	<b>7,443.24</b>
<b>XI Profit/(Loss) for the period (IX-X)</b>		<b>21,297.38</b>	<b>18,662.41</b>
<b>XII Earning Per Equity Share:</b>	29		
i) Basic (in ₹)		<b>24.15</b>	<b>21.16</b>
ii) Diluted (in ₹)		<b>24.15</b>	<b>21.16</b>
Significant Accounting Policies The accompanying notes are integral parts of the financial statements.	1		

As per our Report of even date

For B. K. KHARE & CO.  
Chartered Accountants

C. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

SANTOSH PARAB  
Partner

Firm's Registration No.: 105102W  
Membership No.: 47942

S. C. MEHTA  
Vice-Chairman & Managing Director

S. R. WADHWA  
Director

Mumbai  
Dated 18<sup>th</sup> May, 2012

Mumbai  
Dated 18<sup>th</sup> May, 2012

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

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

	(₹ in Lacs)	
	2011-12	2010-11
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit Before Tax	29,005.55	26,105.65
Adjustments For -		
Depreciation and Amortisation	8,190.62	7,146.71
Exceptional Items	-	338.09
Exchange Fluctuations (Net)	2,530.50	(422.73)
Profit on Sale of Investments	(1,232.47)	(678.26)
Provision for diminution on Fertiliser Bonds written back	-	(525.18)
Loss/(Profit) on Sale of Asset	176.34	0.86
Interest/Dividend (Net)	5,427.63	2,815.90
<b>Operating Profit Before Working Capital Changes</b>	<b>44,098.17</b>	<b>34,781.04</b>
Adjustments For -		
Trade and Other Receivables	(28,710.47)	(8,732.08)
Inventories	(4,994.64)	(4,513.54)
Trade Payables	7,589.66	6,846.22
<b>Cash Generated From Operations</b>	<b>17,982.72</b>	<b>28,381.64</b>
Direct Taxes Paid (Net)	(7,768.99)	(5,639.82)
Cash Flow Before Exceptional Items	10,213.73	22,741.82
<b>Net Cash From Operating Activities (A)</b>	<b>10,213.73</b>	<b>22,741.82</b>
<b>(B) Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(22,417.05)	(19,089.35)
Sale of Fixed Assets	117.89	51.42
Acquisition of Investments - Others (Net)	893.58	5,450.66
Deposits Redeemed/(Made)	(345.62)	(497.97)
Interest Received	1,083.62	1,072.21
Dividend Received	301.95	327.39
<b>Net Cash Used in Investing Activities (B)</b>	<b>(20,365.63)</b>	<b>(12,685.64)</b>
<b>(C) Cash Flow From Financing Activities</b>		
Exchange Fluctuation (Net)	(2,530.50)	422.73
Increase/(Decrease) in Working Capital Borrowings	14,351.53	374.16
Proceeds/(Repayment) of External Commercial Borrowings	1,648.00	12,429.10
Proceeds/(Repayment) from Term Loans (Net)	(4,888.50)	(10,847.93)
Proceeds from PPNCD (Net)	-	3,480.00
Interest Paid	(6,723.59)	(4,099.69)
Equity Dividend and Corporate Dividend Tax Paid	(5,031.48)	(4,543.20)
<b>Net Cash Generated/(Used) in Financing Activities (C)</b>	<b>(3,174.54)</b>	<b>(2,784.83)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(13,326.44)</b>	<b>7,271.35</b>
Cash and Cash Equivalents Opening Balance	27,895.64	20,624.29
<b>Cash and Cash Equivalents Closing Balance</b>	<b>14,569.20</b>	<b>27,895.64</b>
Note: (i) Figures in brackets are outflows. (ii) Previous Year's figures have been regrouped wherever necessary.		

As per our Report of even date

For B. K. KHARE & CO.  
Chartered AccountantsC. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
DirectorDr. S. RAMA IYER  
DirectorSANTOSH PARAB  
PartnerFirm's Registration No.: 105102W  
Membership No.: 47942S. C. MEHTA  
Vice-Chairman & Managing DirectorS. R. WADHWA  
DirectorMumbai  
Dated 18<sup>th</sup> May, 2012Mumbai  
Dated 18<sup>th</sup> May, 2012R. SRIRAMAN  
Sr. Vice-President (Legal) &  
Company Secretary



## NOTES FORMING PARTS OF ACCOUNTS



### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention on accrual basis and comply with notified accounting standards as referred to in Section 211(3C) and other relevant provisions of the Companies Act, 1956.

#### B) REVENUE RECOGNITION

- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from FICC/Ministry of Agriculture/Ministry of Fertilisers.
- Grants and subsidies from the government are recognised when there is reasonable assurance of the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest other than on deposits, 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.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N<sub>2</sub>O reduction in its Nitric Acid plant are recognised as revenue on the actual receipts of the applicable credits and estimated at prevailing realisable values.
- Export benefit in the form of EPCG license is recognised as and when it is received for the value of the certificate.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.

#### 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).
- Exchange variation arising from repayment/restatement of the debts/borrowings in foreign currencies for acquisition of fixed assets is capitalised as per the Accounting Standard-11 as amended by the Notification No. G.S.R.378 (E) dated 11.05.11.
- 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-III 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	9.50%
Furniture, Fixtures and Office Equipments	9.5%, 13.5%, 19.00%
Vehicles	15.83%
Relocated DNA III Plant (WDV)	25.89%
Relocated Other Plants	6.68%
Modification of existing Ammonia Plant	6.33%
Modification of existing Ammonium Nitrate Plant	10.00%

- Depreciation on exchange rate variance capitalised as part of the cost of Fixed Assets upto 31<sup>st</sup> March, 2012, 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 Statement of Profit and Loss 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.

#### E) IMPAIRMENT OF ASSETS

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

#### F) INVENTORIES

- Inventories of raw materials are valued at lower of moving weighted average cost, written down to realisable value if the costs of the related finished goods exceed their 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.
- 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 diminution in their value which are other than temporary in nature. 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 Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of borrowings used for acquisition of fixed assets are capitalised. Wherever the variable interest in respect of External Commercial Borrowings is swapped for fixed interest rates, the fixed interest expense is recognised in the accounts.
- 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.
- The outstanding derivative contracts at the Balance Sheet date other than forward exchange contracts mentioned above are valued by marking them to market and losses, if any, are recognised in the Statement of Profit and Loss. For this purpose, the net effect of all the related streams of cash flows are taken into consideration.

#### I) EMPLOYEE BENEFITS

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- 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 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 Company's Policy 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.
- The Company has a retirement policy, a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

#### 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 assets 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 Statement of Profit and Loss 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-set-off, for each component of the timing differences.

## 2. Share Capital

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Authorised Shares</b>		
12,50,00,000 Equity Shares of face value ₹ 10/- each	12,500.00	12,500.00
10,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
<b>Total</b>	<b>13,500.00</b>	<b>13,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up Shares</b>		
8,82,04,943 Equity Shares of ₹ 10/- each fully paid-up	8,820.49	8,820.49
<b>Total Issued, Subscribed and Fully Paid-up Shares</b>	<b>8,820.49</b>	<b>8,820.49</b>

#### a. Reconciliation of Number of Shares outstanding at the beginning and end of the reporting period

	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Equity Shares				
At the beginning and end of the period	8,82,04,943	8,820.49	8,82,04,943	8,820.49
<b>Outstanding at the end of the period</b>	<b>8,82,04,943</b>	<b>8,820.49</b>	<b>8,82,04,943</b>	<b>8,820.49</b>

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

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

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

During the year ended 31<sup>st</sup> March, 2012 the amount of dividend per share recognised as distribution to equity shareholders is ₹ 5.50 (31<sup>st</sup> March 2011, ₹ 5.00).

In the event of liquidation of the Company the holders of Equity Share will be entitled to receive remaining assets of the Company, after distribution of all preferential distribution in proportion to the number of Equity Shares held by the shareholders.

## c. Details of Shareholders holding more than 5% share in the Company

Equity Shares of ₹ 10/- each fully paid	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shri S. C. Mehta	1,71,91,812	19.49%	1,71,91,712	19.49%
Nova Synthetic Ltd.	1,72,67,071	19.58%	1,71,18,892	19.41%
Fidelity Puritan Trust - Fidelity Low Priced Stock Fund	75,69,000	8.58%	67,04,026	7.60%
<b>TOTAL</b>	<b>4,20,27,883</b>	<b>47.65%</b>	<b>4,10,14,630</b>	<b>46.50%</b>

## 3. Reserves &amp; Surplus

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Reserves</b>		
<b>Capital Reserve</b>	0.13	0.13
<b>Capital Redemption Reserve</b>	150.00	150.00
<b>Share Premium Account</b>	10,798.95	10,798.95
<b>Special Reserve (*)</b>		
Balance as per the last Financial Statements	27.68	45.86
Less: Transferred to Statement of Profit and Loss for recoupment of depreciation	18.18	18.18
<b>Closing Balance</b>	<b>9.50</b>	<b>27.68</b>
<b>Debenture Redemption Reserve</b>		
Balance as per the last Financial Statement	3,959.00	2,547.00
Less: Transferred to Surplus	-	380.00
Add: Transferred from Surplus	1,792.00	1,792.00
<b>Closing Balance</b>	<b>5,751.00</b>	<b>3,959.00</b>
<b>General Reserve</b>		
Balance as per the last Financial Statement	11,629.91	9,759.91
Add: Transferred from Surplus	2,135.00	1,870.00
<b>Closing Balance</b>	<b>13,764.91</b>	<b>11,629.91</b>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statement	71,225.48	60,917.64
Profit for the year	21,297.38	18,662.41
Transferred from Debenture Redemption Reserve	-	380.00
Less: Appropriations		
Proposed Equity Dividend (Net of reversals) Amount ₹ 5.50 (31 <sup>st</sup> March, 2011 ₹ 5.00) per Equity Share	4,851.22	4,408.65
Tax on proposed dividend	689.62	663.92
Transfer to Debenture Redemption Reserve	1,792.00	1,792.00
Transfer to General Reserve	2,135.00	1,870.00
Total Appropriations	9,467.84	8,734.57
<b>Net surplus in the Statement of Profit and Loss</b>	<b>83,055.02</b>	<b>71,225.48</b>
<b>Total Reserves and Surplus</b>	<b>1,13,529.51</b>	<b>97,791.15</b>

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



#### 4. Long Term Borrowings - Secured

(₹ in Lacs)

	Non Current		Current	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>A External Commercial Borrowings (ECBs)</b>				
(i) Bank of Baroda	9,412.80	8,918.00	763.20	-
(ii) HSBC Bank	11,537.50	11,147.50	-	-
<b>Total</b>	<b>20,950.30</b>	<b>20,065.50</b>	<b>763.20</b>	<b>-</b>
<b>B Bond/Debentures</b>				
(i) 500, 9.31% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(ii) 500, 10% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(iii) 500, 9.75% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(iv) 500, 8.35% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	-	5,000.00	5,000.00	-
(v) 1250, 10.80% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	8,333.33	12,500.00	4,166.67	-
<b>Total</b>	<b>23,333.33</b>	<b>32,500.00</b>	<b>9,166.67</b>	<b>-</b>
<b>C Term Loans</b>				
<b>From Banks</b>				
(i) Canara Bank	2,054.32	2,976.84	922.52	922.52
(ii) Corporation Bank	-	2,946.41	-	353.57
(iii) Bank of Baroda	4,646.00	5,534.00	888.00	666.00
<b>Total</b>	<b>6,700.32</b>	<b>11,457.25</b>	<b>1,810.52</b>	<b>1,942.09</b>
<b>Net Amount</b>	<b>50,983.95</b>	<b>64,022.75</b>	<b>11,740.39</b>	<b>1,942.09</b>
Less :Current maturity of Long Term Borrowings disclosed under the "Other Current Liabilities". (Refer note no. 8)	-	-	11,740.39	1,942.09
<b>TOTAL</b>	<b>50,983.95</b>	<b>64,022.75</b>	<b>-</b>	<b>-</b>

Note: The Company has entered into option contract to cover its risk towards foreign exchange exposure on External Commercial Borrowings. The marked to market loss of ₹ Nil (Previous Year : ₹ 221.80 Lacs) has been provided in the accounts.



## NOTES:

Sr. No.	Particulars	Rate and Repayment schedule	Security
1.	External Commercial Borrowing from Bank of Baroda, ₹ 10,176 Lacs (Previous Year : ₹ 8,918 Lacs)	At variable interest rate payable quarterly (average for the year 3.81%). Repayable in 20 quarterly installments commencing from 30 <sup>th</sup> September, 2012 and last installment is payable on 30 <sup>th</sup> June, 2017.	Pari passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.
2.	External Commercial Borrowing from HSBC Bank ₹ 11,537.50 Lacs (Previous Year : ₹ 11,147.50 Lacs)	At fixed interest rate payable half yearly (average for the year 8.01%). Repayable in 6 equal half yearly installments from 31 <sup>st</sup> January, 2014 and last installment is payable on 29 <sup>th</sup> July, 2016.	Pari passu first charge on the Company's fixed assets, plant and machinery pertaining to Iso Propyl Alcohol (IPA) Plant located at Plot No. K-2, MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, Debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto along to rank pari passu with subsisting mortgage with minimum asset cover of 1.25 times.
3.	Privately Placed Non Convertible Debentures ₹ 5,000 Lacs (Previous Year : ₹ 5,000 Lacs)	9.31% per annum payable annually. Redeemable in single installment on 15 <sup>th</sup> July, 2015.	Pari passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.
4.	Privately Placed Non Convertible Debentures ₹ 5,000 Lacs (Previous Year : ₹ 5,000 Lacs)	10% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015.	Pari passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.
5.	Privately Placed Non Convertible Debentures ₹ 5,000 Lacs (Previous Year : ₹ 5,000 Lacs)	9.75% per annum payable quarterly. Redeemable in three equal installments from 25 <sup>th</sup> November, 2013 to 25 <sup>th</sup> November, 2015.	Pari passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.



6.	Privately Placed Non Convertible Debentures ₹ 5,000 Lacs (Previous Year : ₹ 5,000 Lacs)	8.35% per annum payable quarterly. Redeemable in single installment on 9 <sup>th</sup> February, 2013.	Pari passu first charge on the entire fixed assets pertaining to Ishanya Mall of the Company situated off Airport Road, Shastri Nagar, Yerawada, Pune along with interest, additional interest, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.
7.	Privately Placed Non Convertible Debentures ₹ 12,500 Lacs (Previous Year : ₹ 12,500 Lacs)	10.80% per annum payable annually. Redeemable in three equal installments from 1 <sup>st</sup> September, 2012 to 1 <sup>st</sup> September, 2014.	Pari passu first charge on the entire assets of the Company's immovable properties, plant and machinery, whether immovable or movable, pertaining to the Company's undertaking situated at Plot Nos. K-1 and K-2, MIDC Industrial Area, Taloja, Dist. Raigad to rank pari passu with the mortgages and charges created in favour of financial institutions/trustees and prior mortgages and charges in favour of the banks together with interest, remuneration of the Trustees and all fees, costs, charges, expenses and other monies payable.
8.	Rupee Term Loan from Canara Bank ₹ 2,976.84 Lacs (Previous Year : ₹ 3,899.36 Lacs)	At variable average interest rate payable monthly (average for the year 11.45%). Repayable in 32 equal quarterly installments from 31 <sup>st</sup> August, 2007 and the last installment is payable on 31 <sup>st</sup> May, 2015.	First charge over the immovable property consisting of appropriate built-up space of property in Survey Nos. 190 and 192 (part) situated opposite Golf Course, Shastri Nagar, Yerawada, Pune together with interest, default interest, costs, charges, expenses and other monies.
9.	Rupee Term Loan from Corporation Bank ₹ Nil (Previous Year : ₹ 3,299.98 Lacs)	At variable average interest rate payable monthly (average for the year 12.65%). Repayable in 26 quarterly installments of ₹ 125 Lacs each commencing from 30 <sup>th</sup> September, 2011 and the last installment of ₹ 50 Lacs is payable on 30 <sup>th</sup> April, 2018.	Pari passu first charge on the entire fixed assets pertaining to Technical Ammonium Nitrate (TAN Project), the leasehold rights and interest in Plot Nos. K-7 and K-8 at MIDC Industrial Area, Taloja, Dist. Raigad and the building(s), structure(s) standing or to be constructed thereon and all fixed plants and machineries installed/to be installed thereon, and all movable machineries, equipments and other movable assets of the said project, both present and future and the equipments, furniture, fixtures and fittings (excluding current assets) along with payment of interest and additional interest on the said loans, debentures, costs, charges, expenses and remuneration of the Trustees and all other monies thereto.
10.	Rupee Term Loan from Bank of Baroda ₹ 5,534 Lacs (Previous Year : ₹ 6,200 Lacs)	At variable average interest rate payable monthly (average for the year 13.47%). Repayable in 27 quarterly installments of ₹ 222 Lacs each and 28 <sup>th</sup> installment of ₹ 206 Lacs commencing from 30 <sup>th</sup> September, 2011 and the last installment is payable on 30 <sup>th</sup> June, 2018.	

