

Stronger... Higher... Faster...



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S. C. Mehta, *Vice-Chairman & Managing Director*
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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

Dr. T. K. Chatterjee, *President - Strategic Initiatives & Projects*
Somnath Patil, *President & CFO*
Rajendra Sinh, *President - HRD & Corporate Services*
Anand Sundaram, *CEO - VARE*
Dr. Rajeev Chemburkar, *President - Chemicals*
Guy R. Goves, *President - Agribusiness*

BANKERS

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

SOLICITORS

Crawford Bayley & Company
J. Sagar Associates

AUDITORS

B. K. Khare & Co.

REGISTERED OFFICE

Opp. Golf Course, Shastri Nagar, Yerawada,
Pune - 411 006.
Phone : (020) 6645 8000
Fax : (020) 2668 3727
Email : investorgrievance@deepakfertilisers.com
Website : www.dfpcl.com

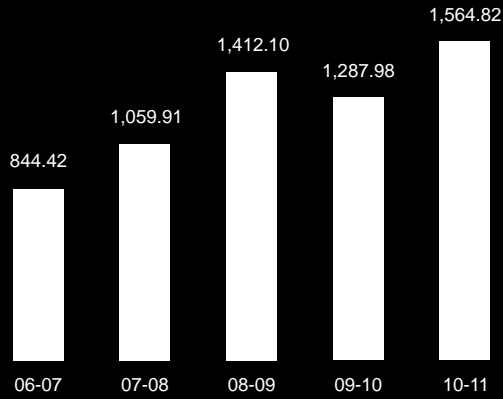
PLANTS

Plot K-1, K-7 & K-8, MIDC Industrial Area,
Taloja, A. V. 410 208
District Raigad, Maharashtra.
Phone : (022) 6768 4000
Fax : (022) 2741 2413

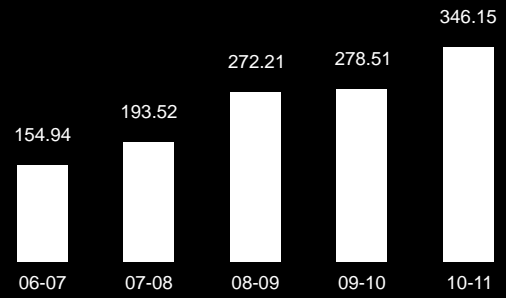
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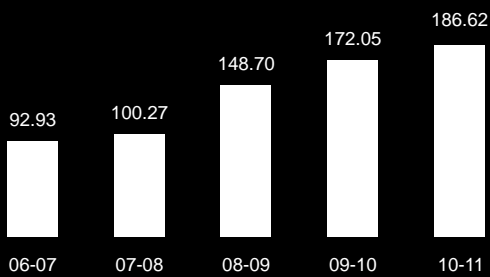
Financial Snapshot



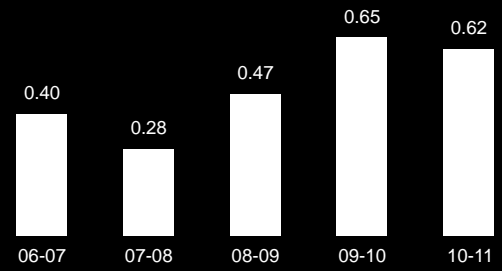
INCOME FROM OPERATIONS (RS. IN CRORES)



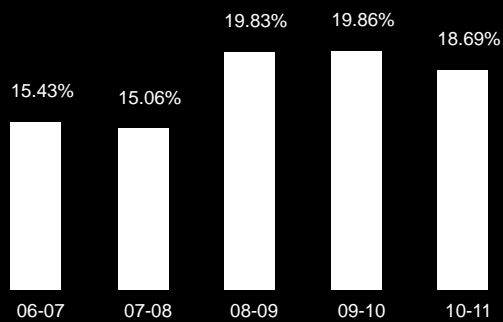
OPERATING EBITDA (RS. IN CRORES)



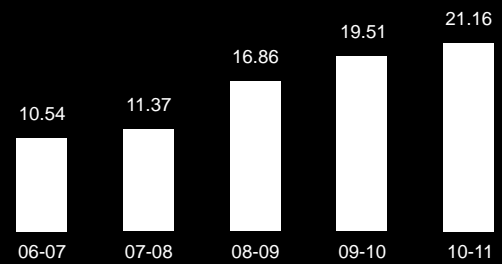
NET PROFIT (RS. IN CRORES)



LONG TERM DEBT-EQUITY RATIO



RETURN ON NET WORTH (%)



EARNINGS PER SHARE (IN RS.)



Stronger... Higher... Faster...



Over the years, DFPCL has grown from STRENGTH to STRENGTH...

Today:

- We are the only IPA manufacturer in India
- We have Asia's largest Nitric Acid complex
- We have TAN capacities that place us among the world leaders
- We are among the market leaders in the Indian Water Solubles, Specialty Fertilisers and Sulphur Bentonite segments
- We have been ranked 3rd as per Total Income in the Chemicals sector by Dun & Bradstreet's India's Top 500 Companies 2010
- We have a product basket comprising of Fertilisers, Industrial Chemicals and Realty which gives us a unique resilience

With our strengths established, we now aim HIGHER...

- Moving from bulk fertilisers to specialty fertilisers and customized fertilisers
- Moving from fertilisers alone to total agri-produce management -- a holistic agri-player
- Moving from a domestic to a global TAN player, adding depth and value through mining services
- Moving from commodity to high value chemicals

For, tomorrow, we will grow FASTER...

- With a track record of consistently growing profitability
- With a healthy debt-equity ratio
- With strong cash flows
- With an expertly-led SBU-structured organisation

STRONGER... HIGHER... FASTER...

Offering increased returns to all our stakeholders!

Message From The Vice-Chairman & Managing Director



ON YOUR MARKS.....

In an ever-changing and ruthlessly competitive global business scenario, it is crucial to spend adequate time to set one's sense of direction on the right track.

Simple but profound questions like:

- What Business do we want to be in....
- What value do we bring to the table...
- How do we ring-fence our USPs...
- How do we sustain our Business Model over the long-term...

The year that went by, saw us deeply ponder with these basic questions about our business focus, value proposition, creating competitive advantages and the long-term sustenance of our Business Model with growth in mind. In short, we got to 'On your marks'.

Today, after a lot of deliberations on the global scenario, financial sensitivities and carrying out pilot runs, we have chiselled out a clear growth direction for the Company.