**5. Deferred Tax Liability**

(₹ in Lacs)

	Balance as on 01.04.2011	Increase/ (Decrease)	Balance as on 31.03.2012
<b>A</b> Deferred Tax Liabilities			
-Timing Difference on account of depreciation	9,163.52	2,043.95	11,207.47
-Others	82.84	-	82.84
<b>Total (A)</b>	<b>9,246.36</b>	<b>2,043.95</b>	<b>11,290.31</b>
<b>B</b> Deferred Tax Assets			
-Provision for Doubtful Debts /Loans & Advances	319.88	0.72	320.60
-Accrued expenses deductible on actual payment/quantification	865.04	(19.93)	845.11
<b>Total (B)</b>	<b>1,184.92</b>	<b>(19.21)</b>	<b>1,165.71</b>
<b>Net tax effect of timing difference (A-B)</b>	<b>8,061.44</b>	<b>2,063.16</b>	<b>10,124.60</b>

**6. Provisions**

(₹ in Lacs)

	Long Term Provisions		Short Term Provisions	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>A</b> Provision for Employee Benefits				
Provision for Retirement Benefit-Leave	895.62	-	201.99	967.42
Gratuity Payable	295.72	537.95	313.94	289.00
Post Retirement Benefit	184.52	-	8.29	-
Wealth Creation Scheme	55.56	87.34	42.55	75.09
<b>Total (A)</b>	<b>1,431.42</b>	<b>625.29</b>	<b>566.77</b>	<b>1,331.51</b>
<b>B</b> Others				
Provision for Tax (Net)	-	-	-	238.93
Provision for Dividend	-	-	4,851.27	4,410.30
Provision for Dividend Tax	-	-	738.33	715.50
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>5,589.60</b>	<b>5,364.73</b>
<b>TOTAL (A + B)</b>	<b>1,431.42</b>	<b>625.29</b>	<b>6,156.37</b>	<b>6,696.24</b>

**7. Short Term Borrowings**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Loans Secured</b>		
From Banks:		
Buyer's Credit	26,110.05	11,601.89
Cash Credit Account	831.67	988.30
<b>TOTAL</b>	<b>26,941.72</b>	<b>12,590.19</b>

Note: (i) Cash Credit facilities sanctioned by Banks including Working Capital Demand Loan and Buyer's Credit are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, stock-in-process, consumable stores and book debts.

(ii) Cash Credit is repayable on demand and carries variable interest (average for the year 13.25%).

(iii) Buyer's credits are generally due within 180 days and carry variable interest (average for the year 1.81%).



## 8. Other Current Liabilities

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
a) Current maturities of long term debt (Refer note no. 4)	11,740.39	1,942.09
b) Interest accrued but not due on borrowings	1,410.08	1,311.26
c) Advances from Debtors	132.77	1,721.41
d) Unclaimed dividend/interest	372.73	327.18
e) Other Payables	7,867.22	6,063.38
f) Due to Directors	972.47	875.47
g) Deposits & Earnest money from Suppliers	1,533.97	2,744.51
h) TDS Payable	330.51	245.54
i) VAT Payable	156.22	189.14
j) PF and ESIC Payable	90.25	69.97
k) Related to Fixed Assets	669.23	3,162.89
<b>TOTAL</b>	<b>25,275.84</b>	<b>18,652.84</b>

The aggregate amount of unclaimed dividend of previous years' as on 31<sup>st</sup> March, 2012 was ₹ 372.73 Lacs (Previous Year: ₹ 327.18 Lacs). In accordance with the provisions of Section 205A (5) of the Companies Act, 1956, the dividend unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be credited to the Investor Protection and Education Fund.

## 9. Tangible Assets

(₹ in Lacs)

Description	Land (Freehold)	Land (Leasehold)	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>Cost At 1<sup>st</sup> April, 2010</b>	<b>5,374.70</b>	<b>1,351.36</b>	<b>20,942.54</b>	<b>1,01,598.60</b>	<b>1,574.47</b>	<b>831.98</b>	<b>1,340.05</b>	<b>1,031.43</b>	<b>1,34,045.13</b>
Addition	454.30	17.36	4,509.84	25,450.91	957.94	301.03	471.34	232.76	32,395.48
Disposal	-	-	382.43	58.83	0.94	17.92	40.43	183.27	683.82
Other Adjustment									
- Exchange Difference	-	-	-	(81.88)	-	-	-	-	(81.88)
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2011</b>	<b>5,829.00</b>	<b>1,368.72</b>	<b>25,069.95</b>	<b>1,26,908.80</b>	<b>2,531.47</b>	<b>1,115.09</b>	<b>1,770.96</b>	<b>1,080.92</b>	<b>1,65,674.91</b>
Addition	722.61	-	10,403.61	23,635.85	290.85	22.43	319.17	297.12	35,691.64
Disposal	-	-	1.53	311.40	1.32	69.31	119.15	195.49	698.20
Other Adjustment									
- Exchange Difference	-	-	-	1,648.00	-	-	-	-	1,648.00
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>6,551.61</b>	<b>1,368.72</b>	<b>35,472.03</b>	<b>1,51,881.25</b>	<b>2,821.00</b>	<b>1,068.21</b>	<b>1,970.98</b>	<b>1,182.55</b>	<b>2,02,316.35</b>
<b>Accumulated Depreciation on 1<sup>st</sup> April, 2011</b>	<b>-</b>	<b>127.81</b>	<b>3,323.44</b>	<b>59,482.84</b>	<b>391.42</b>	<b>542.78</b>	<b>996.00</b>	<b>481.26</b>	<b>65,345.55</b>
Deduction/adjustment	-	-	0.36	86.95	1.32	67.10	112.98	135.27	403.98
Depreciation during the year	-	17.48	632.17	6,634.50	187.71	73.69	195.75	177.64	7,918.94
<b>Accumulated Depreciation on 31<sup>st</sup> March, 2012</b>	<b>-</b>	<b>145.29</b>	<b>3,955.25</b>	<b>66,030.39</b>	<b>577.81</b>	<b>549.37</b>	<b>1,078.77</b>	<b>523.63</b>	<b>72,860.51</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>6,551.61</b>	<b>1,223.43</b>	<b>31,516.78</b>	<b>85,850.86</b>	<b>2,243.19</b>	<b>518.84</b>	<b>892.21</b>	<b>658.92</b>	<b>1,29,455.84</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2011</b>	<b>5,829.00</b>	<b>1,240.91</b>	<b>21,746.51</b>	<b>67,425.96</b>	<b>2,140.05</b>	<b>572.31</b>	<b>774.96</b>	<b>599.66</b>	<b>1,00,329.36</b>

**Notes :**

- (a) Freehold land includes:
- ₹ 3,600 Lacs (Previous Year ₹ 3,600 Lacs) represented by 24,000 Equity Shares of ₹ 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.
  - ₹ 1,046.42 Lacs (Previous Year : ₹ 815 Lacs) represented by 1,38,888 Equity Shares (Previous Year: 8,024) of ₹ 10/- each in the said company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.
- (b) Buildings include a sum of ₹ 11,572.87 Lacs (Previous Year: ₹ 3,308.87 Lacs) represented by 38,236 (Previous Year : 17,628) Equity Shares of ₹ 10/- each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.
- (c) Gross Block of Plant and Machinery includes:
- ₹ 421.63 Lacs (Previous Year : ₹ 421.63 Lacs) being the cost of Fixed Assets, ownership of which does not vest with the Company, being amortised over 60 months.
  - ₹ 6,212.61 Lacs (Previous Year : ₹ 4,564.61 Lacs) towards foreign exchange fluctuation on Long Term Loans.
- (d) During the year, the Company has acquired additional equity shares of an associate company viz: Yarrowda Investments Ltd. (YIL) by virtue of which the said company has become the Company's subsidiary under the Companies Act, 1956. However, since these shares represent indefeasible and perpetual occupancy rights in the immovable properties owned by the said company, the cost of acquisition thereof is treated as part of fixed assets in consonance with the past practice.
- (e) Impairment of Assets: The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of CGUs are impaired during the Financial Year ended 31<sup>st</sup> March, 2012.

**10. Intangible Assets****(₹ in lacs)**

Description	Computer Software	Technical Know-how/ Engineering Fee	License/ Franchise Fee	Upfront fees/Way leave charges	Design	Total
<b>Cost At 1<sup>st</sup> April, 2010</b>	<b>337.22</b>	<b>142.26</b>	-	<b>411.65</b>	-	<b>891.13</b>
Addition	44.05	-	934.69	73.48	5.96	1,058.18
Disposal	-	-	-	-	-	-
Other Adjustment						
- Exchange Difference	-	-	-	-	-	-
- Borrowing Costs	-	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2011</b>	<b>381.27</b>	<b>142.26</b>	<b>934.69</b>	<b>485.13</b>	<b>5.96</b>	<b>1,949.31</b>
Addition	204.98	-	-	-	-	204.98
Disposal	-	-	-	-	-	-
Other Adjustment						
- Exchange Difference	-	-	-	-	-	-
- Borrowing Costs	-	-	-	-	-	-
<b>Gross carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>586.25</b>	<b>142.26</b>	<b>934.69</b>	<b>485.13</b>	<b>5.96</b>	<b>2,154.29</b>
<b>Accumulated Depreciation as on 1<sup>st</sup> April, 2011</b>	<b>332.03</b>	<b>130.88</b>	<b>68.94</b>	<b>57.54</b>	<b>0.13</b>	<b>589.52</b>
Deduction/adjustment	-	-	-	-	-	-
Depreciation during the year	60.36	11.35	186.94	29.22	1.99	289.86
<b>Accumulated Depreciation as on 31<sup>st</sup> March, 2012</b>	<b>392.39</b>	<b>142.23</b>	<b>255.88</b>	<b>86.76</b>	<b>2.12</b>	<b>879.38</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>193.86</b>	<b>0.03</b>	<b>678.81</b>	<b>398.37</b>	<b>3.84</b>	<b>1,274.91</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2011</b>	<b>49.24</b>	<b>11.38</b>	<b>865.75</b>	<b>427.59</b>	<b>5.83</b>	<b>1,359.79</b>

**11. Capital Work-in-Progress****(₹ in Lacs)**

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Projects	10,415.23	25,762.56
Others	1,590.63	1,231.36
<b>TOTAL</b>	<b>12,005.86</b>	<b>26,993.92</b>


**11A Capital Work-in-Progress - Projects**

(₹ in Lacs)

Description	Incurred upto 31-03-2011	Incurred During 2011-2012	Captialised During 2011-2012	Total as on 31-03-2012
Land and Site Development	135.18	-	-	135.18
Building (under construction)	1,994.15	1,996.41	2,170.69	1,819.87
Plant & Machinery (under installation)	17,808.40	2,544.36	12,989.08	7,363.68
Advances	570.29	(570.29)	-	-
Technical Know-how and Engineering Fees	308.16	16.46	324.62	-
Other Assets	209.92	293.57	220.01	283.48
Pre Commissioning Testing and Startup Expenses	239.34	-	234.02	5.32
Pre-operative expenditure pending Capitalisation/ Amortisation				
-Employees emoluments	781.89	53.62	683.28	152.23
-General expenses	1,516.04	312.21	1,324.24	504.01
Interest (Net) on fixed term loan and other financial charges	2,199.19	362.90	2,410.63	151.46
<b>TOTAL</b>	<b>25,762.56</b>	<b>5,009.24</b>	<b>20,356.57</b>	<b>10,415.23</b>

**12. Non Current Investment**

(₹ in Lacs)

		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>A</b>	<b>TRADE INVESTMENT</b>		
<b>1)</b>	<b>Investment in Equity</b>		
	Nil (Previous Year : 6,00,000) 1% Cumulative Redeemable Preference Shares of ₹ 100/- each of Smartchem Technologies Ltd.	-	600.00
	9,99,994 (Previous Year : 9,99,994) Equity Shares of ₹ 10/- each of Smartchem Technologies Ltd.	6,379.88	6,379.88
	1,60,000 (Previous Year : 1,60,000) Shares of AUD 1/- each of Deepak Nitrochem Pty. Ltd.	54.20	54.20
	Less: Provision for Diminution in Value	(30.48)	(30.48)
	Net	23.72	23.72
	9,998 (Previous Year : 9,998) Equity Shares of ₹ 10/- each of Deepak Mining Services Pvt. Ltd.	1.00	1.00
	<b>Total</b>	<b>6,404.60</b>	<b>7,004.60</b>
<b>2)</b>	<b>Investment in Equity - Associates (Trade/Unquoted)</b>		
	10,51,504 (Previous Year : Nil) Fully paid-up Equity Share of face value of ₹ 10/- each, 36,32,459 (Previous Year : Nil) Partly paid-up ₹ 1.93 each Equity Shares of face value ₹ 10/- each of Desai Fruits and Vegetables Pvt. Ltd.	<b>2,377.98</b>	-
<b>3)</b>	<b>Investment in Equity - Others (Trade/Unquoted)</b>		
	88,448 (Previous Year : 88,448) Shares of Sterling Pound 1/- each of Deepak International Limited	68.69	68.69
	49,994 (Previous Year : 49,994) Equity Shares of ₹ 10/- each of Ishanya Realty Corporation Limited	5.00	5.00
	49,994 (Previous Year : 49,994) Equity Shares of ₹ 10/- each of Ishanya Brand Services Limited	5.00	5.00
	<b>Total</b>	<b>78.69</b>	<b>78.69</b>

		(₹ in Lacs)	
		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>B</b>	<b>NON TRADE INVESTMENT</b>		
1	Investment in Equity Shares Quoted (Market value ₹ 124.66 Lacs Previous Year : ₹ 136.42 Lacs)	137.57	137.57
	Less: Provision for diminution in value	(17.98)	(9.93)
	Net	119.59	127.64
2	Investment in Debentures or Bond (Unquoted)		
	1 Zero Coupon Debenture (Face value ₹ 750 Lacs; Previous Year : ₹ 1,000 Lacs)	783.26	1,044.35
	<b>Total</b>	<b>902.85</b>	<b>1,171.99</b>
	<b>TOTAL</b>	<b>9,764.12</b>	<b>8,255.28</b>

**Details of Investment in Equity (Quoted)**

Equity (All Fully Paid-up)		Face Value (₹)	Balance as on 31.03.2012		Market Value on 31.03.2012	Balance as on 31.03.2011		Market Value on 31.03.2011
			No. of Shares	Amount ₹ in Lacs	Amount ₹ in Lacs	No. of Shares	Amount ₹ in Lacs	Amount ₹ in Lacs
1.	HDFC Ltd.	2	5,000	26.76	33.66	5,000	26.76	35.06
2.	Infosys Technologies Ltd.	5	750	20.38	21.50	750	20.38	24.31
3.	ITC Ltd.	1	16,400	18.61	37.21	16,400	18.61	29.86
4.	IVRCL Infrastructurers Ltd.	2	15,239	31.98	10.08	15,239	31.98	12.45
5.	Sterlite Industries Ltd.	1	20,000	39.84	22.21	20,000	39.84	34.74
	<b>TOTAL</b>			<b>137.57</b>	<b>124.66</b>		<b>137.57</b>	<b>136.42</b>

Note: 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. Loans and Advances**

(₹ in Lacs)

		Non Current		Current	
		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>a)</b>	<b>Capital Advance</b>	1,102.46	4,672.29	-	-
<b>b)</b>	<b>Security Deposits</b>				
	Unsecured, considered good	1,540.04	1,194.42	-	-
<b>c)</b>	<b>Balance with Central Excise and Customs</b>				
	Unsecured, considered good	-	-	2,533.20	1,778.40
<b>d)</b>	<b>Loans and Advances - Related Parties</b>				
	Unsecured, considered good	200.00	200.00	417.33	691.03
<b>e)</b>	<b>Advances recoverable in cash or kind or for value to be received</b>				
	Unsecured, considered good				
	- Advances/Loans to Employees	-	-	51.88	88.70
	- Advances to Suppliers	-	-	3,218.34	2,792.43
	- Others	-	-	3,034.61	3,352.36
<b>f)</b>	<b>Other Loan and Advance</b>				
	Prepaid expenses	-	-	1,287.55	925.31
<b>g)</b>	<b>Advance payment of Taxes (Net)</b>	-	-	1,885.06	-
	<b>TOTAL</b>	<b>2,842.50</b>	<b>6,066.71</b>	<b>12,427.97</b>	<b>9,628.23</b>


**14. Loans and Advances - Related Parties and officers**

(₹ in Lacs)

	Non Current		Current	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Security Deposit placed with Vice-Chairman & Managing Director towards lease of Residential Premises	200.00	200.00	-	-
Due from company where Executive Director is a Director/ Related Party	-	-	417.33	691.03
Due from officers	-	-	-	0.30
<b>TOTAL</b>	<b>200.00</b>	<b>200.00</b>	<b>417.33</b>	<b>691.33</b>

**15. Trade Receivables**

(₹ in Lacs)

	Non Current		Current	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Unsecured considered good unless stated otherwise outstanding for a period exceeding six months</b>				
Unsecured, considered good	-	-	1,383.49	2,399.15
Considered Doubtful	-	-	589.11	586.89
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,972.60</b>	<b>2,986.04</b>
Less: Provision for doubtful debts	-	-	(589.11)	(586.89)
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>1,383.49</b>	<b>2,399.15</b>
<b>Other Receivables</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	54,154.26	21,914.77
Considered doubtful	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,154.26</b>	<b>21,914.77</b>
Less: Provision for doubtful debts	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>54,154.26</b>	<b>21,914.77</b>
<b>TOTAL (A+B)</b>	<b>-</b>	<b>-</b>	<b>55,537.75</b>	<b>24,313.92</b>

**16. Other Assets**

(₹ in Lacs)

	Non Current		Current	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Interest accrued on deposits	-	-	357.17	347.95
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>357.17</b>	<b>347.95</b>

**17. Current Investments**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Unquoted Bonds</b>		
7.00% Fertiliser Company GOI Special Bonds, 2022	-	2,275.00
6.65% Fertiliser Company GOI Special Bonds, 2023	-	348.90
6.20% Fertiliser Company GOI Special Bonds, 2022	-	654.10
<b>Total</b>	<b>-</b>	<b>3,278.00</b>
Less: Provision for diminution in value	-	(199.52)
<b>Net</b>	<b>-</b>	<b>3,078.48</b>
<b>Unquoted Mutual Funds</b>		
Mutual Funds	2,125.00	25.00
Less: Provision for diminution in value	(5.48)	(1.58)
<b>Net</b>	<b>2,119.52</b>	<b>23.42</b>
<b>TOTAL</b>	<b>2,119.52</b>	<b>3,101.90</b>



## 18. Inventories (Valued at lower of Cost and Net Realisable Value)

(₹ in Lacs)

		As on 31 <sup>st</sup> March 2012	As on 31 <sup>st</sup> March 2011
(a)	Raw Materials	7,269.79	5,502.30
(b)	Finished goods	5,898.10	2,791.19
(c)	Stores & Spares	7,503.50	7,383.26
	<b>TOTAL</b>	<b>20,671.39</b>	<b>15,676.75</b>

## 19. Cash and Cash Equivalents

(₹ in Lacs)

	Non Current		Current	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Cash on Hand	-	-	22.91	21.36
Cheque / Postage Stamps on Hand	-	-	1,253.97	161.92
<b>Balance with Banks</b>				
- on current account	-	-	4,677.82	5,440.84
- on unpaid dividend	-	-	372.73	298.72
- others	-	-	202.64	23.01
<b>Total</b>	-	-	<b>5,253.19</b>	<b>5,762.57</b>
<b>Other Bank Balances</b>				
- Deposits with original maturity for more than 12 months	-	-	0.19	1.07
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	9.98
- Deposit with original maturity for Less than 3 months	-	-	-	7,228.36
- Others	-	-	8,038.94	14,710.38
<b>TOTAL</b>	-	-	<b>14,569.20</b>	<b>27,895.64</b>


**20. A. Revenue from Operations**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012		Year ended 31 <sup>st</sup> March 2011	
Sale of Products				
- Finished Goods	1,71,947.02		1,23,252.84	
Less: Excise Duty	13,091.66	1,58,855.36	9,883.65	1,13,369.19
- Traded Goods		43,461.13		17,852.42
- Subsidy on Manufactured Fertilisers		25,803.77		14,747.21
- Subsidy on Traded Fertilisers		5,251.42		9,033.50
Revenue from Realty Business	740.43		1,312.59	
Less: Service Tax	60.78	679.65	132.59	1,180.00
Other Operating Revenue	237.20		305.49	
Less: Service Tax	7.21	229.99	6.04	299.45
Revenue from Operations (Net)		2,34,281.32		1,56,481.77

**B. Details of Products Sold**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>Finished goods sold</b>		
Iso Propyl Alcohol	49,892.69	41,222.18
Nitrophosphate	46,691.77	23,280.55
Bentonite Sulphur	2,528.33	2,678.46
Technical Ammonium Nitrate	44,403.36	25,599.00
Nitric Acid	19,268.49	17,122.70
Methanol	11,660.92	11,848.97
Propane	6,990.68	3,493.77
Liquid CO <sub>2</sub>	1,266.05	1,271.58
Hydrogen	1,008.41	677.17
Power Generated from Windmill	659.47	607.82
Others	288.96	314.20
<b>Total</b>	<b>1,84,659.13</b>	<b>1,28,116.40</b>
<b>Traded goods sold</b>		
Complex Fertiliser	20,507.55	-
Muriate of Potash	8,626.88	11,628.54
Mixture Fertiliser	1,748.21	2,210.17
Single Super Phosphate	3,023.55	2,018.00
Specialty Fertiliser	11,496.14	9,346.50
Others	3,310.22	1,682.71
<b>TOTAL</b>	<b>48,712.55</b>	<b>26,885.92</b>

**21. Other Income**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
1. Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source ₹ 5.92 Lacs; Previous Year : ₹ 33.53 Lacs)	43.19	118.44
2. Interest on Fertiliser Bonds (Tax Deducted at Source ₹ Nil; Previous Year : ₹ Nil)	63.97	446.01
3. Other Interest (Gross) (Tax Deducted at Source ₹ 10.93 lacs; Previous Year : ₹ Nil )	985.65	682.39
4. Dividend		
a) Trade Investments - Subsidiary Company	300.00	306.00
b) Non Trade Investments	1.95	17.93
5. Dividend - Mutual Funds	-	3.46
6. Profit/(Loss) on Sale/Redemption of Investments in Mutual Funds	1,232.47	678.26
7. Foreign Currency Fluctuation Gain	-	422.73
8. Miscellaneous Receipts	1,310.46	907.05
<b>TOTAL</b>	<b>3,937.69</b>	<b>3,582.27</b>

**22. Cost of Material Consumed**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>A Details of principal Raw Material Consumed</b>		
Ammonia (Purchased)	21,819.47	6,555.53
Natural Gas	25,971.43	21,466.34
Propylene	37,840.33	28,276.71
Phosphoric Acid	22,566.06	10,586.57
Others	2,597.61	1,644.44
<b>Total</b>	<b>1,10,794.90</b>	<b>68,529.59</b>
<b>B Packing Material Consumed</b>	<b>2,676.47</b>	<b>2,192.54</b>
<b>TOTAL</b>	<b>1,13,471.37</b>	<b>70,722.13</b>

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

**23. Change in Inventory of Finished Goods, WIP & Stock in Trade**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>(Increase)/Decrease in Inventory:</b>		
<b>Inventories at the end of the year</b>		
Traded goods	1,967.75	2,016.48
Finished Goods	3,930.35	774.71
<b>Total</b>	<b>5,898.10</b>	<b>2,791.19</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	2,016.48	2,022.11
Finished Goods	774.71	1,164.27
(Increase)/Decrease in Excise Duty on Stock of Finished Goods	172.30	10.44
(Increase)/Decrease	2,963.49	3,196.82
<b>(Increase)/Decrease in Inventory</b>	<b>(2,934.61)</b>	<b>405.63</b>



## 24. Details of Purchase of Traded Goods

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
Complex Fertiliser	19,083.52	-
Muriate of Potash	8,387.78	11,077.33
Mixture Fertiliser	1,665.76	2,116.66
Single Super Phosphate	2,869.03	1,917.73
Specialty Fertilisers	8,946.90	6,496.36
Others	2,969.99	2,172.12
<b>TOTAL</b>	<b>43,922.98</b>	<b>23,780.20</b>

## 25. Employee Benefits Expenses

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a) Salary and Wages	11,779.40	8,715.48
(b) Contribution to Provident and other Funds	1,117.05	1,193.80
(c) Staff welfare	1,035.25	770.37
<b>TOTAL</b>	<b>13,931.70</b>	<b>10,679.65</b>

## 26. Other Expenses

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a) Power, Fuel and Water	3,024.29	1,644.21
(b) Stores, Spares, Oils, Chemicals and Catalysts Consumed	2,988.83	2,312.55
(c) <b>Repairs to:</b>		
-Buildings	505.00	377.44
-Plant and Machinery	3,211.53	2,570.25
-Others	621.79	653.48
<b>Total</b>	<b>4,338.32</b>	<b>3,601.17</b>
(d) Insurance	1,015.41	701.96
(e) Rent	550.26	328.80
(f) Rates, Taxes and Duties	875.69	565.81
(g) Directors' Sitting Fees	11.07	11.19
(h) Auditors' Remuneration	62.57	46.56
(i) Carriage Outward (Net)	4,167.39	2,215.19
(j) Cash Discounts	155.78	92.50
(k) Provision for diminution in the value of investments		
Loss on Sale of Investments - Bonds	-	399.04
Less: Loss shared by Govt.	-	(199.52)
Loss incurred	37.94	199.52
Less: Provision for diminution written back on bonds	-	(525.18)
Total	-	(325.66)
Add: Provision in diminution in the value of other investments (Net)	11.96	1.57
<b>Net Provision/(Write Back) towards diminution</b>	<b>49.90</b>	<b>(324.09)</b>
(l) Foreign Exchange Fluctuation (Net)	2,530.50	-
(m) Miscellaneous Expenses	6,038.99	5,300.00
<b>TOTAL</b>	<b>25,809.00</b>	<b>16,495.85</b>

Manufacturing and other expenses are excluding start up and commissioning expenses amounting to ₹ 296.12 Lacs (Previous Year: ₹ 1,227.40 Lacs). The details of start up and commissioning expenses are as follows:

(₹ in Lacs)

Particulars		Year ended 31 <sup>st</sup> March 2012		Year ended 31 <sup>st</sup> March 2011	
A	Manufacturing and Other Expenses				
	1. Raw Materials Consumed	288.87		767.09	
	2. Packing Materials Consumed	-		21.75	
	3. Employee Emoluments	-		158.94	
	4. Power and Water	7.25		130.42	
	5. Stores, Spares, Oil & Chemicals Consumed	-		68.70	
	6. Repairs - Plant and Machinery	-		20.36	
	7. Repairs - Others	-		8.12	
	8. Insurance	-		7.56	
	9. Rates, Taxes and Duties	-		7.13	
	10. Miscellaneous Expenses	-		37.33	
	<b>Total Expenses</b>		<b>296.12</b>		<b>1,227.40</b>
B	Less: Realisations		296.12		1,040.30
C	<b>Net Expenses</b>		<b>-</b>		<b>187.10</b>

The Company sold the Fertiliser Bonds (issued in lieu of Fertiliser Subsidy) pursuant to the decision of the Government of India to buy back outstanding bonds in two tranches in 2010-11 and 2011-12 and to compensate the Company atleast 50% of the loss incurred on such sale. Accordingly, the Company has accounted for the loss of ₹ 37.94 Lacs (Previous Year : ₹ 199.52 Lacs) (net of 50% compensation receivable from Government of India) and the same has been shown under operating and other expenses.

**Details of Payment to Auditor**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>As Auditor</b>		
Audit Fees	31.50	29.13
Tax Audit	4.50	4.13
<b>Other Capacity</b>		
Certification	8.21	5.15
Taxation Matters	16.75	7.00
Reimbursement of expenses	1.61	1.15
<b>TOTAL</b>	<b>62.57</b>	<b>46.56</b>

**Depreciation and Amortisation Expenses**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
Depreciation of Tangible Assets	7,918.94	7,009.11
Depreciation of Intangible Assets	289.86	155.78
Less: Transferred from Special Reserve	18.18	18.18
<b>Total</b>	<b>8,190.62</b>	<b>7,146.71</b>



## 27. Exceptional Item

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
Exceptional Item represent cost of assets discarded under restructuring of the real estate business	-	338.09
<b>TOTAL</b>	-	<b>338.09</b>

Note: Prior Period Item Current Year ₹ 132.21 Lacs (Previous Year ₹ 175.99 Lacs)

## 28. Financial Cost

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a) Interest on Loans #	5,312.30	3,990.23
(b) Interest - Others *	1,373.16	267.34
(c) Other Financial Charges #	136.94	132.56
<b>TOTAL</b>	<b>6,822.40</b>	<b>4,390.13</b>

\* Includes net loss on foreign currency transactions and translations ₹ 954.71 Lacs (Previous Year: ₹ Nil)

# Excluding amount capitalised ₹ 343.94 Lacs (Previous Year : ₹ 1,709.14 Lacs)

## 29. Earning Per Share

(₹ in Lacs)

The following reflects the profit and share data used in basic and diluted EPS calculation	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Profit/ (Loss) after tax	21,297.38	18,662.41
Net Profit for calculation of Basic EPS	21,297.38	18,662.41
Net Profit as above	21,297.38	18,662.41
Less: Dividend on Convertible Debenture & Tax thereon	-	-
Add : Interest on Bonds convertible into Equity (Net of Tax)	-	-
Net profit for calculation of Diluted EPS	21,297.38	18,662.41
No of Equity Shares of ₹ 10/- each	8,82,04,943	8,82,04,943
Basic and Diluted Earning Per Share	24.15	21.16

## 30. Gratuity and other post retirement benefit Plans

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Benefits		Compensated Absences		Post Retirement
		31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012
<b>1.</b>	<b>Components of employer expenses</b>					
	Current service cost	210.26	168.06	127.86	103.32	192.81
	Interest cost	191.61	139.08	71.29	49.04	-
	Expected return on plan assets	(150.76)	(126.86)	-	-	-
	Actuarial losses / (gains)	(223.82)	366.46	147.55	285.89	2.80
	Total expenses / (Income) recognised in the Statement of Profit and Loss	27.29	546.74	346.70	438.25	195.61
<b>2.</b>	<b>Actual contribution &amp; benefits paid during the year</b>					
	Actual benefits paid	115.35	120.71	217.06	167.52	2.80
	Actual contribution	244.58	217.48	-	-	-
<b>3.</b>	<b>Net asset / (liability) recognised in the Balance Sheet as on 31<sup>st</sup> March, 2012</b>					
	Present Value of Defined Benefit Obligation	(2,440.17)	(2,366.21)	(1,097.07)	(967.43)	(192.81)
	Fair value of plan assets	1,830.51	1,539.26	-	-	-
	<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(609.66)</b>	<b>(826.95)</b>	<b>(1,097.07)</b>	<b>(967.43)</b>	<b>(192.81)</b>

Sr. No.	Particulars	(₹ in Lacs)				
		Gratuity Benefits		Compensated Absences		Post Retirement
		31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012
<b>4.</b>	<b>Change in Defined Benefit Obligations (DBO) during the year ended 31<sup>st</sup> March, 2012</b>					
	Present Value of DBO at beginning of year	2,366.21	1,798.85	967.43	696.70	-
	Current Service cost	210.26	168.06	127.86	103.32	192.81
	Interest cost	191.61	139.08	71.29	49.04	-
	Actuarial (gains)/losses	(212.56)	380.93	147.55	285.89	2.80
	Benefits paid	(115.35)	(120.71)	(217.06)	(167.52)	(2.80)
	<b>Present Value of DBO at the end of year</b>	<b>2,440.17</b>	<b>2,366.21</b>	<b>1,097.07</b>	<b>967.43</b>	<b>192.81</b>
<b>5.</b>	<b>Change in Fair Value of Assets during the year ended 31<sup>st</sup> March, 2012</b>					
	Plan assets at beginning of year	1,539.26	1,301.16	NA	NA	NA
	Actual return on plan assets	150.76	126.86	NA	NA	NA
	Actual Company contributions	244.58	217.48	NA	NA	NA
	Actuarial (gains)/losses on Plan Assets	11.26	14.47	NA	NA	NA
	Benefits paid	(115.35)	(120.71)	NA	NA	NA
	<b>Plan assets at the end of year</b>	<b>1,830.51</b>	<b>1,539.26</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>6.</b>	<b>Actuarial Assumptions</b>					
	Discount Rate	8.30%	8.30%	8.50%	8.30%	8.50%
	Expected Return on plan assets	9.40%	9.40%	NA	NA	NA
	Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%

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

### 31. RELATED PARTY DISCLOSURES

#### NAMES OF THE RELATED PARTIES AND RELATIONSHIP

##### A. ASSOCIATES

- Blue Shell Investments Pvt. Ltd.
- Deepak Nitrite Ltd.
- Nova Synthetic Ltd.
- The Lakaki Works Pvt. Ltd.
- Superpose Credits And Capital Pvt. Ltd.
- Storewell Credits And Capital Pvt. Ltd.
- High Tide Investments Pvt. Ltd.
- Deepak Asset Reconstruction Pvt. Ltd.
- Mahadhan Investment and Finance Pvt. Ltd.
- Ishanya Foundation
- Ishanya Brand Services Ltd.
- Ishanya Realty Corporation Ltd.
- Deepak Foundation
- Desai Fruits and Vegetables Pvt. Ltd.

##### B. SUBSIDIARIES

- Smartchem Technologies Ltd.
- Deepak Nitrochem Pty. Ltd.
- Deepak Mining Services Pvt. Ltd.
- Yerrowda Investments Ltd.