"Before everything else, getting ready is the secret of success" - HenryFord

Today, we thus stand strategically poised to move forward in definitive directions:

- From Bulk fertilisers to Specialities and Customised fertilisers
- From Inputs alone to total Agri-solutions and produce management
- From a domestic to global TAN player
- From a critical Mining Chemical player to Contract Mining
- From a bulk commodity Chemical player to a high value Petrochemicals player

GET SET...

While technology and funds are easier to source, ensuring an appropriate Management bandwidth is indeed challenging. Further, for all human beings, change is far from an overnight exercise. It needs sustenance and sustainability over the long haul.

Over the year that has gone by, your Company moved from a traditional functional structure to a sector-focused SBU structure designed to propel the organisation forward in sync with the strategic growth path.

The Sector heads with considerable domain expertise, will now bring in a holistic and strong thrust to both, the existing business and to implementing the growth strategy in the sector.

Organisation-wide, a globally renowned and proven Job Evaluation Methodology is in place which will bring a sustaining logic and depth to the organisation structure and ensure its effectiveness.

A concerted performance review exercise across levels beginning with stretched and sharply defined Key Result Areas, review systems, hierarchy interactivity and reward system is already underway.

A methodical, work-behaviour-analysis based assessment of each individual in the senior management team, along with a SWOT analysis based personal growth path has been brought in to be able to objectively review management skill and depth.

Clearly, with these steps we've got beyond the 'On your marks' phase and are now at 'Get Set'.

The pages that unfold bring forth some of the results of our efforts ... Having established our strengths, climbing higher and faster is the motto for the year ahead.

Our focus is on action to capture value. Whether integrating backward into our raw-materials or intergrating forward to bring sectoral depth on our strategies, both, are set to excitingly unfold over the next few years. We are committed to propelling your Company into a new and exciting orbit.

"Do not go where the path may lead, go instead where there is no path and leave a trail" - Ralph Waldo Emerson

Warm Regards,



S. C. Mehta





Management Discussion and Analysis

THE MACRO-SCENARIO

The Indian economy continued to shine through the financial year under review 2010-11 (FY 11). The Indian economy grew at 8.6%. It is expected to continue growing around 7.5 to 8% driven largely by domestic demand drivers, the service sector growth momentum and exports.

Infrastructure is likely to follow its growth trajectory. The gradual opening up of the mining sector to private players should also augur well for the economy. The agri-products and consumer demand are also expected to continue with the present trend.

However, expectations for the medium term may need to be slightly mellowed. The International Monetary Fund (IMF) in its April 2011 World Economic Outlook (WEO) has assumed crude oil prices at US\$ 107 per barrel for the year. The current high demand pressure for oil is expected to exacerbate with fresh Japanese demand. Concerns about supply disruptions due to political developments in the Middle East and North African (MENA) region still remain. Thus the uncertainty over global oil prices is expected to continue through the financial year 2011-12 (FY 12).

Further, domestic and global inflation levels remain a cause for concern. Interest rates may further firm up through FY12. FII and FDI inflows are expected to remain strong and bank liquidity is still positive. Credit growth is likely to get impacted as interest rates firm up.

THE SCENARIO FOR DFPCCL

Given its product and customer profile, with its pronounced tilt towards the Indian farmer, the mining sector, the chemicals customer and the urban consumer, and its considerable strengths in product pricing derived from its advantages of scale, proximity, distribution network, quality, technical services and brands, your Company's potential for growth remains positive.

Raw Materials

Your Company's key raw materials are Natural Gas and its derivative, Ammonia, along with Propylene, Phosphoric Acid and Sulphur.

Multiple sources of gas are now available in India. Your Company's strategic location on the West Coast of India, close to the landfall point for most gas suppliers and its connectivity with the KG basin is an advantage. However, recent pronouncements from the Government's Directorate General of Hydrocarbons and some of India's key private sector gas producers have raised some uncertainty over gas availability in FY 12. On the other hand, ONGC announcements about its strong focus on gas exploration at the KG basin, gas from marginal fields and the availability of LNG are positive signals. Your Company will continue to monitor the developments carefully and will take appropriate steps to develop options so that supplies of such crucial raw materials are well managed.

On the Ammonia front, your Company will need a combination of in-house manufacture and outsourcing to maximise downstream capacity utilisation at its plants in the coming years. While Ammonia prices, globally, have been on an uptrend in recent months, your Company's location and storage facilities enable it to source Ammonia either domestically or from the world markets. Besides stepped up domestic Ammonia sourcing, your Company has tied up with a prominent Middle East supplier for its requisite quantities of Ammonia. This will ensure adequate availability of this vital raw material.

Propylene prices have been increasing in recent months. Globally Iso Propyl Alcohol (IPA) prices have generally moved in tandem with Propylene prices. Thus, your Company is confident that it can keep its margins reasonably intact.

Your Company is also working on a strategy to ensure consistent and adequate quantities of Phosphoric Acid. Price outlook for this product is expected to remain largely stable. Further the new Nutrient Based Subsidy scheme is also expected to help absorb any potential price hikes.

Sulphur prices have been somewhat volatile. However, your Company's strong brands and distribution network will enable it to maintain margins on Sulphur Bentonite for which Sulphur is a key input material.



Fertiliser/Agri-sector

The Government's new Nutrient Based Subsidy (NBS) policy, introduced from April 1, 2010, has been positive for all the stakeholders viz. the Indian farmer, the fertiliser industry and your Company. Along with improved production planning and cost management, better margins have been achievable in the fertiliser sector. The Indian fertiliser industry is now



Agronomist monitoring the pomegranate crop

clearly poised on a new growth trajectory. The strong growth trends for both horticulture and food crops production as well as attractive prices are expected to have a positive impact on agri-exports from India.

Your Company continues to drive growth with its strategy of providing a complete basket of products and services to the Indian farmer. Its strong brands and customer relationships, robust distribution networks and knowledge-driven services are the key in this regard. Output management of horticultural products as a service and business driver will be expanded strategically, to achieve a competitive edge.

CHEMICALS

Technical Ammonium Nitrate (TAN)

India's mining industry is expected to grow at 8% annually according to most estimates. Coal, iron ore, limestone and other minerals, so crucial to a fast growing economy like India, continue to show strong growth. Infrastructure growth will be an important driver for your Company's TAN business in the coming years. Globally, the mining industry is expected to grow significantly in markets like S.E. Asia, Australia,

Africa and parts of the Middle East. These factors bode very well for your Company's TAN business.