##### C. KEY MANAGEMENT PERSONNEL

- Shri S. C. Mehta



### 32A RELATED PARTY TRANSACTIONS

(₹ in Lacs)

Sr. No.	Nature of Transactions	Current Year				Previous Year			
		Subsidiaries	Associates	Key Management Personnel	Total	Subsidiaries	Associates	Key Management Personnel	Total
1.	Sale of Goods	80.85	3,489.93	-	3,570.78	53.43	2,774.25	-	2,827.68
2.	Purchase of Goods	-	(0.26)	-	(0.26)	-	-	-	-
3.	Donation Given	-	(397.00)	-	(397.00)	-	(185.00)	-	(185.00)
4.	Rendering of Services / Reimbursement of Expenses	29.96	7.22	-	37.18	4.18	5.10	-	9.28
5.	Receiving of Services / Reimbursement of Expenses	(97.34)	(0.25)	(1,015.93)	(1,113.52)	-	(78.25)	(899.52)	(977.77)
6.	Leasing or Hire Purchase arrangements	-	24.55	(9.00)	15.55	-	24.55	(9.00)	15.55
7.	Purchase of Equity Shares	-	(2,377.98)	-	(2,377.98)	-	-	-	-
8.	Redemption of Preference Shares	600.00	-	-	600.00	1,200.00	-	-	1,200.00
9.	Purchase of DEPB Licenses	-	(15.25)	-	(15.25)	-	-	-	-
10.	Purchase of Fixed Asset	(152.71)	(5.84)	-	(158.55)	-	-	-	-
11.	Dividend Received	300.00	-	-	300.00	306.00	-	-	306.00
12.	Dividend Paid	-	(919.05)	(859.57)	(1,778.62)	-	(805.74)	(773.61)	(1,579.35)
13.	Balance Receivable/(Payable)	0.61	418.27	(667.15)	(248.27)	4.19	(694.03)	(580.15)	(1,269.99)
	Less : Provision for Receivable/(Payable)	-	-	-	-	-	-	-	-
	Net Outstanding Receivable/ (Payable)	0.61	418.27	(667.15)	(248.27)	4.19	(694.03)	(580.15)	(1,269.99)

### 32B NAMES OF THE RELATED PARTIES FOR VALUE EXCEEDING 10% OF THE TRANSACTIONS

(₹ in Lacs)

Sr.No.	Nature of Transactions	Subsidiaries	Associates	Key Management Personnel
1.	<b>Sale of Goods</b>			
	Smartchem Technologies Ltd.	80.85	-	-
	Deepak Nitrite Ltd.	-	3,489.93	-
2.	<b>Purchase of Goods</b>			
	Ishanya Foundation	-	(0.26)	-
3.	<b>Donation Given</b>			
	Ishanya Foundation	-	(47.00)	-
	Deepak Foundation	-	(350.00)	-
4.	<b>Rendering of Services/Reimbursement of Expenses</b>			
	Deepak Mining Services Pvt. Ltd.	8.81	-	-
	Smartchem Technologies Ltd.	21.15	-	-
	Ishanya Foundation	-	4.00	-
	Deepak Nitrite Ltd.	-	3.22	-
5.	<b>Receiving of Services/Reimbursement of Expenses</b>			
	Yerrowda Investments Ltd.	(97.34)	-	-
	Ishanya Foundation	-	(0.25)	-
	Shri S. C. Mehta (Remuneration/Commission)	-	-	(1,015.93)
6.	<b>Leasing or Hire Purchase arrangements</b>			
	Deepak Nitrite Ltd.	-	24.55	-
	Shri S. C. Mehta	-	-	(9.00)
7.	<b>Purchase of Equity Shares</b>			
	Desai Fruits and Vegetables Pvt. Ltd.	-	(2,377.98)	-
8.	<b>Redemption of Preference Shares</b>			
	Smartchem Technologies Ltd.	600.00	-	-
9.	<b>Purchase of DEPB Licenses</b>			
	Desai Fruits and Vegetables Pvt. Ltd.	-	(15.25)	-
10.	<b>Purchase of Fixed Asset</b>			
	Yerrowda Investments Ltd.	(152.71)	-	-
	Blue Shell Investments Pvt. Ltd.	-	(5.84)	-
11.	<b>Dividend Received</b>			
	Smartchem Technologies Ltd.	300.00	-	-
12.	<b>Dividend Paid</b>			
	Nova Synthetic Ltd.	-	(855.94)	-
	Shri S. C. Mehta	-	-	(859.57)
13.	<b>Balance Receivable/(Payable)</b>			
	Deepak Mining Services Pvt. Ltd.	4.55	-	-
	Yerrowda Investments Ltd.	(3.94)	-	-
	Deepak Nitrite Ltd.	-	418.37	-
	Shri S. C. Mehta	-	-	(667.15)

Note : Figures in bracket are outflows.



**33. Capital and Other Commitments**

(₹ in Lacs)

<b>Capital Commitments:</b>	<b>31<sup>st</sup> March 2012</b>
Related to Projects	869.41
Related to Realty	1,382.31
Related to Factory	668.11
<b>Other commitments:</b>	
Desai Fruits and Vegetables Pvt. Ltd. (Unpaid amount of Equity and Premium)	1,657.86
<b>TOTAL</b>	<b>4,577.69</b>

**34. Contingent Liabilities**

(₹ in Lacs)

<b>Liabilities classified and considered contingent due to contested claims and legal disputes</b>	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
Claim by Supplier	2,610.52	5,963.81
Income Tax demands	2,131.50	1,152.77
Excise demands	2,295.06	1,574.16
Sales Tax/VAT demands	1,747.58	1,657.20
<b>TOTAL</b>	<b>8,784.66</b>	<b>10,347.94</b>

35. 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. 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.

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

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and there is no default in payment to such enterprise as specified in the said Act. However, the amounts outstanding as well as interest applicable are insignificant and hence not separately disclosed.

**37. Expenditure in Foreign Currency**

(₹ in Lacs)

	<b>31<sup>st</sup> March 2012</b>		<b>31<sup>st</sup> March 2011</b>	
Interest and repayment of Loans		18,120.71		11,379.39
Dividend		18.17		17.59
No. of shareholders	334		350	
No. of Shares	3,63,550		3,90,850	
Technical Fees to Foreign Vendors		520.15		84.24
Foreign Travel		89.61		24.70
Others (Net of Reimbursement)		521.82		134.54
<b>TOTAL</b>		<b>19,270.46</b>		<b>11,640.46</b>

**38. Imported and indigenous Raw Material, Components, Spare Parts Consumed**

(₹ in Lacs)

	<b>31<sup>st</sup> March 2012</b>	<b>%</b>	<b>31<sup>st</sup> March 2011</b>	<b>%</b>
<b>Raw Material</b>				
<b>(a) Imported</b>				
Phosphoric Acid	22,566.06	71.25	10,586.57	98.01
Ammonia	8,710.36	27.50	-	-
Others	396.76	1.25	214.49	1.99
<b>Total</b>	<b>31,673.18</b>	<b>100.00</b>	<b>10,801.06</b>	<b>100.00</b>



		(₹ in Lacs)			
		31 <sup>st</sup> March 2012	%	31 <sup>st</sup> March 2011	%
<b>(b)</b>	<b>Indigenous</b>				
	Natural Gas	25,971.43	32.82	21,466.34	37.18
	Propylene- Refinery Grade (R.G.P.)	37,840.33	47.83	28,276.71	48.98
	Ammonia	13,109.11	16.57	6,555.53	11.36
	Sulphur	1,610.93	2.04	1,001.92	1.74
	Others	589.92	0.74	428.03	0.74
	<b>Total</b>	<b>79,121.72</b>	<b>100.00</b>	<b>57,728.53</b>	<b>100.00</b>
	<b>Components and Spares</b>				
	- Imported	829.44	11.23	439.85	7.82
	- Indigenous	6,554.06	88.77	5,185.25	92.18
	<b>TOTAL</b>	<b>7,383.50</b>	<b>100.00</b>	<b>5,625.10</b>	<b>100.00</b>

### 39. Earning in Foreign Currency

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Export of goods (on FOB basis)	7,799.95	4,618.24
Other income	230.46	378.17
<b>TOTAL</b>	<b>8,030.41</b>	<b>4,996.41</b>

### 40. Value of Import - On the basis of CIF

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
(a) Raw Material	27,732.51	11,546.16
(b) Components and Spare Parts	966.08	1,022.02
(c) Capital Goods	2,216.49	915.78
(d) Traded Goods	26,846.87	11,521.58
<b>TOTAL</b>	<b>57,761.95</b>	<b>25,005.54</b>

### 41. The following foreign currency transactions remain outstanding as at 31<sup>st</sup> March, 2012:

#### A) Un-hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,00,00,000	2,00,00,000
Buyers' Credit	US \$	2,17,00,013	1,38,29,615
Imports	US \$	40,57,345	7,02,220
	EUR	13,968	Nil
Export	US \$	Nil	5,75,177

#### B) Hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,50,00,000	2,50,00,000
Buyers' Credit	US \$	2,97,95,260	1,20,75,000
Imports	US \$	1,49,21,540	4,29,700

**42. Statutory Dues not deposited on account of Disputes**

Name of the Statute	Nature of dues	Amount (₹)	Period to which Amount relates	Forum where the dispute is pending
The Maharashtra Sales Tax on Transfer of Right to Use Any Goods for any Purpose Act, 1985	Lease tax levied on crane hire charges	23,554	AY 1990-91	Dy. Commissioner of Sales Tax, Pune
The Bombay Stamp Act, 1958	Stamp Duty demanded against licence fee	26,14,695	FY 1995-96	The Chief Revenue Authority, Pune
The Central Excise Act, 1944	CENVAT credit of raw material for exempted finished goods	1,19,55,230	November 2002 to August 2007	Bombay High Court
The Central Excise Act, 1944	CENVAT credit of raw material for exempted finished goods	21,43,50,617	May 2000 to March 2011	CESTAT
The Income Tax Act, 1961	Demand u/s 271(1)(c)	3,51,39,664	AY 2010-11	Commissioner of Income Tax (Appeals)-7, Mumbai
The Central Sales Tax Act, 1956	Tax on High Seas Sales of Methanol	6,30,58,390	FY 2004-05 and 2006-07	Commissioner of Sales Tax (Appeals), Pune
The Bombay Sales Tax Act, 1959	Tax on High Seas Sales of Methanol	71,55,072	FY 2004-05	Commissioner of Sales Tax (Appeals), Pune

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

44. The Financial Statements for the year ended 31<sup>st</sup> March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Financial Statements for the year ended 31<sup>st</sup> March, 2012 has been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements.



## SEGMENT REPORTING

(₹ in Lacs)

Sr.No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	<b>Revenue</b>							
	a) External Sales							
	i) Manufactured	1,34,779.56	49,220.10	-	659.47	-	-	1,84,659.13
	Previous Year	1,01,549.57	25,959.01	-	607.82	-	-	1,28,116.40
	ii) Traded	1,184.50	47,528.05	-	-	-	-	48,712.55
	Previous Year	-	26,885.92	-	-	-	-	26,885.92
	b) Inter-segment sales	7,084.74	-	-	-	(7,084.74)	-	-
	Previous Year	6,040.42	-	-	-	(6,040.42)	-	-
	c) Other operating income	-	202.00	679.65	27.99	-	-	909.64
	Previous Year	4.39	273.53	1,180.00	21.53	-	-	1,479.45
	d) Unallocated Corporate other income	-	-	-	-	-	3,937.69	3,937.69
	Previous Year	-	-	-	-	-	3,582.27	3,582.27
	<b>Total Revenue</b>	<b>1,43,048.80</b>	<b>96,950.15</b>	<b>679.65</b>	<b>687.46</b>	<b>(7,084.74)</b>	<b>3,937.69</b>	<b>2,38,219.01</b>
	Previous Year	1,07,594.38	53,118.46	1,180.00	629.35	(6,040.42)	3,582.27	1,60,064.04
2.	<b>Segment Result</b>	<b>32,592.95</b>	<b>11,345.40</b>	<b>(1,503.34)</b>	<b>298.18</b>	<b>-</b>	<b>3,937.69</b>	<b>46,670.88</b>
	Previous Year	31,946.01	3,164.60	(500.25)	272.61	-	3,582.27	38,465.24
3.	<b>Unallocated corporate expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,373.50</b>	<b>25,373.50</b>
	Previous Year	-	-	-	-	-	19,802.83	19,802.83
4.	<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,297.38</b>
	Previous Year	-	-	-	-	-	-	18,662.41
5.	<b>Other Information</b>							
	a) Segment Assets	1,27,646.78	49,391.44	27,639.72	3,771.75	-	-	2,08,449.69
	Previous Year	1,22,658.65	18,464.82	26,290.95	3,971.80	-	-	1,71,386.22
	Unallocated Corporate Assets	-	-	-	-	-	52,576.54	52,576.54
	Previous Year	-	-	-	-	-	52,583.23	52,583.23
	Total Assets	-	-	-	-	-	-	2,61,026.23
	Previous Year	-	-	-	-	-	-	2,23,969.45
	b) Segment Liabilities	7,805.14	10,828.43	1,822.93	-	-	-	20,456.50
	Previous Year	9,909.00	3,132.46	2,220.45	-	-	-	15,261.91
	Unallocated Corporate Liabilities	-	-	-	-	-	1,18,219.73	1,18,219.73
	Previous Year	-	-	-	-	-	1,02,095.90	1,02,095.90
	Total Liabilities	-	-	-	-	-	-	1,38,676.23
	Previous Year	-	-	-	-	-	-	1,17,357.81
	c) Capital Expenditure incurred during the year	6,258.21	441.80	2,697.74	-	-	12,799.56	22,197.31
	Previous Year	13,934.19	1,379.68	2,395.15	-	-	435.74	18,144.76
	d) Depreciation/Amortisation	6,456.27	369.02	800.76	245.49	-	319.08	8,190.62
	Previous Year	5,096.19	764.25	793.00	245.49	-	247.78	7,146.71
	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 <sub>2</sub> , AN, IPA, Propane, Bulk and Specialty Chemicals
(b)	Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, Complex, 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  
SANTOSH PARAB  
Partner  
Firm's Registration No.: 105102W  
Membership No.: 47942

Mumbai  
Dated 18<sup>th</sup> May, 2012

For and on behalf of the Board

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

Mumbai  
Dated 18<sup>th</sup> May, 2012

N. C. SINGHAL  
Director  
Dr. S. RAMA IYER  
Director

S. R. WADHWA  
Director

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

**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I Registration Details</b>		
Corporate Identity No.		L24121MH1979PLC021360
Balance Sheet Date		31-03-2012
<b>II Capital Raised during the year</b>		<b>(Amount in ₹ Thousands)</b>
Public Issue		Nil
Rights Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
Shares allotted to Promoters against Warrants		Nil
<b>III Position of Mobilisation and Deployment of Funds</b>		
Total Liabilities		2,61,02,623
Total Assets		2,61,02,623
<b>Sources of Funds</b>		
Paid-up Capital		8,82,049
Reserves and Surplus		1,13,52,951
Secured loans		77,92,567
Unsecured Loans		Nil
Deferred Tax Liability		10,12,460
<b>Application of Funds</b>		
Net fixed Assets		1,42,73,661
Investments		11,88,363
Net Current Assets		55,78,002
Miscellaneous Expenditure		Nil
Accumulated Losses		Nil
<b>IV Performance of the Company</b>		
Turnover		2,38,21,901
Total expenses		2,09,21,346
Profit Before Tax		29,00,555
Profit After Tax		21,29,738
Earning Per Share (in ₹)		24.15
Dividend rate (%)		55
<b>V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)</b>		
<b>Product Description</b>		<b>Item code No (ITC Code)</b>
Chemical Fertilisers containing Nitrates and Phosphates (Nitrophosphate/Ammonium Nitrate Phosphate)		31055100
Organic Chemicals : Acyclic Alcohols:Methanol (Methyl Alcohol)		29051100
Ammonium Nitrate		31023000
Iso Propyl Alcohol (IPA)		29051220
Nitric Acid		28080010



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

1.		Name of the Subsidiary	Smartchem Technologies Limited	Deepak Nitrochem Pty. Limited.	Deepak Mining Services Private Limited	Yerrowda Investments Limited
2.		Financial Year of the Subsidiary Company ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012
3.		Date from which it became Subsidiary	09.12.2003	27.08.2004	20.08.2009	25.01.2012
4.	(a)	Number of Shares held by Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary	9,99,994 Equity Shares of ₹ 10/- each fully paid-up	1,60,000 Shares of AUD1/- each fully paid-up	9,998 Equity Shares of ₹ 10/- each fully paid-up	2,01,124 Equity Shares of ₹ 10/- each fully paid-up
	(b)	Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary	99.99%	100.00%	99.98%	83.80%
5.	The Net aggregate amount of the Subsidiary's Profit/ (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's accounts					
	(i)	For the Financial Year ended 31 <sup>st</sup> March, 2012	₹ 661.32 Lacs	₹ (0.88) Lacs	₹ 23.29 Lacs	₹ (196.84) Lacs
	(ii)	For the Previous Year	₹ 914.11 Lacs	₹ (3.03) Lacs	₹ (4.25) Lacs	N.A.
6.	The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company					
	(i)	For the Financial Year ended 31 <sup>st</sup> March, 2012	₹ 300.00 Lacs	Nil	Nil	Nil
	(ii)	For the Previous Year	₹ 306.00 Lacs	Nil	Nil	N.A.
7.		Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board

C. K. MEHTA  
Chairman

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

S. C. MEHTA  
Vice-Chairman & Managing Director

S. R. WADHWA  
Director

Mumbai  
Dated 18<sup>th</sup> May, 2012

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

## DETAILS OF SUBSIDIARY COMPANIES FOR 2011-12

(₹ in Lacs)

Sr. No.	Name of the Subsidiary	Smartchem Technologies Limited	Deepak Nitrochem Pty. Ltd.	Deepak Mining Services Private Limited	Yerrowda Investments Limited
	Financial Year ends on	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
a.	Share Capital	100.00	84.21	1.00	24.00
b.	Reserves	3,927.45	-	17.66	4,322.94
c.	Total Assets	5,031.09	84.21	35.62	4,607.15
d.	Total Liabilities	5,031.09	84.21	35.62	4,607.15
e.	Details of Investments				
	Investments in Equity Shares	3.68	-	-	30.15
	Investments in Mutual Funds	100.00	-	-	-
f.	Revenue from Operations	6,917.64	-	41.21	192.46
g.	Profit Before Taxation	948.93	(0.88)	31.81	(195.74)
h.	Provision for Taxation	287.61	-	8.52	1.10
i.	Profit After Taxation	661.32	(0.88)	23.29	(196.84)
j.	Proposed Dividend	300.00	-	-	-

Accounts of Deepak Nitrochem Pty. Ltd. has been converted into Indian Rupees at exchange rate prevailing on 31-03-2012 AUD1 = ₹ 52.63.