Industrial Chemicals

According to recent estimates, the Indian chemical industry growth is lagging behind GDP growth, highlighting its high demand potential. Your Company's key industrial chemicals products viz, Nitric Acid, Iso Propyl Alcohol (IPA) and CO₂ serve some of the fastest growing sectors of Indian Industry.

Nitric Acid is a basic commodity chemical with widespread use across several sectors. Demand estimates for the Indian Nitric Acid market are around 8% given the high levels of growth in nitro-aromatics, pharmaceuticals and dyestuffs, in particular.

The biggest user of IPA in India is the pharmaceuticals industry. With most estimates indicating that the pharmaceuticals industry in India growing around the 15% mark, demand estimates for IPA are also robust with around 6-7% growth envisaged over the next few years. CO₂ demand in India is also estimated at a strong 15% given the rising levels of usage among end-users like beverages, automobiles and industrial uses like welding.

Thus, with the continuing consumer demand, the outlook for your Company's key industrial chemical products remains strong.

REALTY SECTOR

According to McKinsey, the expansion of domestic consumption in India is poised to be quite dramatic. McKinsey estimates that if overall economic growth remains on a long-term path of 7 to 8 percent, real consumption will grow from 17 trillion Indian Rupees today to 70 trillion Indian Rupees by the year 2025.

This highlights the potential in Indian retail and, by consequence, in retail-facilitation structures like malls where research indicates that with changing aspiration-based lifestyles, categories that define perceptual social identity will become key growth areas. Therefore, apparels, home textiles, leisure, consumer durables, jewellery and watches etc. are expected to show clear and strong growth strengths.

Further, in comparison to a plain vanilla mall, the lifestyle seeking consumer now clearly prefers a differentiated offering - the lifestyle centre - which goes beyond just shopping and helps enhance lifestyle aspirations. In keeping with these trends your Company has been working on changing its mall



An artistic expression of the new High Street Ishanya concept

venture, Ishanya, into a true world-class lifestyle centre with the new High Street Ishanya concept. New categories include lifestyle accessories, fine-dining and world-class entertainment options. Your Company is confident that this new strategy will improve the overall business value to the shareholders.

Detailed Financial and Operational Analysis

Financial Analysis

During the year 2010-11 your Company has shown increased production levels across all its major products.

Total Revenue for 2010-11 stood at Rs. 1,600.64 crores against Rs. 1,332.88 crores in 2009-10, an increase of 20%. Sales for the agri-business grew 20% to Rs. 528.45 crores in 2010-11 from Rs. 439.18 crores in 2009-10 while sales for the chemicals business grew 26% to Rs. 1,075.94 crores in 2010-11 from Rs. 852.46 crores in 2009-10.

Profit Before Tax increased to Rs. 261.47 crores in 2010-11 from Rs. 237.78 crores in 2009-10, while Net Profit stood at Rs. 186.62 crores in 2010-11 against Rs. 172.05 crores in 2009-10. Net Profit for the year under review is not comparable with the previous financial year given the

exceptional gain of Rs. 25.71 crores (net) arising from sale of surplus land in FY10.

Earnings Per Share went up to Rs. 21.16 compared to Rs. 19.51 in the previous year. Your Company's operating margins stood at 22.01% against 21.62% in 2009-10.

Your Company's financial position continues to remain sound. The average debt cost stood at 9.24% for 2010-11 against 9.88% for 2009-10. During 2010-11, long term funds of Rs. 204 crores were borrowed mainly to finance the new 3,00,000 MT TAN project.

Short-term borrowings stood at Rs. 116.02 crores in FY 11 against Rs. 122.16 crores in FY 10. For 2010-11, the outstanding debt stood at Rs. 775.67 crores against Rs. 731.20 crores in 2009-10. The debt-equity ratio stood at a healthy 0.62 as compared to 0.65 in previous year. The current ratio, including liquid investments, was at 2.79 in 2010-11 against 2.96 in 2009-10.

Operational Analysis

Your Company utilised 0.650 MMSM³ per day of Natural Gas (NG) during the year under review on an average, compared to 0.582 MMSM³ per day of NG during 2009-10.



Production		
Product	Quantity (MT)	
	2010 -11	2009 -10
Ammonia	1,07,100	1,00,851
Methanol	81,888	65,647
Iso Propyl Alcohol	67,462	61,619
Propane	9,166	9,231
Dilute Nitric Acid	3,08,950	2,60,162
Concentrated Nitric Acid	93,546	87,596
Nitro Phosphate Fertiliser	1,25,231	1,00,284
Technical Ammonium Nitrate	1,46,827	1,32,337
Bentonite Sulphur	11,254	10,191
Liquid Carbon Dioxide	30,403	29,132

Sales		
Product	Quantity (MT)	
	2010 -11	2009 -10
Methanol	81,708	65,703
Iso Propyl Alcohol	67,652	61,671
Propane	9,060	9,316
Dilute Nitric Acid	37,101	23,187
Concentrated Nitric Acid	93,148	87,653
Technical Ammonium Nitrate	1,46,115	1,33,043
Fertilisers	2,84,935	2,61,655
Liquid Carbon Dioxide	30,310	29,176
Hydrogen (by-product)	4,621	3,312
Bulk and Speciality Chemicals	-	158
Bentonite Sulphur	12,178	8,691
Fruits and Vegetables	4,596	1,727
Windmill Power (KWH)	1,52,81,995	1,92,85,646

Ammonia requirements for the year were met through both in-house manufacture and outsourcing. Production levels of Ammonia increased during the year under review to 1,07,100 MT against 1,00,851 MT in 2009-10. Your Company outsourced 43,826 MT of Ammonia from the market.

Product-wise business review

Your Company's production reached record levels for Ammonia, Liquid CO₂, IPA, DNA and Bensulf for the year under review. Capacity utilisation will now be maximized in the coming year with better raw material management and operational efficiencies.

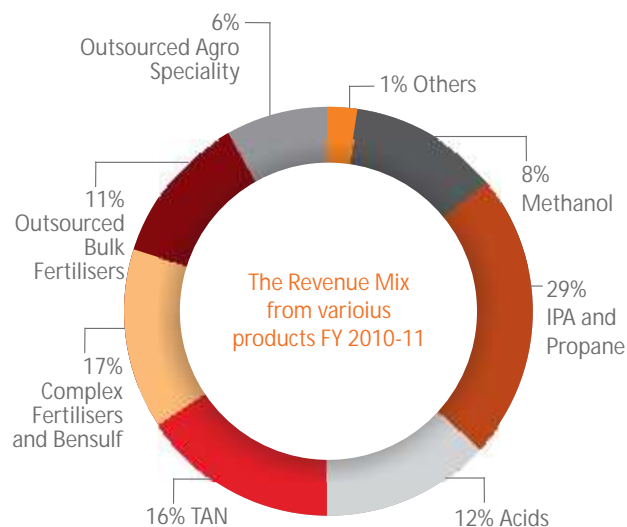
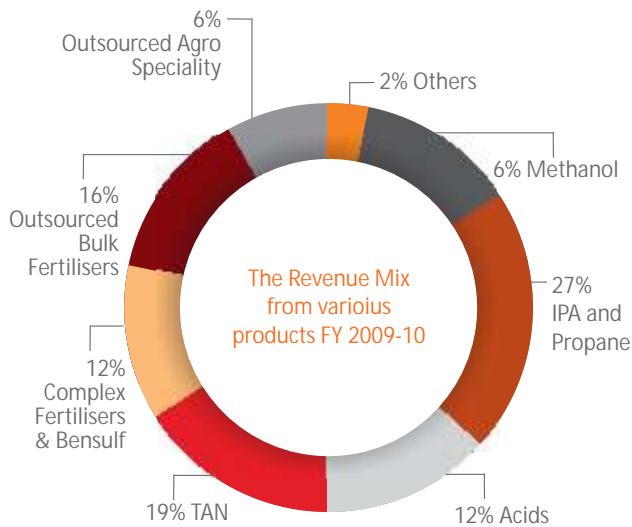
Fertiliser/Agri-Sector

The total bulk fertiliser sales volume for 2010-11 was 2,84,935 MT against 2,61,655 MT for 2009-10. Total revenue from the agri-business grew 20% to Rs. 531.18 crores in 2010-11 from Rs. 442.07 crores in 2009-10.

Production volumes of Nitro-Phosphate Fertiliser (NP) rose to 1,25,231 MT from 1,00,284 MT. Capacity utilisation was not optimal during the year under review owing to technical problems at the plant during the second quarter of FY 11 and the oil spill on the West Coast of India causing a diversion of phos acid shipment during the third quarter of the year under review.

Your Company successfully introduced the 24:24:0 grade of NP during the second half of the year under review. While enhancing crop productivity, the new grade will also help increase margins. Production volumes of Sulphur Bentonite rose to 11,254 MT in 2010-11 against 10,191 MT in 2009-10. Sales of speciality fertilisers saw an increase of 33% in value terms.

Nutrient management and advisory services continued to be a focus area. The nine Saarrthie centres now service about 7,648 hectares of cultivable land and have 9,808 farmer members. Your Company's efforts to meet GlobalGAP standards for its agri-produce and its stringent quality practices have enabled it to develop a Deepak GAP (Good Agricultural Practices) Standard for its agri-products



exports for the global markets. Your Company has also obtained the National Accreditation Board for Testing and Calibration Laboratories (NABL) Accreditation which is the Highest Standard for GLP - Good Laboratory Practices.

Your Company's move to expand its geographical footprint into states like Punjab and Haryana, in addition to the traditional markets of Maharashtra, Gujarat, Karnataka and Goa has been successful.

Industrial Chemicals

The total revenue for the chemical segment increased to Rs. 1,075.94 crores in 2010-11 against Rs. 852.46 crores during 2009-10, registering a growth of 26%.

Technical Ammonium Nitrate (TAN)

Overall sales volumes for TAN stood at 1,46,115 MT for the year 2010-11 against the previous year's sales of 1,33,043 MT, a growth of 10%. Your Company, along with its subsidiary, Smartchem Technologies Ltd., enjoys around 30% market share in the domestic market.

The new 3,00,000 MTPA TAN plant has already commenced production and its product quality is well received by the market. As a start-up, your Company successfully produced 29,503 MT of TAN at its new plant during the year under review. The WNA plant supporting this TAN complex is currently being stabilised. Capacity utilisation levels at the new plant are expected to be gradually scaled up during 2011-12, to peak in 2012-13. Your Company's efforts to augment its distribution chain are well underway with the setting up of warehouses close to the customer. Improved logistics management systems have also been put into place for efficient and cost-effective movement via rail and road.

TAN produced at the new plant will replace the low-quality Fertiliser Grade Ammonium Nitrate currently being imported into India and used as an inefficient substitute by the mining sector. The Ammonium Nitrate Fuel Oil (ANFO) product, which is used by 80% of the global mining industry, necessarily requires LDAN in the quality that your Company produces. Your Company, with its team of well-qualified mining engineers is also poised to bring about a major improvement in the methodology for the use of explosives in



A bird's eye view of the new TAN plant at Taloja

the Indian mining and infrastructure industries. With a strong focus on application engineering, your Company is working extensively with key customers in mining and infrastructure to adopt global practices and efficiencies in explosive user industries. With this addition to capacities, your Company is now among the top five manufacturers of TAN in the world.

β Methanol

Riding on improved global prices, Methanol production during the year under review rose to 81,888 MT as compared to 65,647 MT of the previous year.

β Iso Propyl Alcohol

During the year, your Company recorded the highest production and sale of IPA. Your Company is the only manufacturer of this product in India. The total production of IPA was 67,462 MT as compared to 61,619 MT in the previous year. During the year, the sales volume was 67,652 MT as compared to 61,671 MT in the previous year.

Your Company is the market leader for IPA in India. Its world-class quality is a significant advantage and enhance

its brand. It remains a supplier of choice to the pharmaceutical industry, where demand is now on an upswing.

β Acids

Your Company is Asia's largest producer of Nitric Acid and downstream users of this product remain loyal and committed to your Company's brand. Other than its captive consumption the total sales volume of Nitric Acid of different grades was also the highest ever achieved. Production recorded was 1,30,249 MT in 2010-11 against 1,10,840 MT in 2009-10. Your Company also recorded the highest production of all Nitric Acid put together which includes 93,546 MT of CNA for 2010-11 against 87,596 MT in the previous financial year. However, a technical issue at one of the four Nitric Acid plants constrained production from reaching optimal capacity utilisation levels and impacted downstream production.

Currently, your Company's market share of Nitric Acid put together is about 39% in the Indian market.

β Liquid CO₂

Demand for this product, a by-product of Ammonia, was good.



Total sales volume stood at 30,310 MT in 2010-11 against 29,176 MT in 2009-10.