For and on behalf of the Board

C. K. MEHTA  
Chairman

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

S. C. MEHTA  
Vice-Chairman & Managing Director

S. R. WADHWA  
Director

Mumbai  
Dated 18<sup>th</sup> May, 2012

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



## 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 audited the attached Consolidated balance sheet of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries as at 31<sup>st</sup> March, 2012 and the Consolidated Statement of Profit and Loss 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 two subsidiaries, which reflect total assets of ₹ 5,051.30 Lacs as at 31<sup>st</sup> March, 2012 (Previous Year : ₹ 5,686.12 Lacs) and total revenues of ₹ 6,980.90 Lacs (Previous Year : ₹ 6,425.82 Lacs) [before giving effect to the consolidation adjustments] and which have been audited by other auditors whose report have been furnished to us, and our opinion, insofar 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's management in accordance with the requirements of Accounting Standard-21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and notified under sub-section (3C) of Section 211 of the Companies Act, 1956.

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 31<sup>st</sup> March, 2012;
- (b) The Consolidated Statement of Profit and Loss 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  
SANTOSH PARAB  
Partner

Firm's Registration No.: 105102W  
Membership No.: 47942

Mumbai

Dated 18<sup>th</sup> May, 2012



## CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

	Note	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	8,820.49	8,820.49
Reserves and Surplus	3	1,12,524.66	97,126.22
Total		1,21,345.15	1,05,946.71
Minority Interest		0.01	0.01
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	50,983.95	64,022.75
Deferred Tax Liabilities (Net)	5	10,405.94	8,388.17
Long-Term Provisions	6	1,498.06	880.23
Total		62,887.95	73,291.15
<b>Current Liabilities</b>			
Short-Term Borrowings	7	26,941.72	12,590.19
Trade Payables		17,935.38	6,709.07
Other Current Liabilities	8	25,390.00	19,087.55
Short-Term Provisions	6	6,218.39	6,500.33
Total		76,485.49	44,887.14
<b>TOTAL</b>		<b>2,60,718.60</b>	<b>2,24,125.01</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
-Tangible Assets	12	1,31,847.92	1,02,992.30
-Intangible Assets	13	2,312.99	2,914.46
Capital Work-in-Progress	13A	12,057.25	27,174.64
Total		1,46,218.16	1,33,081.40
Non-Current Investments	9	3,363.20	1,254.36
Long Term Loans and Advances	10	3,033.16	6,058.92
Other Non-Current Assets	16	48.25	-
Total		1,52,662.77	1,40,394.68
<b>Current Assets</b>			
Current Investments	17	2,219.52	4,222.19
Inventories	18	21,157.54	16,139.36
Trade Receivables	15	56,185.77	25,964.80
Cash and Cash Equivalents	19	15,579.40	27,961.08
Short-Term Loans and Advances	11	12,547.51	9,093.57
Other Current Assets	16	366.09	349.33
Total		1,08,055.83	83,730.33
<b>TOTAL</b>		<b>2,60,718.60</b>	<b>2,24,125.01</b>
Significant Accounting Policies The accompanying notes are integral parts of the financial statements.	1		

As per our Report of even date

For B. K. KHARE & CO.  
Chartered AccountantsC. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
DirectorDr. S. RAMA IYER  
DirectorSANTOSH PARAB  
Partner  
Firm's Registration No.: 105102W  
Membership No.: 47942S. C. MEHTA  
Vice-Chairman & Managing DirectorS. R. WADHWA  
DirectorMumbai  
Dated 18<sup>th</sup> May, 2012Mumbai  
Dated 18<sup>th</sup> May, 2012R. SRIRAMAN  
Sr. Vice-President (Legal) &  
Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

	Note	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Continuing Operation</b>			
<b>I</b>	<b>Income</b>		
	Revenue from Operation (Gross)	2,54,964.67	1,72,673.59
	Less: Excise Duty	13,807.63	9,883.65
	<b>Revenue from Operation (Net)</b>	<b>20</b>	<b>2,41,157.04</b>
II	Other Income	21	3,701.05
III	<b>Total Revenue (I+II)</b>		<b>2,44,858.09</b>
<b>IV</b>	<b>Expenses</b>		
	Cost of Material Consumed	22	1,18,069.20
	Purchase of Stock In Trade	24	43,922.98
	Change in Inventory of Finished goods, WIP & Stock in Trade	23	(2,926.32)
	Employee Benefits expenses	25	14,269.85
	Finance Costs	29	6,823.23
	Depreciation and Amortisation Expenses	28	8,895.93
	Other Expenses	26	26,629.40
	<b>Total Expenses</b>		<b>2,15,684.27</b>
V	<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>29,173.82</b>
VI	Exceptional Items	27	-
VII	<b>Profit Before Extraordinary Items and Tax (V-VI)</b>		<b>29,173.82</b>
VIII	Extraordinary Items		-
IX	<b>Profit Before Tax (VII-VIII)</b>		<b>29,173.82</b>
X	<b>Tax Expenses</b>		
	1) Current Tax (Net of reversal of earlier years' provision ₹ 655 Lacs; Previous Year : Short provision ₹ 39.97 Lacs)		5,986.53
	2) Deferred Tax		2,017.77
	<b>Total Tax Expenses</b>		<b>8,004.30</b>
XI	<b>Profit/(Loss) for the period (IX-X)</b>		<b>21,169.52</b>
XII	<b>Earning Per Equity Share:</b>	30	
	i) Basic (in ₹)		24.00
	ii) Diluted (in ₹)		24.00
	Summary of Significant Accounting Policies The accompanying notes are integral parts of the financial statements.	1	

As per our Report of even date

For B. K. KHARE & CO.  
Chartered Accountants

C. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

SANTOSH PARAB  
Partner  
Firm's Registration No.: 105102W  
Membership No.: 47942

S. C. MEHTA  
Vice-Chairman & Managing Director

S. R. WADHWA  
Director

Mumbai  
Dated 18<sup>th</sup> May, 2012

Mumbai  
Dated 18<sup>th</sup> May, 2012

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

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

		(₹ in Lacs)	
Particulars	Note	2011-12	2010-11
<b>(A) Cash Flow From Operating Activities</b>			
Net Profit Before Tax		29,173.82	26,633.40
Adjustments For -			
Depreciation and Amortisation		8,895.93	7,871.51
Exceptional Items		-	338.09
Exchange Fluctuations (Net)		2,530.03	(422.73)
Profit on Sale of Investments		(1,232.47)	(678.50)
Provision for diminution on Fertiliser Bonds written back		-	(525.18)
Loss/(Profit) on Sale of Asset		176.34	1.10
Interest/Dividends (Net)		5,669.10	3,077.86
<b>Operating Profit Before Working Capital Changes</b>		<b>45,212.75</b>	<b>36,295.55</b>
Adjustments For -			
Trade and Other Receivables		(28,616.31)	(9,303.25)
Inventories		(5,018.17)	(4,508.15)
Trade Payables		7,626.48	7,534.03
<b>Cash Generated From Operations</b>		<b>19,204.75</b>	<b>30,018.18</b>
Direct Taxes Paid/Refund		(8,151.78)	(6,088.93)
Cash Flow Before Extraordinary Items		11,052.97	23,929.25
<b>Net Cash From Operating Activities</b>	<b>(A)</b>	<b>11,052.97</b>	<b>23,929.25</b>
<b>(B) Cash Flow From Investing Activities</b>			
Purchase of Fixed Assets		(22,462.52)	(19,140.93)
Sale of Fixed Assets		118.02	51.68
Acquisition of Investments - Others (net)		1,126.31	4,637.28
Deposits Redeemed/(Made)		(132.94)	(508.95)
Interest Received		1,086.32	1,080.29
Dividend Received		51.07	58.73
<b>Net Cash Used in Investing Activities</b>	<b>(B)</b>	<b>(20,213.74)</b>	<b>(13,821.90)</b>
<b>(C) Cash Flow From Financing Activities</b>			
Exchange Fluctuation (net)		(2,527.89)	422.73
Increase/(Decrease) in Working Capital Borrowings		14,351.53	374.18
Repayment of External Commercial Borrowings		1,648.00	12,429.10
Proceeds/(Repayment) From Term Loans (Net)		(4,888.51)	(10,847.93)
Proceeds From PPNCD (Net)		-	3,480.00
Interest Paid		(6,724.41)	(4,101.33)
Equity Dividend and Corporate Dividend Tax Paid		(5,079.63)	(4,595.20)
<b>Net Cash Generated/(Used) in Financing Activities</b>	<b>(C)</b>	<b>(3,220.91)</b>	<b>(2,838.45)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(12,381.68)</b>	<b>7,268.90</b>
<b>Cash and Cash Equivalents Opening Balance</b>		<b>27,961.08</b>	<b>20,692.18</b>
<b>Cash and Cash Equivalents Closing Balance</b>		<b>15,579.40</b>	<b>27,961.08</b>
Note: (i) Figures in brackets are outflows. (ii) Previous Year's figures have been regrouped wherever necessary.			

As per our Report of even date

For B. K. KHARE & CO.  
Chartered Accountants

C. K. MEHTA  
Chairman

For and on behalf of the Board

N. C. SINGHAL  
Director

Dr. S. RAMA IYER  
Director

SANTOSH PARAB  
Partner  
Firm's Registration No.: 105102W  
Membership No.: 47942

S. C. MEHTA  
Vice-Chairman & Managing Director

S. R. WADHWA  
Director

Mumbai  
Dated 18<sup>th</sup> May, 2012

Mumbai  
Dated 18<sup>th</sup> May, 2012

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



## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS



### 1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

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, Deepak Nitrochem Pty. Ltd. in which its parent company holds 100% voting rights and Deepak Mining Services Private Limited in which its parent company holds 99.98% voting rights.

#### A) 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 intragroup balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-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.

**B) a)** Company holds certain rights in immovable properties by virtue of equity shares held in an associate enterprise (as stated in Note (a) and (b) 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 on "Fixed Assets". 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.

**b)** The investments in associate companies of Ishanya Brand Services Limited and Ishanya Realty Corporation Limited are required to be accounted as per equity method as per Accounting Standard-23. However, since these companies have not commenced the commercial operations as on 31<sup>st</sup> March, 2012, the amounts invested in the share capital of these companies are reflected as the total investments and the effect of pre-operative expenses is not significant.

#### C) 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.

- Grants and subsidies from the government are recognised when there is reasonable assurance of the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest other than on deposits, 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.
- Clean Development Mechanism (CDM) benefits known as Carbon Credit for wind energy units generated and N<sub>2</sub>O reduction in its Nitric Acid plant are recognised as revenue on the actual receipts of the applicable credits and estimated at prevailing realisable values.
- Export benefit in the form of EPCG licence is recognised as and when it is received for the value of the certificate.
- Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.

#### 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). They are stated at historical cost or other amounts substituted for historical cost. (see note no.15)
- 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).
- Exchange variation arising from repayment/ restatement of the debts/borrowings in foreign currencies for acquisition of fixed assets is capitalised as per the Accounting Standard-11 as amended by the Notification No G.S.R.378 (E) dated 11.05.11.
- 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 by Straight Line Method, except for relocated DNA-III 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	9.50%
Furniture, Fixtures and Office Equipments	9.5%, 13.5%, 19.00%
Vehicles	15.83%
Relocated DNA III Plant (WDV)	25.89%
Relocated Other Plants	6.68%
Modification of existing Ammonia Plant	6.33%
Modification of existing Ammonium Nitrate Plant	10.00%



- Depreciation on exchange rate variance capitalised as part of the cost of Fixed Assets upto 31<sup>st</sup> March, 2012, 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 Statement of Profit and Loss 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**

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

#### **G) INVENTORIES**

- Inventories of raw materials are valued at lower of moving weighted average cost, written down to realisable value if the costs of the related finished goods exceed their 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.
- CENVAT is accounted as per exclusive method of accounting in terms of Accounting Standard-2 on "Valuation of Inventories".

#### **H) INVESTMENTS**

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

#### **I) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES**

- Transactions in foreign currency are recorded at the rate of exchange prevailing on the dates of the transactions. Foreign currency monetary items are restated at the rate as of the date of Balance Sheet or, as the case may be, at forward contract rates.
- Exchange differences either on settlement or on translation are dealt with in the Statement of Profit and Loss. However exchange differences, arising either on settlement or on translation, in case of borrowings used for acquisition of Fixed Assets are capitalised.
- The Company swaps the variable interest in respect of External Commercial Borrowings for fixed interest rates and accordingly only fixed interest expense is recognised in the accounts.
- 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.
- The outstanding derivative contracts at the Balance Sheet date other than forward exchange contracts mentioned above are valued by marking them to market and losses, if any, are recognised in the Statement of Profit and Loss. For this purpose, the net effect of all the related streams of cash flows are taken in to consideration.

**J) EMPLOYEE BENEFITS**

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- 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 avilment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.
- 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 Policy, 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.
- The Company has a retirement policy, a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

**K) BORROWING 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 assets 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 Statement of Profit and Loss under the head "Prior Years' Adjustments" other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year.



#### M) CONTINGENT LIABILITIES

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

#### N) TAXES ON INCOME

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

### 2. Share Capital

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Authorised Shares</b>		
12,50,00,000 Equity Shares of ₹ 10/- each	12,500.00	12,500.00
10,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
	<b>13,500.00</b>	<b>13,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up shares</b>		
8,82,04,943 Equity Shares of ₹ 10/- each fully paid-up	8,820.49	8,820.49
<b>Total Issued, Subscribed and Fully Paid-up Shares</b>	<b>8,820.49</b>	<b>8,820.49</b>

#### a. Reconciliation of Number of Shares outstanding at the beginning and end of the reporting period

Equity Shares	31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
At the beginning of the period	8,82,04,943	8,820.49	8,82,04,943	8,820.49
<b>Outstanding at the end of the period</b>	<b>8,82,04,943</b>	<b>8,820.49</b>	<b>8,82,04,943</b>	<b>8,820.49</b>

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

The Company has only one class of issued equity shares having at par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

During the year ended 31<sup>st</sup> March, 2012 the amount of dividend per share recognised as distribution to equity shareholders is ₹ 5.50 (31<sup>st</sup> March, 2011, ₹ 5.00).

In the event of liquidation of the Company the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential distribution in proportion to the number of equity shares held by the shareholders.