Your Company's customer relationship in the Chemical Sector and its ability to offer world-class service with its domestic geographical advantages will be a key source of competitive advantage in the years to come.

REALTY

This segment of your Company's business is now in a turn around phase. Total revenues from this segment stood at Rs. 11.80 crores in 2010-11 against Rs. 13.99 crores in 2009-10. As of 31st March, 2011, occupancy at Ishanya stood at 1,92,553 sq. ft. despite the continuing construction work on the remodelling of the mall for its new High Street positioning. During the year under review footfalls continued to be robust with several activities like fairs and shows drawing crowds at key junctures in the consumer shopping cycle. Brand recall for Ishanya continues to be good in its key catchment areas.

The new High Street Ishanya concept, with its expanded range of offerings to the consumer, at your Company's iconic mall in Pune, is drawing a good response across the Indian retail industry, as a result of which an additional 2,00,000 sq. ft. of space has been committed for 2011-12. Your Company is confident that the new High Street Ishanya will improve the business as well as its brand value.

FUTURE PROJECTS

In keeping with its strategic growth focus on the Chemicals sector, your Company is envisaging a 3,00,000 MT Technical Ammonium Nitrate project in South Australia, for which land has been identified by the local government near the deep sea port of Bonython. Your Company will now conduct detailed Environmental Impact Assessment and Feasibility Studies over the next 12 to 15 months. On confirmation of technical and financial feasibility, the project can be completed in a 24 months timeframe thereafter.

Your Company has also taken up the project of a third CNA plant as also retrofitting its AN melt and fertiliser plant capacities.

Going forward your Company is keenly considering other chemical, fertiliser and agri projects. A close study on backward integrations / strategic alliances for all raw materials is also underway.

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 with the dynamic nature of the business environment. Your Company has also successfully migrated to the latest version of SAP which provides improved control and decision-making tools.

To further strengthen its risk management practices, your Company is working together with one of the most globally reputed names in the field. This will enable the Company to adopt the best global practices for risk identification and mitigation.

Based on the recommendations of leading management consultants, your Company has implemented a new Strategic Business Unit structure and a human resource evaluation system.

ENHANCED VALUE TO THE SHAREHOLDERS

With its commitment to growth and enhanced profitability through its product quality, brands, distribution network and market relationships, your Company has a proven ability to successfully exploit the markets that it competes in. Continuous dividend payments for the last 14 years is testimony to your Company's strong commitment to shareholders. This, coupled with a consistently climbing Book Value for your Company's shares, has led to accretion of shareholder wealth.

Your Company remains committed to the highest standards of ethics and transparent financial management. Continuing business investments will enhance shareholder value in the years ahead.

CAUTIONARY STATEMENT

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



Corporate Social Responsibility

Encourage, Enhance, Enrich, Empower.

As a socially responsible corporate, Deepak Fertilisers And Petrochemicals Corporation Limited is committed to social thought and action and is resolute in its dedication to serve the society it operates in. The Company, for over three decades, has engaged in community work through the Ishanya Foundation at Taloja and Pune in Maharashtra and Deepak Foundation in Vadodara in Gujarat.

ISHANYA FOUNDATION

The Foundation has for several years engaged in community work, fostering goodwill and improving the quality of life within communities through appropriate drives and initiatives. The Foundation focuses on women empowerment, education and health.

Yellow Ribbon NGO Fair - Participation of 105 NGOs/SHGs

The Yellow Ribbon NGO Fair organised for the third consecutive year, by the Foundation and supported by NABARD, witnessed participation by over 105 NGOs / SHGs from across Maharashtra and Gujarat. The fair, aims to



Inauguration of the 3rd Yellow Ribbon NGO Fair (From R to L)-Mrs Parul Mehta, Trustee, Ishanya Foundation, Mrs. Priya Dutt, Hon. MP, Mr P Satish, Chief General Manager, NABARD, & Mr. Shiva of Shiva Ads

provide a platform where grass root level NGOs / SGHS showcase and sell products made by the under privileged section of the society, as part of its rehabilitation process. The event added a special touch to the Diwali fervor and proved as a golden opportunity for people of Pune to come forward and support the cause.

Keeping in line with the motto of 'Making a Difference', the

Foundation supported the cause 'Save the Environment' by adopting a signature campaign themed 'Say NO to Plastic Bags' and distributed close to 6,000 cloth bags to the stalls and customers, at no cost. The Foundation organised workshops on 'Banking and Finance for NGOs / SHGs', conducted by Mr. Tiran Daj, District Manager, Bank of Maharashtra and 'Marketing & Packaging of Products', conducted by Mr. Anand Desai, a marketing expert, which were well received by the participating NGOs / SHGs. Student volunteers from the Symbiosis Institute and Bharti Vidyapeeth, helped to make the event successful.

Health Initiatives around Taloja

The Foundation has been working towards the medical cause in 21 villages around Taloja. An eye OPD in collaboration with the Laxmi Charitable Trust (LCT) is operational every Monday at Chindran village in Taloja. In its



Eye Camp in Progress at our Chindran centre near Taloja

outreach program, where the LCT ambulance visits the villages, over 340 people were successfully screened for eye related problems. During the year, the Foundation conducted three eye camps and about 670 patients availed the screening facility. Patients diagnosed with cataract underwent surgery at LCT and spectacles were distributed, free of cost, to those with refraction errors.

Livelihood Programs for Women

As part of its initiative to empower women of the economically weaker section, the Foundation imparts them with livelihood skills to change their lives for better. On



A practical session in progress of the Beautician course

completion of the course, the foundation helps the aspirants to be placed in jobs through their unique referral program. Thirteen batches and 326 young women from less privileged section have successfully completed the courses.

Name of the Course	No. of aspirants trained	No. of aspirants placed
PUNE		
Beautician Course with Spoken English (3 Batches)	85	69
Front Desk Receptionist Course (1 Batch)	15	06
Patient Care Course (1 Batch)	11	09
Retail Operation Course (2 Batches)	35	20
Security Guard Course (2 Batches)	34	24
Stitching of Cloth Bags-CARE Project	15	Self Employed
TOTAL (A)	195	
CHINDRAN		
Tailoring Course	90	Self Employed
Beautician Course and Spoken English	25	Self Employed
Security Guard Course	16	13
TOTAL (B)	131	
TOTAL NO. OF ASPIRANTS (A+B)	326	



Women from lower income group participating in the Income Generation Program at Pune.