## 3. Reserves &amp; Surplus

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Reserves</b>		
<b>Capital Reserve</b>	<b>0.13</b>	<b>0.13</b>
<b>Capital Redemption Reserve</b>	1,350.00	150.00
Add: Transfer from Genral Reserve	90.00	625.00
Add: Transfer from Surplus	510.00	575.00
<b>Closing balance</b>	<b>1,950.00</b>	<b>1,350.00</b>
<b>Share Premium Account</b>	<b>10,798.95</b>	<b>10,798.95</b>
<b>Special Reserve (*)</b>		
Balance as per the last Financial Statements	27.68	45.86
Less: Transferred to Statement of Profit and Loss for recoupment of depreciation	18.18	18.18
<b>Closing balance</b>	<b>9.50</b>	<b>27.68</b>
<b>Revaluation Reserve</b>	1,050.72	1,168.11
Less: Transferred to depreciation	117.39	117.39
<b>Closing balance</b>	<b>933.33</b>	<b>1,050.72</b>
<b>Debenture Redemption Reserve</b>		
Balance as per last Financial Statement	3,959.00	2,547.00
Less: Transferred to Surplus	-	380.00
Add: Transferred from Surplus	1,792.00	1,792.00
<b>Closing Balance</b>	<b>5,751.00</b>	<b>3,959.00</b>
<b>General Reserve</b>		
Balance as per last Financial Statement	11,580.02	10,243.62
Add: Transferred from Surplus	2,201.13	1,961.40
Less: Transfer to Capital Redemption Reserve	90.00	625.00
<b>Closing Balance</b>	<b>13,691.15</b>	<b>11,580.02</b>
<b>Foreign Currency Translation Reserve</b>	<b>11.81</b>	<b>9.66</b>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last Financial Statement	68,350.06	58,618.94
Profit for the year	21,169.52	18,752.09
Transferred from Debenture Redemption Reserve	-	380.00
Less: Appropriations		
Proposed Equity dividend (Net) Amount ₹ 5.50 (31 <sup>st</sup> March, 2011 ₹ 5.00) per Equity Share	4,851.22	4,408.65
Tax on proposed dividend	786.44	663.92
Transfer to Capital Redemption Reserve	510.00	575.00
Transfer to Debenture Redemption Reserve	1,792.00	1,792.00
Transfer to General Reserve	2,201.13	1,961.40
Total Appropriations	<b>10,140.79</b>	<b>9,400.97</b>
<b>Net surplus in the Statement of Profit and Loss</b>	<b>79,378.79</b>	<b>68,350.06</b>
<b>Total Reserves and Surplus</b>	<b>1,12,524.66</b>	<b>97,126.22</b>

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



#### 4. Long Term Borrowings - Secured

(₹ in Lacs)

		Non Current		Current	
		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>A</b>	<b>External Commercial Borrowings (ECBs)</b>				
(i)	Bank of Baroda	9,412.80	8,918.00	763.20	-
(ii)	HSBC Bank	11,537.50	11,147.50	-	-
	<b>Total</b>	<b>20,950.30</b>	<b>20,065.50</b>	<b>763.20</b>	<b>-</b>
<b>B</b>	<b>Bond/Debentures</b>				
(i)	500, 9.31% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(ii)	500, 10% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(iii)	500, 9.75% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	5,000.00	5,000.00	-	-
(iv)	500, 8.35% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	-	5,000.00	5,000.00	-
(v)	1250, 10.80% Secured Redeemable Privately Placed NCDs of ₹ 10 Lac each	8,333.33	12,500.00	4,166.67	-
	<b>Total</b>	<b>23,333.33</b>	<b>32,500.00</b>	<b>9,166.67</b>	<b>-</b>
<b>C</b>	<b>Term Loans</b>				
	<b>From Banks</b>				
(i)	Canara Bank	2,054.32	2,976.84	922.52	922.52
(ii)	Corporation Bank	-	2,946.41	-	353.57
(iii)	Bank of Baroda	4,646.00	5,534.00	888.00	666.00
	<b>Total</b>	<b>6,700.32</b>	<b>11,457.25</b>	<b>1,810.52</b>	<b>1,942.09</b>
	<b>Total</b>	<b>50,983.95</b>	<b>64,022.75</b>	<b>11,740.39</b>	<b>1,942.09</b>
	Less :Current maturity of Long Term Borrowings disclosed under the "Other Current Liabilities". (Refer note no. 8)	-	-	11,740.39	1,942.09
	<b>TOTAL</b>	<b>50,983.95</b>	<b>64,022.75</b>	<b>-</b>	<b>-</b>

Note: The Company has entered into option contract to cover its risk towards foreign exchange exposure on External Commercial Borrowings. The marked to market loss of ₹ Nil (Previous Year : ₹ 221.80 Lacs) has been provided in the accounts.

**5. Deferred Tax Liability**

(₹ in Lacs)

	Balance as on 01.04.2011	Increase/ (Decrease)	Balance as on 01.04.2012
<b>A Deferred Tax Liabilities</b>			
- Timing Difference on account of depreciation	9,518.45	1,972.96	11,491.41
- Others	82.97	(0.13)	82.84
<b>Total (A)</b>	<b>9,601.42</b>	<b>1,972.83</b>	<b>11,574.25</b>
<b>B Deferred Tax Assets</b>			
- Provision for Doubtful Debts /Loan & Advances	323.23	(0.03)	323.20
- Accrued expenses deductible on actual payment/ quantification	890.02	(44.91)	845.11
<b>Total (B)</b>	<b>1,213.25</b>	<b>(44.94)</b>	<b>1,168.31</b>
<b>Net tax effect of timing difference (A-B)</b>	<b>8,388.17</b>	<b>2,017.77</b>	<b>10,405.94</b>

**6. Provisions**

(₹ in Lacs)

	Long term Provisions	Long term Provisions	Short Term Provisions	Short Term Provisions
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>a) Provision for Employee Benefits</b>				
Provision For Retirement Benefit-Leave	911.70	12.80	203.60	969.59
Gratuity Payable	346.28	867.43	315.65	5.89
Bonus	-	-	10.03	9.67
Post Retirement Benefit	184.52	-	8.29	-
Wealth Creation Scheme	55.56	-	42.55	162.42
<b>Total (A)</b>	<b>1,498.06</b>	<b>880.23</b>	<b>580.12</b>	<b>1,147.57</b>
<b>b) Others</b>				
Provision for Tax (Net)	-	-	-	226.96
Provision for Dividend	-	-	4,851.27	4,410.30
Provision for Dividend Tax	-	-	787.00	715.50
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>5,638.27</b>	<b>5,352.76</b>
<b>TOTAL (A+B)</b>	<b>1,498.06</b>	<b>880.23</b>	<b>6,218.39</b>	<b>6,500.33</b>

**7. Short-Term Borrowings**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>i) From Bank</b>		
Buyer's Credit (Secured)	26,110.05	11,601.89
Cash Credit account (refer note below)	831.67	988.30
<b>ii) From Other parties</b>	-	-
<b>TOTAL</b>	<b>26,941.72</b>	<b>12,590.19</b>

Note: (i) Cash Credit facilities sanctioned by banks including Working Capital Demand Loan and Buyer's Credit are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, stock-in-process, consumable stores and book debts.

(ii) Cash Credit is repayable on demand and carries variable interest (average for the year 13.25%).

(iii) Buyer's Credits are generally due within 180 days and carry variable interest (average for the year 1.81%).



## 8. Other Current Liabilities

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
(a) Current maturities of long term debt (Refer note no. 5)	11,740.39	1,942.09
(b) Interest accrued but not due on borrowings	1,410.08	1,311.26
(c) Advances from Debtors	215.54	1,721.41
(d) Unclaimed dividend/interest	372.73	327.18
(e) Other Payables	10,655.89	12,475.44
(f) Due to Directors	972.47	875.47
(g) Others	22.90	434.70
<b>TOTAL</b>	<b>25,390.00</b>	<b>19,087.55</b>

The aggregate amount of unclaimed dividend of previous years' as on 31<sup>st</sup> March, 2012 was ₹ 372.73 Lacs (Previous Year : ₹327.18 Lacs). In accordance with the provisions of Section 205A (5) of the Companies Act, 1956, the dividend unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be credited to the Investor Education and Protection Fund.

## 9. Non Current Investment

(₹ In Lacs )

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>TRADE INVESTMENT</b>		
<b>(a) Investment in Equity</b>		
<b>1. Investment in equity in Associates (Trade/Unquoted)</b>		
10,51,504 (Previous Year : Nil) Fully paid-up Equity Share of face value ₹ 10/- each) (36,32,459 (Previous Year : Nil) Partly paid-up ₹ 1.93 Equity Shares of face value ₹ 10/- each) of Desai Fruits and Vegetables Pvt. Ltd.	2,377.98	-
<b>Total</b>	<b>2,377.98</b>	<b>-</b>
<b>2. Investment in Equity in Others (Trade/Unquoted)</b>		
88,448 (Previous Year : 88,448) Shares of Sterling Pound 1/- each of Deepak International Limited	68.69	68.69
49,994 (Previous Year : 49,994) Equity Shares of ₹ 10/- each of Ishanya Realty Corporation Limited	5.00	5.00
49,994 (Previous Year : 49,994) Equity Shares of ₹ 10/- each of Ishanya Brand Services Limited	5.00	5.00
<b>Total</b>	<b>78.69</b>	<b>78.69</b>
<b>NON TRADE INVESTMENT</b>		
<b>1. Investment in equity shares (quoted) (Market value ₹ 133.38 Lacs : Previous Year : ₹ 147.85 Lacs)</b>	141.25	141.25
Less: Provision for diminution in value	(17.98)	(9.93)
<b>Net</b>	<b>123.27</b>	<b>131.32</b>
<b>2. Investment in debentures or Bond (unquoted)</b>		
1 Zero Coupon Debenture (Face value ₹ 750 Lacs; Previous Year : ₹ 1000 Lacs)	783.26	1,044.35
<b>TOTAL</b>	<b>3,363.20</b>	<b>1,254.36</b>

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

## Details of Investment in Equity (Quoted)

Equity (All Fully Paid-up)		Face Value	BALANCE AS ON 31.03.2012		Market Value on 31.03.2012	BALANCE AS ON 31.03.2011		Market Value on 31.03.2011
			(in ₹)	No. of Shares	Amount ₹ in Lacs	₹ in Lacs	No. of Shares	Amount ₹ in Lacs
1.	HDFC Ltd.	2	5,000	26.76	33.66	5,000	26.76	35.06
2.	Infosys Technologies Ltd.	5	750	20.38	21.50	750	20.38	24.31
3.	ITC Ltd.	1	16,400	18.61	37.21	16,400	18.61	29.86
4.	IVRCL Infrastructures Ltd.	2	15,239	31.98	10.08	15,239	31.98	12.45
5.	Sterlite Industries Ltd.	1	20,000	39.84	22.21	20,000	39.84	34.74
6.	Punjab National Bank Ltd.	10	943	3.68	8.72	943	3.68	11.43
<b>TOTAL</b>				<b>141.25</b>	<b>133.38</b>		<b>141.25</b>	<b>147.85</b>

## 10. Loans and Advances - Non Current

(₹ in Lacs)

		Non Current 31 <sup>st</sup> March 2012	Non Current 31 <sup>st</sup> March 2011
(a)	Capital Advance	1,147.20	4,532.78
(b)	Security Deposits		
	Unsecured, considered good	1,678.93	1,303.99
(c)	Balance with Central Excise and Customs		
	Unsecured, considered good	6.52	20.58
(d)	Loans and Advances from Related Parties		
	Unsecured, considered good	200.00	200.00
(e)	Other Loan and Advance		
	Prepaid Expenses	0.51	1.57
<b>TOTAL</b>		<b>3,033.16</b>	<b>6,058.92</b>

## 11. Loan and Advances - Current

(₹ in Lacs)

		Current 31 <sup>st</sup> March 2012	Current 31 <sup>st</sup> March 2011
(a)	Security Deposits		
	Secured, considered good	10.00	21.00
	Unsecured, considered good	-	-
(b)	Balance with Central Excise and Customs		
	Unsecured, considered good	2,570.61	1,778.40
(c)	Loans and Advances - Related Parties		
	Unsecured, considered good	417.33	691.03
(d)	Advances recoverable in cash or kind or for value to be received		
	Unsecured considered good		
	- Advances/Loans to Employees	54.05	91.20
	- Advances to Suppliers	3,227.60	2,839.23
	- Others	3,042.08	3,370.89
(e)	Other Loan and Advance		
	Prepaid Expenses	1,287.55	934.81
(f)	Advance payment of Taxes (Net)	1,938.29	58.04
<b>TOTAL</b>		<b>12,547.51</b>	<b>9,093.57</b>



## 12. Tangible Assets

(₹ in Lacs)

	Land (Freehold)	Land (Leasehold)	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Total
Cost At 1 <sup>st</sup> April, 2010	5,461.55	1,354.51	21,229.74	1,06,945.41	1,574.47	856.84	1,340.05	1,040.36	1,39,802.93
Addition	454.30	17.36	4,509.84	25,459.82	957.94	301.03	475.91	232.76	32,408.96
Disposal	-	-	382.43	59.31	0.94	18.14	41.52	183.36	685.70
Other Adjustment	-	-	-	-	-	-	-	-	-
- Exchange Difference	-	-	-	(81.88)	-	-	-	-	(81.88)
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2011</b>	<b>5,915.85</b>	<b>1,371.87</b>	<b>25,357.15</b>	<b>1,32,264.04</b>	<b>2,531.47</b>	<b>1,139.73</b>	<b>1,774.44</b>	<b>1,089.76</b>	<b>1,71,444.31</b>
Addition	722.61	-	10,403.61	23,671.13	290.85	22.43	319.17	297.12	35,726.92
Disposal	-	-	1.53	311.40	1.32	69.31	119.28	195.49	698.33
Other Adjustment	-	-	-	-	-	-	-	-	-
- Exchange Difference	-	-	-	1,648.00	-	-	-	-	1,648.00
- Borrowing Costs	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount 31<sup>st</sup> March, 2012</b>	<b>6,638.46</b>	<b>1,371.87</b>	<b>35,759.23</b>	<b>1,57,271.77</b>	<b>2,821.00</b>	<b>1,092.85</b>	<b>1,974.33</b>	<b>1,191.39</b>	<b>2,08,120.90</b>
<b>Accumulated Depreciation on 1<sup>st</sup> April, 2011</b>		<b>127.81</b>	<b>3,435.52</b>	<b>62,456.64</b>	<b>391.42</b>	<b>557.98</b>	<b>996.77</b>	<b>485.87</b>	<b>68,452.01</b>
Deduction/adjustment	-	-	0.36	(30.43)	1.30	67.10	113.10	135.27	286.70
Depreciation during the year	-	17.48	641.34	6,811.47	187.71	73.83	197.40	178.44	8,107.67
<b>Accumulated Depreciation on 31<sup>st</sup> March, 2012</b>	<b>-</b>	<b>145.29</b>	<b>4,076.50</b>	<b>69,298.54</b>	<b>577.83</b>	<b>564.71</b>	<b>1,081.07</b>	<b>529.04</b>	<b>76,272.98</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>6,638.46</b>	<b>1,226.58</b>	<b>31,682.73</b>	<b>87,973.23</b>	<b>2,243.17</b>	<b>528.14</b>	<b>893.26</b>	<b>662.35</b>	<b>1,31,847.92</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2011</b>	<b>5,915.85</b>	<b>1,244.06</b>	<b>21,921.63</b>	<b>69,807.40</b>	<b>2,140.05</b>	<b>581.75</b>	<b>777.67</b>	<b>603.89</b>	<b>1,02,992.30</b>

### Notes : Freehold land includes:

- ₹ 3,600 Lacs (Previous Year : ₹ 3,600 Lacs) represented by 24,000 Equity Shares of ₹ 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.  
- ₹ 1,046.42 Lacs (Previous Year : ₹ 815 Lacs) represented by 1,38,888 Equity Shares (Previous Year : 8,024) of ₹ 10/- each in the said company, which is the legal owner of the land on which the Company has been granted the rights of use and occupation by virtue of the shares so held.
- Buildings include a sum of ₹ 11,572.87 Lacs (Previous Year: ₹ 3,308.87 Lacs) represented by 38,236 (Previous Year: 17,628) Equity Shares of ₹ 10/- each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.
- Gross Block of Plant and Machinery includes:
  - ₹ 421.63 Lacs (Previous Year: ₹ 421.63 Lacs) being the cost of Fixed Assets, ownership of which does not vest with the Company, being amortised over 60 months.
  - ₹ 6,212.61 Lacs (Previous Year: ₹ 4,564.61 Lacs) towards foreign exchange fluctuation on Long Term Loans.
- During the year, Company has acquired additional equity shares of an associate company viz: Yerrowda Investments Ltd. (YIL) by virtue of which the said company has become the Company's subsidiary under the Companies Act, 1956. However, since these shares represent indefeasible and perpetual occupancy rights in the immovable properties owned by the said company, the cost of acquisition thereof is treated as part of fixed assets in consonance with the past practice.
- IMPAIRMENT OF ASSETS: The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of CGUs are impaired during the Financial Year ended 31<sup>st</sup> March, 2012.