Future Projects

Action for Agriculture Renewal in Maharashtra (AFARM) conducted an assessment of 14 villages in Panvel Taluka on infrastructure development needs and human resource

requirements in order to identify the right programs for promotion. Based on this study, the Foundation will now plan short and long term projects for these villages.

DEEPAK FOUNDATION

As part of its social obligation, Deepak Foundation in partnership with the concerned government departments is committed to a) provide healthcare to women and children b) work to create livelihood opportunities.

Safe Motherhood and Child Survival Project (2005-2010)

This Public-Private Partnership, today focuses on strengthening the public health delivery channel in the tribal areas of Vadodara district. Through this initiative the maternal mortality rate was reduced successfully by 41% and child mortality by 7%.

Nutrition Interventions

The Foundation focuses on creating awareness on maternal anemia, correct breastfeeding, complimentary feeding practices and child under-nutrition. In the past three years 6,987 anemic women have been referred for treatment, 1,752 anemic women received life saving Iron Sucrose injectibles and 400 low birth weight babies were referred to health facilities.

Kawant Livelihood Project (KALP)

Since 2008, the Foundation has been working to help the most undeveloped remote tribal block of Gujarat to earn its living. Over 11,000 farmers benefited through the various livelihood activities of agriculture and horticulture promotion, dairy, irrigation and watershed skill development.

The Foundation's activities were recognized at several national forums. It received the 'E-India Awards-2010' from Dept. of IT, Govt. of India, for its web enabled Computerized Management Information System (CMIS) to track individual pregnant women beneficiaries of the Vadodara district. The Foundation also participated as a core member of 'World Bank Civil Society Organisations Health Nutrition and Population Group' in October 2010 at Kenya.

Deepak Fertilisers And Petrochemicals Corporation Ltd. has and will continue to reach out to the society and be an active channel of change to the economically weaker sections of the society, by developing and sustaining programs for the betterment of the quality of their lives.



Notice

NOTICE is hereby given that the Thirty First Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Monday, 8th August, 2011 at 11.00 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 Profit and Loss Account for the financial year ended 31st March, 2011 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Dr. S. Rama Iyer, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri N. C. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S. R. Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Dated 11th May, 2011

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, 25th July, 2011 to Monday, 8th August, 2011 (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 8th August, 2011, 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, 2nd Floor, Off Andheri – Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai - 400 072, quoting



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

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

- (5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.
- (6) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
- (7) Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date it became due for payment 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.dfpl.com for details.
- (8) Members are requested to note that pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, shareholding of the Non-Executive Directors proposed to be re-appointed is 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** : Dr. S. Rama Iyer; **Age** : 71 Years; **Qualification** : B. E. (Chem), M.Tech and Ph.D from IIT, Mumbai; **Date of Appointment** : 23rd October, 2007; **Expertise** : Rich and vast hands on experience of four decade and knowledge in the areas of process technology, design engineering, project management and construction management of large projects both in India and abroad; **Directorships as on 31st March, 2011** : Indsil Hydropower and Manganese Limited; Gujarat Flourochemicals Limited; Larsen & Toubro Infotech Limited; Petron Engineering Construction Limited; Thirumalai Chemicals Limited; Equirus Capital Pvt. Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; **Chairman / Member of the Audit Committee as on 31st March, 2011** : Petron Engineering Construction Limited - Member; Deepak Fertilisers And Petrochemicals Corporation Limited - Member; **Chairman / Member of the Shareholders' / Investors' Grievance Committee as on 31st March, 2011** : Petron Engineering Construction Limited - Member; **Chairman / Member of the Remuneration Committee as on 31st March, 2011** : Nil; **Shareholding in the Company** : 50,000 equity shares of Rs. 10/- each held in a family trust as primary beneficiary.
2. **Name of Director** : Shri N.C. Singhal; **Age** : 74 Years; **Qualification** : M.A. (Economics); M.Sc. (Statistics), P.G. Diploma in Public Administration; **Date of Appointment** : 25th March, 1997; **Expertise** : Rich and vast experience in the field of Banking and Finance; **Directorships as on 31st March, 2011** : Max India Limited; Birla Sunlife Asset Management Company Limited; SCI Forbes Limited; Tolani Shipping Limited; Binani Industries Limited; Deepak Fertilisers And Petrochemicals Corporation Limited; Ambit Holdings Pvt. Limited; Mahagujarat Chamunda Cement Company Pvt. Limited; Samalpatti Power Company Pvt. Limited; Amal Limited; Future Capital Holdings Limited; Forbes Bumi Armada Offshore Limited; Gati Asia Pacific Pte Limited; **Chairman / Member of the Audit Committee as on 31st March, 2011** : Deepak Fertilisers And Petrochemicals Corporation Limited – Chairman; Ambit Holdings Pvt. Ltd. – Chairman; Tolani Shipping Limited – Chairman; Max India Limited – Chairman; Amal Limited – Chairman;



Chairman / Member of the Shareholders' / Investors' Grievance Committee as on 31st March, 2011 : Max India Limited – Member; Binani Industries Limited - Member; Amal Limited - Member; **Chairman / Member of the Remuneration Committee as on 31st March, 2011** : Samalpatti Power Company Pvt. Limited - Chairman; Max India Limited - Member; Birla Sunlife Asset Management Company Limited - Member; **Shareholding in the Company** : Nil.

3. **Name of Director** : Shri S. R. Wadhwa; **Age** : 76 Years; **Qualification** : M. A., L.L.M., CAIIB, Masters Diploma in Public Administration; **Date of Appointment** : 18th October, 2005; **Expertise** : Rich and vast experience in the field of Finance and Tax; **Directorships as on 31st March, 2011** : Deepak Fertilisers And Petrochemicals Corporation Limited; Smartchem Technologies Limited; **Chairman / Member of the Audit Committee as on 31st March, 2011** : Deepak Fertilisers And Petrochemicals Corporation Limited - Member; Smartchem Technologies Limited - Member; **Chairman / Member of Shareholders' / Investors' Grievance Committee as on 31st March, 2011** : Deepak Fertilisers And Petrochemicals Corporation Limited - Member; **Chairman / Member of the Remuneration Committee as on 31st March, 2011** : Deepak Fertilisers And Petrochemicals Corporation Limited - Member; **Shareholding in the Company** : 1000 Equity Shares of Rs. 10/- each.

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Reports can be sent by e-mail to its members. 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. Members who hold shares in physical form are requested to register their e-mail addresses by writing an e-mail to dfpcl.are@shareproservices.com with subject as ‘E-mail for Green Initiative’ mentioning their Folio number. Members holding shares in electronic form are requested to register / update their e-mail addresses with the Depository through their concerned Depository Participants.