## 13. Intangible Assets

(₹ in Lacs)

	Computer Software	Technical Know-how/ Engineering Fee	License/ Franchise Fee	Upfront fees/Way leave charges	Design	Goodwill on Consolidation	Total
<b>Cost At 1<sup>st</sup> April, 2010</b>	337.22	142.26	-	411.65	-	5,115.76	6,006.89
Addition	44.05	-	954.67	73.48	5.96	-	1,078.16
Disposal	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-
- Exchange Difference	-	-	-	-	-	-	-
- Borrowing Costs	-	-	-	-	-	-	-
<b>AT 31<sup>st</sup> March, 2011</b>	<b>381.27</b>	<b>142.26</b>	<b>954.67</b>	<b>485.13</b>	<b>5.96</b>	<b>5,115.76</b>	<b>7,085.05</b>
Addition	204.98	-	-	-	-	-	204.98
Disposal	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-
- Exchange Difference	-	-	-	-	-	-	-
- Borrowing Costs	-	-	-	-	-	-	-
<b>Gross carrying Amt 31<sup>st</sup> March, 2012</b>	<b>586.25</b>	<b>142.26</b>	<b>954.67</b>	<b>485.13</b>	<b>5.96</b>	<b>5,115.76</b>	<b>7,290.03</b>
Accumulated Depreciation on 1 <sup>st</sup> April 2011	332.03	130.88	68.95	57.54	0.13	3,581.06	4,170.59
Deduction/adjustment	-	-	-	-	-	-	-
Depreciation during the year	60.34	11.35	191.96	29.23	1.99	511.58	806.45
<b>Accumulated Depreciation on 31<sup>st</sup> March, 2012</b>	<b>392.37</b>	<b>142.23</b>	<b>260.91</b>	<b>86.77</b>	<b>2.12</b>	<b>4,092.64</b>	<b>4,977.04</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2012</b>	<b>193.88</b>	<b>0.03</b>	<b>693.76</b>	<b>398.36</b>	<b>3.84</b>	<b>1,023.12</b>	<b>2,312.99</b>
<b>Net carrying amount as on 31<sup>st</sup> March, 2011</b>	<b>49.24</b>	<b>11.38</b>	<b>885.72</b>	<b>427.59</b>	<b>5.83</b>	<b>1,534.70</b>	<b>2,914.46</b>

## 13A Capital Work-in-Progress

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Projects	10,415.23	25,762.56
Others	1,642.02	1,412.08
<b>Total</b>	<b>12,057.25</b>	<b>27,174.64</b>

## 14. Loans and Advances - Related Parties and officers

(₹ in Lacs)

	Non Current 31 <sup>st</sup> March 2012	Non Current 31 <sup>st</sup> March 2011
Security Deposit placed with Vice-Chairman & Managing Director	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>

## Loans and Advances - Related Parties and officers

(₹ in Lacs)

	Current 31 <sup>st</sup> March 2012	Current 31 <sup>st</sup> March 2011
Due from company where Executive Director is a Director/Related Party	417.33	691.03
Due from officers	-	0.30
<b>Total</b>	<b>417.33</b>	<b>691.33</b>


**15. Trade Receivables**

(₹ in Lacs)

	Current 31 <sup>st</sup> March 2012	Current 31 <sup>st</sup> March 2011
<b>Unsecured considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for Payment</b>		
Secured, considered good		
Unsecured, considered good	1,415.06	2,407.06
Considered doubtful	597.11	586.89
<b>Total</b>	<b>2,012.17</b>	<b>2,993.95</b>
Less: Provision for doubtful debts	(597.11)	(586.89)
<b>Total (A)</b>	<b>1,415.06</b>	<b>2,407.06</b>
<b>Other Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	54,770.71	23,557.74
Considered doubtful	-	-
<b>Total</b>	<b>54,770.71</b>	<b>23,557.74</b>
Less: Provision for doubtful debts	-	-
<b>Total (B)</b>	<b>54,770.71</b>	<b>23,557.74</b>
<b>TOTAL (A+B)</b>	<b>56,185.77</b>	<b>25,964.80</b>

**16 (a) Other Assets**

(₹ in Lacs)

	Non Current 31 <sup>st</sup> March 2012	Non Current 31 <sup>st</sup> March 2011
Unsecured, Considered good unless stated otherwise		
Sales Tax paid under protest	48.25	-
<b>TOTAL</b>	<b>48.25</b>	<b>-</b>

**16 (b) Other Assets**

(₹ in Lacs)

	Current 31 <sup>st</sup> March 2012	Current 31 <sup>st</sup> March 2011
Unsecured considered good unless stated otherwise		
Interest Accrued on Deposits	366.09	349.33
<b>TOTAL</b>	<b>366.09</b>	<b>349.33</b>

**17. Current Investments**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Unquoted Bonds</b>		
7% Fertiliser Company GOI Special Bonds, 2022	-	2,275.00
6.65% Fertiliser Company GOI Special Bonds, 2023	-	348.90
6.20% Fertiliser Company GOI Special Bonds, 2022	-	654.10
<b>Total</b>	<b>-</b>	<b>3,278.00</b>
Less: Provision for diminution in value	-	(199.52)
<b>Net</b>	<b>-</b>	<b>3,078.48</b>
<b>Unquoted Mutual Funds</b>		
Equity and Derivatives Funds	2,225.00	1,145.29
Less: Provision for diminution in value	(5.48)	(1.58)
<b>Net</b>	<b>2,219.52</b>	<b>1,143.71</b>
<b>TOTAL</b>	<b>2,219.52</b>	<b>4,222.19</b>



**18. Inventories (Valued at lower of Cost and Net Realisable Value) (₹ in Lacs)**

		As on 31 <sup>st</sup> March 2012	As on 31 <sup>st</sup> March 2011
(a)	Raw Materials	7,426.32	5,668.10
(b)	Work in Progress	3.26	2.36
(c)	Finished Goods	5,907.85	2,809.90
(d)	Stores & Spares	7,820.11	7,659.00
	<b>TOTAL</b>	<b>21,157.54</b>	<b>16,139.36</b>

**19. Cash and Cash Equivalents (₹ in Lacs)**

		Current 31 <sup>st</sup> March 2012	Current 31 <sup>st</sup> March 2011
	Cash on Hand	54.47	190.52
	Cheque / Postage Stamps on Hand	1,254.40	-
	<b>Balance with Banks</b>		
	- on current account	4,719.38	5,491.14
	- on unpaid dividend	372.73	298.72
	- others	209.02	23.01
	<b>Total</b>	<b>5,301.13</b>	<b>5,812.87</b>
	<b>Other Bank Balance</b>		
	- Deposits with original maturity for more than 12 months	0.19	1.13
	- Deposits with original maturity for more than 3 months but less than 12 months	-	9.98
	- Deposit with original maturity for Less than 3 months	-	7,228.36
	- Others	8,969.21	14,718.22
	<b>TOTAL</b>	<b>15,579.40</b>	<b>27,961.08</b>

**20A Revenue from Operations (₹ in Lacs)**

	Year ended 31 <sup>st</sup> March 2012		Year ended 31 <sup>st</sup> March 2011	
Sale of Products				
-Finished Goods	1,79,499.77		1,29,561.01	
Less: Excise Duty	13,807.63	1,65,692.14	9,883.65	1,19,677.36
-Traded Goods		43,461.13		17,852.42
-Subsidy on Manufactured Fertilisers		25,803.77		14,747.21
-Subsidy on Traded Fertilisers		5,251.42		9,033.50
Revenue from Realty Business	740.43		1312.59	
Less: Service Tax	60.78	679.65	132.59	1,180.00
Other Operating Revenue	280.22		305.49	
Less: Service Tax	11.29	268.93	6.04	299.45
<b>Revenue from Operation (Net)</b>		<b>2,41,157.04</b>		<b>1,62,789.94</b>


**20B Details of Products Sold**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>Finished goods sold</b>		
Iso Propyl Alcohol	49,892.69	41,222.18
Nitrophosphate	46,691.77	23,280.55
Bentonite Sulphur	2,528.33	2,678.46
Technical Ammonium Nitrate	51,240.14	31,907.17
Nitric Acid	19,268.49	17,122.70
Methanol	11,660.92	11,848.97
Propane	6,990.68	3,493.77
Liquid CO <sub>2</sub>	1,266.05	1,271.58
Hydrogen	1,008.41	677.17
Power Generated from Windmill	659.47	607.82
Others	288.96	314.20
<b>Total</b>	<b>1,91,495.91</b>	<b>1,34,424.57</b>
<b>Traded goods sold</b>		
Complex Fertiliser	20,507.55	-
Muriate of Potash	8,626.88	11,628.54
Mixture Fertiliser	1,748.21	2,210.17
Single Super Phosphate	3,023.55	2,018.00
Specialty Fertiliser	11,496.14	9,346.50
Others	3,310.22	1,682.71
<b>TOTAL</b>	<b>48,712.55</b>	<b>26,885.92</b>

**21. Other Income**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
1. Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source ₹ 5.92 Lacs; Previous Year: ₹ 33.53 Lacs)	45.72	126.80
2. Interest on Fertiliser Bonds (Tax Deducted at Source ₹ Nil ; Previous Year : ₹ Nil)	63.97	446.01
3. Other Interest (Gross) (Tax Deducted at Source ₹ 10.93 Previous Year : ₹ Nil)	993.38	682.39
4. Dividend - Non Trade Investments	51.07	17.93
5. Dividend - Mutual Funds	-	40.80
6. Profit/(Loss) on Sale / Redemption of Investments in Mutual Funds	1,232.47	678.26
7. Foreign Currency Fluctuation Gain	-	422.73
8. Miscellaneous Receipts	1,314.44	931.48
<b>TOTAL</b>	<b>3,701.05</b>	<b>3,346.40</b>

## 22. Cost of Material Consumed

(₹ in Lacs)

		Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>A</b>	<b>Details of Principal Raw Material Consumed</b>		
	Ammonia (Purchased)	26,278.51	9,895.37
	Natural Gas	25,971.43	21,466.34
	Propylene	37,840.33	28,276.71
	Phosphoric Acid	22,566.06	10,586.57
	Others	2,660.68	1,754.43
	<b>Total</b>	<b>1,15,317.01</b>	<b>71,979.42</b>
<b>B</b>	<b>Packing Material Consumed</b>	<b>2,752.19</b>	<b>2,272.47</b>
	<b>TOTAL</b>	<b>1,18,069.20</b>	<b>74,251.89</b>

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

## 23. Change in Inventory of Finished Goods, WIP &amp; Stock in Trade

(₹ in Lacs)

		Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>(Increase)/Decrease in Inventory:</b>			
<b>Inventories at the end of the year</b>			
	Traded Goods	1,967.75	2,016.48
	Finished Goods	3,940.10	793.42
	<b>Total</b>	<b>5,907.85</b>	<b>2,809.90</b>
<b>Inventories at the beginning of the year</b>			
	Traded goods	2,016.48	2,022.11
	Finished Goods	793.42	1,186.09
	(Increase)/Decrease in Excise Duty on Stock of Finished Goods	171.63	10.10
	<b>Total</b>	<b>2,981.53</b>	<b>3,218.30</b>
	<b>(Increase)/Decrease in Inventory</b>	<b>(2,926.32)</b>	<b>408.40</b>

## 24. Details of Purchase of Stock in Trade

		Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
	Complex Fertiliser	19,083.52	-
	Muriate of Potash	8,387.78	11,077.33
	Mixture Fertiliser	1,665.76	2,116.66
	Single Super Phosphate	2,869.03	1,917.73
	Specialty Fertilisers	8,946.90	6,496.36
	Others	2,969.99	2,172.12
	<b>TOTAL</b>	<b>43,922.98</b>	<b>23,780.20</b>

## 25. Employee Benefits Expenses

(₹ in Lacs)

		Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a)	Salary and Wages	12,077.91	8,963.63
(b)	Contribution to Provident and other Funds	1,139.83	1,216.91
(c)	Staff welfare	1,052.11	788.00
	<b>TOTAL</b>	<b>14,269.85</b>	<b>10,968.54</b>



## 26. Other Expenses

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a) Power, Fuel and Water	3,529.29	2,167.86
(b) Stores, Spares, Oils, Chemicals and Catalysts Consumed	3,124.11	2,585.45
(c) <b>Repairs to:</b>	-	-
- Buildings	511.14	385.21
- Plant and Machinery	3,235.44	2,617.35
- Others	624.89	661.08
<b>Total</b>	<b>4,371.47</b>	<b>3,663.64</b>
(d) Insurance	1,028.71	714.19
(e) Rent	552.66	329.47
(f) Rates, Taxes and Duties	878.75	570.14
(g) Directors' Sitting Fees	11.07	12.99
(h) Auditors' Remuneration	88.47	57.81
(i) Carriage Outward (Net)	4,167.39	2,232.71
(j) Cash Discounts	155.78	92.50
(k) Provision for diminution in the value of investments	-	-
Loss on Sale of Investments - Bonds	-	399.04
Less: Loss shared by Govt.	-	(199.52)
Loss incurred	37.94	199.52
Less: Provision for diminution written back on bonds	-	(525.18)
Total	-	(325.66)
Add: Provision in diminution in the value of other investments (Net)	11.96	1.57
Net Provision/(Write Back) towards diminution	<b>49.90</b>	<b>(324.09)</b>
(l) Foreign Exchange Fluctuation (Net)	2,530.03	-
(m) Miscellaneous Expenses	6,141.77	5,389.87
<b>TOTAL</b>	<b>26,629.40</b>	<b>17,492.54</b>

Manufacturing and other expenses are excluding start up and commissioning expenses amounting to ₹ 296.12 Lacs (Previous Year: ₹ 1,227.40 Lacs). The details of start up and commissioning expenses are as follows:

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
A Manufacturing and Other Expenses		
1. Raw Materials Consumed	288.87	767.09
2. Packing Materials Consumed	-	21.75
3. Employee Emoluments	-	158.94
4. Power and Water	7.25	130.42
5. Stores, Spares, Oil & Chemicals Consumed	-	68.70
6. Repairs - Plant and Machinery	-	20.36
7. Repairs - Others	-	8.12
8. Insurance	-	7.56
9. Rates, Taxes and Duties	-	7.13
10. Miscellaneous Expenses	-	37.33
<b>Total</b>	<b>296.12</b>	<b>1,227.40</b>
B Less: Realisations	296.12	1,040.30
C <b>Net Expenses</b>	-	<b>187.10</b>

The Company sold the Fertiliser Bonds (issued in lieu of Fertiliser Subsidy) pursuant to the decision of the Government of India to buy back outstanding bonds in two tranches in 2010-11 and 2011-12 and to compensate the Company at least 50% of the loss incurred on such sale. Accordingly, the Company has accounted for the loss of ₹ 37.94 Lacs (Previous Year: ₹ 199.52 Lacs) (net of 50% compensation receivable from Government of India) and the same has been shown under operating and other expenses.

**Details of Payment to Auditor**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
<b>As Auditor</b>		
Audit Fees	37.75	35.33
Tax Audit	22.00	6.88
<b>Other Capacity</b>		
Certification	8.21	5.15
Taxation Matters	18.75	9.00
Reimbursement of expenses	1.76	1.45
<b>TOTAL</b>	<b>88.47</b>	<b>57.81</b>

**27. Exceptional Item**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
Exceptional Item represent Cost of assets discarded under restructuring of the real estate business	-	338.09
<b>TOTAL</b>	<b>-</b>	<b>338.09</b>

Note: Prior Period Item Current Year ₹ 132.21 Lacs; Previous Year ₹ 175.99 Lacs

**28. Depreciation and Amortisation expenses**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
Depreciation of Tangible Assets	8,225.05	7,339.71
Depreciation of Intangible Assets	806.45	667.37
Less: Transferred from Special Reserve	18.18	18.18
Less: Transferred from Revaluation Reserve	117.39	117.39
<b>TOTAL</b>	<b>8,895.93</b>	<b>7,871.51</b>

**29. Financial Cost**

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March 2012	Year ended 31 <sup>st</sup> March 2011
(a) Interest on Loans #	5,312.30	3,990.23
(b) Interest - Others *	1,373.94	267.34
(c) Other Financial Charges #	136.99	134.20
<b>TOTAL</b>	<b>6,823.23</b>	<b>4,391.77</b>

\* Includes net loss on foreign currency transactions and translations ₹ 954.71 Lacs (Previous Year : ₹ Nil)

# Excluding amount capitalised ₹ 343.94 Lacs (Previous Year : ₹ 1,709.14 Lacs)

**30. Earning Per Share**

(₹ in Lacs)

The following reflects the profit and share data used in basic and diluted EPS calculation.	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Profit/ (Loss) after tax	21,169.52	18,752.09
No. of Equity Shares of ₹ 10/- each	8,82,04,943	8,82,04,943.00
Basic and Diluted Earning Per Share (in ₹)	24.00	21.26