Directors' Report

To the Members,

Your Directors have pleasure in presenting the Thirty First Annual Report together with Audited Accounts of the Company for Financial Year ended 31st March, 2011.

■ FINANCIAL RESULTS

The summarised financial results for the year are as under :

	(Rs. in Lacs)	
	2010 - 11	2009-10
Sales (including other income)	1,60,064.04	1,33,288.13
Profit before Depreciation	33,807.44	27,708.34
Less : a) Depreciation	7,146.71	6,433.21
b) Prior years' adjustments (net)	175.99	1.73
Profit before Exceptional Items	26,484.74	21,273.40
Less : Exceptional Items	338.09	(2,504.36)
Profit Before Tax (PBT)	26,146.65	23,777.76
Less : a) Provision for Current Tax	5,591.98	6,839.61
b) Provision for Deferred Tax	1,851.26	(295.30)
c) Provision for Wealth Tax	41.00	28.65
Net Profit	18,662.41	17,204.80
Add : a) Balance brought forward	60,917.64	51,177.84
b) Transferred from Debenture Redemption Reserve	380.00	285.00
Amount available for Appropriations	79,960.05	68,667.64
Appropriations :		
a) Transferred to Debenture Redemption Reserve	1,792.00	1,542.00
b) Transferred to General Reserve	1,870.00	1,750.00
c) Dividend on Equity Shares (net)	4,408.65	3,971.00
d) Corporate Dividend Tax (net)	663.92	487.00
Surplus carried to Balance Sheet	71,225.48	60,917.64

Sales (including other income) increased to Rs. 1,600.64 crores (including Rs. 268.86 crores from trading operations) as against Rs. 1,332.88 crores (including Rs. 293.37 crores from trading operations) for the previous year. PBT for the year under review improved to Rs. 261.47 crores as against Rs. 237.78 crores in the previous year. Net Profit for the current year was Rs. 186.62 crores as compared to Rs. 172.05 crores in the previous year.

■ DIVIDEND

Considering the continued good performance of the Company during the year under review, your Directors recommend a dividend @ 50 % i.e. Rs. 5.00 per share (Previous Year 45% i.e. Rs. 4.50 per share) on Equity Shares of Rs.10/- each of the Company for year ended 31st March, 2011. The proposed dividend (including Corporate Dividend Tax) will absorb Rs. 51.26 crores.



■ SECURED DEBENTURES

In accordance with the terms of issue of Secured Non-Convertible Debentures of Rs. 10 lakhs each aggregating Rs. 20 crores and Rs. 18 crores, earlier issued in favour of Financial Institutions, your Company during the year under review has fully redeemed the Debentures on the due date 15th September, 2010 and 30th September, 2010 respectively.

During the year under review, for augmenting the long term resources and for meeting general corporate expenditure, your Company has issued Secured Non-Convertible Debentures of Rs. 10 lakhs each aggregating Rs. 50 crores on Private Placement Basis and these Debentures are listed on the National Stock Exchange of India Limited. These Debentures carry coupon rate of 9.31% and are due for repayment at the end of five years from the date of allotment as per the terms and conditions of issue.

■ 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 on 31st March, 2011 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

The Company has three subsidiaries viz. Smartchem Technologies Limited, Deepak Nitrochem Pty. Limited and Deepak Mining Services Private Limited.

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of these subsidiaries is appended to the Balance Sheet. In terms of General Circular No: 2 / 2011 dated 8th 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 AS-21 prescribed by the Institute of Chartered Accountants of India, 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

Dr. S. Rama Iyer, Shri N. C. Singhal and Shri S. R. Wadhwa, 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 2011-12 will be within the limit prescribed under Section 224(1-B) of the Companies Act, 1956. The Board of Directors commends their appointment.

■ 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 11th May, 2011

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) In WNA-III plant, concentration improvement and waste heat recovery project was successfully implemented. Due to this, Acid concentration increased from 54% to 58 – 59.5% and the specific energy consumption of plant reduced from 1.87 to 1.148 GJ/MT. The increase in concentration benefited the downstream plant to reduce the steam consumption by 2 MT/hr.
- (ii) In Ammonia plant, condensate from Process Condensate Stripper outlet was directly lined up to de-aerator, which was earlier through the atmospheric tank. The direct line up had saved the pumping energy by 15 KW/hr.
- (iii) In IPA plant, hot water circulation pump's (P-200) higher size impeller was changed with one with smaller diameter to match the revised process requirement thereby reducing the pumping energy by 2.7 KW/hr.
- (iv) In GP plant, AN melt evaporator (E-454) steam line changed from 2" to 4" which has increased the production rate by 5 MT/hr even at low Acid concentration with same energy input of upstream section.
- (v) Complex electrical energy audit was carried out through M/s. MITCON and the audit recommendations are under implementation.
- (vi) At Taloja complex, 50 Nos. of 125W HPMV lamps were replaced with 70W metal halide lamps. This has reduced the electrical energy consumption by 15,000 KWH/annum.

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

- (i) Exclusive pump audit is initiated to identify the low efficient pumps.
- (ii) WNA-I & II plants: Heat Recovery schemes have been proposed and are under study.
- (iii) CPU based ignition system is under implementation to improve combustion efficiency of CES engines in Ammonia plant.
- (iv) Additional 50 Nos. of 125W HPMV lamps replacement with 70W metal halide lamps are planned.