### 31. Gratuity and other post retirement benefit Plans

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Benefits		Compensated Benefit		Post Retirement
		31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012
<b>1.</b>	<b>Components of employer expenses</b>					
	Current service cost	214.21	171.66	129.76	104.78	192.81
	Past Service Cost	-	3.21	-	N.A.	-
	Interest cost	195.33	142.20	72.48	49.83	-
	Expected return on plan assets	(150.76)	(126.86)	-	N.A.	-
	Actuarial losses / (gains)	(222.54)	367.29	148.52	289.41	2.80
	Total expenses / Income recognised in the Statement of Profit and Loss	36.24	557.50	350.76	444.02	195.61
<b>2.</b>	<b>Actual contribution &amp; benefits paid during the year</b>					
	Actual benefits paid	118.39	127.50	218.39	168.73	2.80
	Actual contribution	244.58	217.48	N.A.	N.A.	-
<b>3.</b>	<b>Net asset / (liability) recognised in the Balance Sheet as on 31<sup>st</sup> March 2012</b>					
	Present Value of Defined Benefit Obligation	(2,492.47)	(2,412.60)	(1,079.38)	(982.41)	(192.81)
	Fair value of plan assets	1,830.51	1,539.26	-	N.A.	-
	Net asset / (liability) recognised in the Balance Sheet	(661.96)	(873.34)	(1,079.38)	(982.41)	(192.81)
<b>4.</b>	<b>Change in Defined Benefit Obligations (DBO) during the year ended 31<sup>st</sup> March, 2012</b>					
	Present Value of DBO at beginning of year	2,412.60	1,841.27	982.41	707.12	-
	Current Service cost	214.21	171.66	129.76	104.78	192.81
	Past Service cost	-	3.21	-	-	-
	Interest cost	195.33	142.20	72.48	49.83	-
	Actuarial (gains)/losses	(211.28)	381.76	148.52	289.41	2.80
	Benefits paid	(118.39)	(127.50)	(218.39)	(168.73)	(2.80)
	Present Value of DBO at the end of year	2,492.47	2,412.60	1,114.78	982.41	192.81
<b>5.</b>	<b>Change in Fair Value of Assets during the year ended 31<sup>st</sup> March, 2012</b>					
	Plan assets at beginning of year	1,539.26	1,301.16	NA	NA	NA
	Actual return on plan assets	150.76	126.86	NA	NA	NA
	Actual Company contributions	244.58	217.48	NA	NA	NA
	Actuarial (gains)/losses on Plan Assets	11.26	14.47	NA	NA	NA
	Benefits paid	(115.35)	(120.71)	NA	NA	NA
	Plan assets at the end of year	1,830.51	1,539.26	NA	NA	NA
<b>6.</b>	<b>Actuarial Assumptions</b>					
	Discount Rate	8.30%	8.30%	8.50%	8.30%	8.50%
	Expected Return on plan assets	9.40%	9.40%	NA	NA	NA
	Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%

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

## 32. Segment Reporting

(₹ in Lacs)

Sr. No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	Revenue							
	a) External Sales							
	i) Manufactured	1,41,616.34	49,220.10	-	659.47	-	-	1,91,495.91
	Previous Year	1,07,857.74	25,959.01	-	607.82	-	-	1,34,424.57
	ii) Traded	1,184.50	47,528.05	-	-	-	-	48,712.55
	Previous Year	-	26,885.92	-	-	-	-	26,885.92
	b) Inter-segment sales	7,084.74	-	-	-	(7,084.74)	-	-
	Previous Year	6,040.42	-	-	-	(6,040.42)	-	-
	c) Other operating income	38.94	202.00	679.65	27.99	-	-	948.58
	Previous Year	4.39	273.53	1,180.00	21.53	-	-	1,479.45
	d) Unallocated Corporate other income	-	-	-	-	-	3,701.05	3,701.05
	Previous Year	-	-	-	-	-	3,346.40	3,346.40
	<b>Total Revenue</b>	<b>1,49,924.52</b>	<b>96,950.15</b>	<b>679.65</b>	<b>687.46</b>	<b>(7,084.74)</b>	<b>3,701.05</b>	<b>2,44,858.09</b>
	Previous Year	1,13,902.55	53,118.46	1,180.00	629.35	(6,040.42)	3,346.40	1,66,136.34
2.	Segment Result	32,998.70	11,345.40	(1,503.34)	298.18	-	3,701.05	46,839.99
	Previous Year	32,719.51	3,164.60	(500.25)	272.61	-	3,346.40	39,002.87
3.	Unallocated Corporate expense	-	-	-	-	-	25,670.47	25,670.47
	Previous Year	-	-	-	-	-	20,250.78	20,250.78
4.	Net Profit	-	-	-	-	-	-	21,169.52
	Previous Year	-	-	-	-	-	-	18,752.09
5.	Other Information							
	a) Segment Assets	1,33,614.09	49,391.44	27,639.72	3,771.75	-	-	2,14,417.00
	Previous Year	1,28,667.28	18,464.82	26,290.95	3,971.80	-	-	1,77,394.85
	Unallocated Corporate Assets	-	-	-	-	-	46,301.60	46,301.60
	Previous Year	-	-	-	-	-	46,730.16	46,730.16
	<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,60,718.60</b>
	Previous Year	-	-	-	-	-	-	2,24,125.01
	b) Segment Liabilities	8,220.97	10,828.43	1,822.93	-	-	-	20,872.33
	Previous Year	10,398.01	3,132.46	2,220.44	-	-	-	15,750.91
	Unallocated Corporate Liabilities	-	-	-	-	-	1,18,501.12	1,18,501.12
	Previous Year	-	-	-	-	-	1,02,427.39	1,02,427.39
	<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,39,373.45</b>
	Previous Year	-	-	-	-	-	-	1,18,178.30
	c) Capital Expenditures incurred during the year	6,293.49	441.80	2,697.74	-	-	12,799.56	22,232.59
	Previous Year	13,967.66	1,379.68	2,395.15	-	-	435.74	18,178.23
	d) Depreciation/Amortisation	7,161.57	369.02	800.76	245.49	-	319.09	8,895.93
	Previous Year	5,820.99	764.25	793.00	245.49	-	247.78	7,871.51
	e) Other non-cash expenditures	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-

## Segment information

- Primary segment reporting (by business segments)  
Composition of business segment

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

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



### 33. RELATED PARTY DISCLOSURES

#### NAMES OF THE RELATED PARTIES AND RELATIONSHIP

##### A. ASSOCIATES

1. Blue Shell Investments Pvt. Ltd.
2. Deepak Nitrite Ltd.
3. Nova Synthetic Ltd.
4. The Lakaki Works Pvt. Ltd.
5. Superpose Credits And Capital Pvt. Ltd.
6. Storewell Credits And Capital Pvt. Ltd.
7. High Tide Investments Pvt. Ltd.
8. Deepak Asset Reconstruction Pvt. Ltd.
9. Mahadhan Investment and Finance Pvt. Ltd.
10. Ishanya Foundation
11. Ishanya Brand Services Ltd.
12. Ishanya Realty Corporation Ltd.
13. Deepak Foundation
14. Desai Fruits and Vegetables Pvt. Ltd.

##### B. KEY MANAGEMENT PERSONNEL

1. Shri S. C. Mehta
2. Shri S. Raja Reddy
3. Shri Bhaskar S. Pai

#### 33A RELATED PARTY TRANSACTIONS

(₹ 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	3,489.93	-	3,489.93	2,774.25	-	2,774.25
2.	Purchase of Goods	(0.26)	-	(0.26)	-	-	-
3.	Donation Given	(397.00)	-	(397.00)	(185.00)	-	(185.00)
4.	Rendering of Services	7.22	-	7.22	5.10	-	5.10
5.	Receiving of Services	(0.25)	(1,038.11)	(1,038.36)	(78.25)	(900.06)	(978.31)
6.	Leasing or Hire Purchase arrangements	24.55	(9.00)	15.55	24.55	(9.00)	15.55
7.	Purchase of Equity Shares	(2,377.98)	-	(2,377.98)	-	-	-
8.	Redemption of Preference Shares	-	-	-	-	-	-
9.	Purchase of DEPB Licenses	(15.25)	-	(15.25)	-	-	-
10.	Purchase of Fixed Asset	(5.84)	-	(5.84)	-	-	-
11.	Dividend Received	-	-	-	-	-	-
12.	Dividend Paid	(919.05)	(859.57)	(1,778.62)	(805.74)	(773.61)	(1,579.35)
13.	Balance Receivable/(Payable)	418.27	(667.15)	(248.88)	(694.03)	(580.15)	(1,274.18)
	Less: Provision for Receivable/(Payable)	-	-	-	-	-	-
	Net Outstanding Receivable/(Payable)	418.27	(667.15)	(248.88)	(694.03)	(580.15)	(1,274.18)



## 33B NAMES OF THE RELATED PARTIES FOR VALUE EXCEEDING 10% OF THE TRANSACTIONS

(₹ in Lacs)

Sr. No.	Nature of Transactions	Associates	Key Management Personnel
1.	<b>Sale of Goods</b>		
	Deepak Nitrite Ltd.	3,489.93	-
2.	<b>Purchase of Goods</b>		
	Ishanya Foundation	(0.26)	-
3.	<b>Donation Given</b>		
	Ishanya Foundation	(47.00)	-
	Deepak Foundation	(350.00)	-
4.	<b>Rendering of Services/Reimbursement of Expenses</b>		
	Ishanya Foundation	4.00	-
	Deepak Nitrite Ltd.	3.22	-
5.	<b>Receiving of Services/Reimbursement of Expenses</b>		
	Ishanya Foundation	(0.25)	-
	Shri S. C. Mehta (Remuneration/Commission)	-	(1,015.93)
6.	<b>Leasing or Hire Purchase arrangements</b>		
	Deepak Nitrite Ltd.	24.55	-
	Shri S. C. Mehta	-	(9.00)
7.	<b>Purchase of Equity Shares</b>		
	Desai Fruits and Vegetables Pvt. Ltd.	(2,377.98)	-
8.	<b>Redemption of Preference Shares</b>		
	Smartchem Technologies Ltd.	-	-
9.	<b>Purchase of DEPB Licenses</b>		
	Desai Fruits and Vegetables Pvt. Ltd.	(15.25)	-
10.	<b>Purchase of Fixed Asset</b>		
	Yerrowda Investments Ltd.	-	-
	Blue Shell Investments Pvt. Ltd.	(5.84)	-
11.	<b>Dividend Received</b>		
	Smartchem Technologies Ltd.	-	-
12.	<b>Dividend Paid</b>		
	Nova Synthetic Ltd.	(855.94)	-
	Shri S. C. Mehta	-	(859.57)
13.	<b>Balance Receivable/(Payable)</b>		
	Deepak Nitrite Ltd.	418.37	-
	Shri S. C. Mehta	-	(667.15)

Note : Figures in bracket are outflows.

## 34. Capital and Other Commitments

(₹ in Lacs)

Capital Commitments:	31 <sup>st</sup> March 2012
Related to Projects	869.41
Related to Realty	1,382.31
Related to Factory	668.11
Others	21.64
<b>Other commitments:</b>	
Desai Fruits and Vegetables Pvt. Ltd. (Unpaid amount of Equity and Premium)	1,657.86
<b>TOTAL</b>	<b>4,599.33</b>



### 35. Contingent Liabilities

(₹ in Lacs)

Liabilities classified and considered contingent due to contested claims and legal disputes	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Claim by Supplier	2,610.52	5,963.81
Other claim	0.40	0.40
Income Tax demands	2,143.59	1,164.16
Excise demands	2,312.90	1,592.00
Sales Tax/VAT demands	1,794.80	1,704.42
<b>TOTAL</b>	<b>8,862.21</b>	<b>10,424.79</b>

36. 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. 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.

### 37. Details of Micro and Small Enterprises as defined under MSMED Act, 2006

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and there is no default in payment to such enterprise as specified in the said Act. However, the amounts outstanding as well as interest applicable are insignificant and hence not separately disclosed.

### 38. Expenditure in Foreign Currency

(₹ in Lacs)

		31 <sup>st</sup> March 2012		31 <sup>st</sup> March 2011
Interest and repayment of Loans and Debenture		18,120.71		11,379.39
Dividend		18.17		17.59
No. of shareholders	334		350	
No. of Shares	3,63,550		3,90,850	
Technical Fees to Foreign Vendors		520.15		84.24
Foreign Travel		89.61		24.70
Others (Net of Reimbursement)		521.82		160.64
<b>TOTAL</b>		<b>19,270.46</b>		<b>11,666.56</b>

### 39. Imported and Indigenous Raw Material, Components, Spare Parts Consumed

(₹ in Lacs)

	31 <sup>st</sup> March 2012	%	31 <sup>st</sup> March 2011	%
<b>Raw Material</b>				
<b>Imported</b>				
Phosphoric Acid	22,566.06	70.92	10,586.57	89.55
Ammonia	8,831.31	27.76	1,001.28	8.47
Others	419.15	1.32	233.69	1.98
<b>Total</b>	<b>31,816.52</b>	<b>100.00</b>	<b>11,821.54</b>	<b>100.00</b>
<b>Indigenous</b>				
Natural Gas	25,971.43	31.10	21,466.35	35.68
Propylene - Refinery Grade (R.G.P.)	37,840.33	45.32	28,276.71	47.00
Ammonia	17,447.20	20.89	8,846.68	14.70
Sulphur	1,610.93	1.93	1,001.92	1.66
Others	630.60	0.76	566.22	0.96
<b>Total</b>	<b>83,500.49</b>	<b>100.00</b>	<b>60,157.88</b>	<b>100.00</b>
Components and Spares	829.44	11.12	548.45	9.40
- Imported	6,631.81	88.88	5,284.90	90.60
- Indigenous	<b>7,461.25</b>	<b>100.00</b>	<b>5,833.35</b>	<b>100.00</b>

**40. Earnings in Foreign Currency**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Export of goods (on FOB basis)	7,799.95	4,618.24
Other income	230.46	378.17
<b>TOTAL</b>	<b>8,030.41</b>	<b>4,996.41</b>

**41. Value of Import - On the basis of CIF**

(₹ in Lacs)

	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
(a) Raw Material	27,755.49	12,400.27
(b) Components and Spare Parts	969.63	1,031.13
(c) Capital Goods	2,216.49	915.78
(d) Traded Goods	26,846.87	11,521.58
<b>TOTAL</b>	<b>57,788.48</b>	<b>25,868.76</b>

**42. The following foreign currency transactions remain outstanding as at 31<sup>st</sup> March, 2012:****A) Un-hedged Exposure**

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,00,00,000	2,00,00,000
Buyers' Credit	US \$	2,17,00,013	1,38,29,615
Imports	US \$	40,57,345	7,02,220
	EUR	13,968	Nil
Export	US \$	Nil	5,75,177

**B) Hedged Exposure**

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,50,00,000	2,50,00,000
Buyers' Credit	US \$	2,97,95,260	1,20,75,000
Imports	US \$	1,49,21,540	4,29,700

- 43.** Investments in Desai Fruits and Vegetables Pvt. Ltd. (DFVPL) was made on November 11, 2011 in 10,51,504 Equity Shares of ₹ 10/- each fully paid and 36,32,469 equity shares of ₹ 10/- each partly paid total amounting to ₹ 2,377.98 lacs. The total proportionate holding as on 31<sup>st</sup> March, 2012 is 26 % whereby DFVPL is an associate in terms of Accounting Standard-23 Accounting for Investments in Associates in Consolidated Financial Statements with effect from November 11, 2011.

Based on the un-audited results of DFVPL, the post acquisition share of profit/(loss) of the Group is ₹ (230.97 Lacs) while the goodwill included in the investment value amounts to ₹ 2,452.71 Lacs. In view of non-availability of audited financial statements as well as the impact of consolidation being not material, both with respect to consolidated profit of the group as well as consolidated assets and liabilities of the group, the financial statements of DFVPL have not been consolidated in the current financial year.

- 44.** Previous year's figures have been re-grouped wherever necessary to conform to current year's groupings.
- 45.** The Financial Statements for the year ended 31<sup>st</sup> March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Financial Statements for the year ended 31<sup>st</sup> March, 2012 has been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements.

As per our Report of even date

For B. K. KHARE & CO.  
Chartered AccountantsC. K. MEHTA  
Chairman

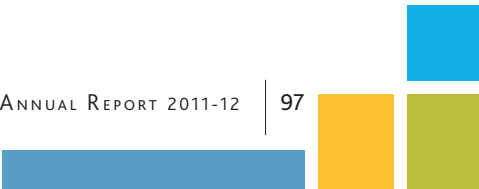
For and on behalf of the Board

N. C. SINGHAL  
DirectorDr. S. RAMA IYER  
DirectorSANTOSH PARAB  
Partner  
Firm's Registration No.: 105102W  
Membership No.: 47942S. C. MEHTA  
Vice-Chairman & Managing DirectorS. R. WADHWA  
DirectorMumbai  
Dated 18<sup>th</sup> May, 2012Mumbai  
Dated 18<sup>th</sup> May, 2012R. SRIRAMAN  
Sr. Vice-President (Legal) &  
Company Secretary



NOTES

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# FINANCIALS AT A GLANCE

(₹ in crores)

	2011-12	2010-11	2009-10	2008-09	2007-08
Particulars					
Equity Capital	88.20	88.20	88.20	88.20	88.20
Net Worth	1,223.50	1,066.12	930.40	802.56	697.60
Gross Block (Incl of CWIP)	2,164.76	1,948.18	1,763.52	1,509.46	1,395.32
Income from Operations	2,342.81	1,564.82	1,287.98	1,412.10	1,059.91
Operating Profit	440.19	379.80	323.41	308.21	214.93
Profit Before Tax	290.06	261.06	237.78	212.00	151.51
Profit After Tax	212.97	186.62	172.05	148.70	100.27
Earnings Per Share (₹)	24.15	21.16	19.51	16.86	11.37
Dividend	55%	50%	45%	40%	35%
Dividend Payout	26.25%	27.47%	25.91%	25.57%	36.02%
Debt-Equity Ratio*	0.60	0.62	0.65	0.47	0.28
Net Profit margin	9.13%	12.04%	13.54%	10.71%	9.63%
Return on Net Worth	18.60%	18.69%	19.86%	19.83%	15.06%

\* Excluding Deferred Tax Liability





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