(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 (2010-11)	Previous Year (2009-10)
1. Electricity			
a) Purchased			
Unit	MWH	7767	8181
Total Amount	Rs. (Lacs)	587	600
Rate / Unit	Rs. /KWH	7.56	7.33
b) Own Generation			
(i) Through Diesel Generator			
Unit	MWH	12.47	6.71
Units per ltr. of diesel oil	KWH/Ltr.	1.13	1.25
Cost / Unit	Rs. /KWH	34.68	27.48
(ii) Through Gas Turbine / generators			
Unit	MWH	63871	56864
Units per M ³ of Gas	KWH/M ³	5.43	5.42
Cost / Unit	Rs. /KWH	2.68	1.31
(iii) Through Steam Turbine / Generators			
Unit	MWH	7142	3745
Cost / Unit	Rs. /KWH	1.77	3.00
(iv) Through Windmill Turbine / Generators			
Units	'000 KWH	15297	19285
Cost / Unit	Rs. /KWH	2.33	1.84
2. Coal (specify quantity and where used)	-	Nil	Nil
3. Furnace oil	-	Nil	Nil
4. Others / internal generation	-	Nil	Nil

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

Sr. No.	Product	Standard Budget Norms (2010-11)	Current Year (2010-11)	Previous Year (2009-10)
1.	Liquid Anhydrous Ammonia	77.30	85.06	88.77
2.	Weak Nitric Acid	47.57	42.94	35.13
3.	Concentrated Nitric Acid	8.50	7.43	7.11
4.	Methanol	91.66	77.54	74.62
5.	Nitro Phosphate	31.64	32.24	29.72
6.	Technical Ammonium Nitrate	43.50	44.15	37.06
7.	Liquid CO ₂	225.00	234.13	237.73
8.	Iso Propyl Alcohol (IPA)	254.50	254.80	276.34
9.	Bensulf	64.00	28.81	33.17



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

- Company is working to enhance the fertilizer product by adding the micro-nutrient.
- Feasibility Study conducted to explore the alternative options for maximum utilisation of methanol plant which can produce a better value added product to improve realisation.
- Various trials at IPA Plant conducted for NPA separation and DIPE purification of desired quality.

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

- The efforts will increase our product portfolio and enhance our efforts towards customised fertiliser production.
- The efforts have opened avenues for downward integration of methanol plant which will insulate methanol business from the volatile market. Also an alternate use of the plant for producing Ammonia has been chalked out.
- The efforts on NPA separation have increased the IPA production capacity as well as power output from STG.

(3) Future plan of action

- Further plant trials on micro-nutrients addition will be done. After necessary approvals, the product can be marketed.
- Depending on the economic feasibility, the best alternative will be taken up for implementation.
- Development for DIPE purification will be pursued.

(4) Expenditure on R&D

		(Rs in Lacs)
(a) Capital	:	NIL
(b) Recurring	:	159.2
(c) Total	:	159.2
(d) Total R&D expenditure as a percentage of total turnover	:	0.09

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards Technology Absorption, Adaptation and Innovation

All the plants' technologies have been fully absorbed and are being operated efficiently.

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

The quality of products are globally accepted.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :

Technology imported	Year of Import	Has technology been fully absorbed?	If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action
Uhde Dual pressure Nitric acid Technology	2009	Yes	Not applicable
BASF HICAP @MDEA solution technology for CO ₂ removal system in Ammonia plant	2009	Yes	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note 19F and 19E of Schedule 13 to the Accounts.

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

Mumbai
Dated 11th May, 2011



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 and Non-Executive 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 Meetings of Board of Directors held during financial year 2010-11 and the Annual General Meeting (AGM) held on 22nd July, 2010 are as follows :

Six Board Meetings were held during the year. These meetings were held on 25th May, 2010, 22nd July, 2010, 26th October, 2010, 11th December, 2010, 25th January, 2011 and 24th March, 2011. The maximum time gap between two Board Meetings was not more than four calendar months.

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

Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships of other Companies §	No. of Membership of other Board Committees #	No. of Chairmanship of other Board Committees #
Shri C. K. Mehta	5	Present	2	-	-
Shri S. C. Mehta	5	Present	4	-	-
Shri R. A. Shah	5	Absent	14	10	5
Shri D. Basu	4	Present	7	3	2
Shri N. C. Singhal	6	Present	8	7	4
Shri U. P. Jhaveri	5	Present	-	-	-
Shri S. R. Wadhwa	6	Present	1	1	-
Smt. Parul S. Mehta	4	Present	1	-	-
Dr. S. Rama Iyer	6	Present	5	2	-
Shri Anil Sachdev	5	Present	1	-	-
Shri Pranay Vakil	5	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 24th January, 2000.
- Composition, Names of Members and : Consists of Independent Directors as under :
record of attendance during the year

During the year, the Committee meetings were held on 26th April, 2010, 24th May, 2010, 21st July, 2010, 29th September, 2010, 25th October, 2010, 7th December, 2010, 24th January, 2011 and 23rd March, 2011. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri N. C. Singhal, Chairman	8	8
Shri S. R. Wadhwa	8	8
Dr. S. Rama Iyer	8	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 22nd January, 2001.
- Composition, Names of Members and : Consists of Directors as under :
record of attendance during the year

During the year, the Committee meetings were held on 26th October, 2010 and 23rd March, 2011. 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 / queries etc. received during the year 2010-11 :

Nature of complaints / queries	No. of complaints/ queries received	No. of complaints / queries not solved to the satisfaction of shareholders
Transfer of shares	73	Nil
Non-receipt of annual reports	39	Nil
Non-receipt of dividend warrants	2	Nil
Pending share transfers	Nil	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 Directors 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 29th January, 2007.
- Composition, Names of Members and : Consists of Independent Directors as under :
record of attendance during the year



During the year, the Committee meeting was held on 24th May, 2010. 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	1

■ 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 (Board) 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 21st July, 2003.
- Composition, Names of Members and : Consists of Directors as under :
record of attendance during the year

During the year, the Committee meetings were held on 25th May, 2010, 22nd July, 2010, 26th October, 2010, 11th December, 2010 and 24th January, 2011. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri D. Basu, Chairman	5	3
Shri N. C. Singhal	5	5
Shri S. C. Mehta	5	4
Dr. S. Rama Iyer	5	5

■ 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 20th May, 2009.
- Composition, Names of Members and : Consists of Directors as under :
record of attendance during the year

During the year, the Committee meetings were held on 26th April, 2010, 21st July, 2010, 25th October, 2010 and 25th January, 2011. 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

Details of remuneration of Executive Director for Financial Year 2010-11 :

(Rs. 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	86.73	20.03	780.15	21.60	908.51

Details of Commission* for financial year 2009-10 and Sitting fees paid to Non-Executive Directors :

Commission : Shri C. K. Mehta : Rs. 30,00,000; Shri R. A. Shah : Rs. 6,00,000; Shri D. Basu : Rs. 8,50,000; Shri N. C. Singhal : Rs. 8,50,000; Shri U. P. Jhaveri : Rs. 6,75,000; Shri S. R. Wadhwa : Rs. 8,00,000; Dr. S. Rama Iyer : Rs. 8,50,000; Smt. Parul S. Mehta : Rs. 2,00,000; Shri Anil Sachdev : Rs. 5,00,000.

(* Commission for 2010-11 is yet to be paid)



Sitting fees : The Company also pays Sitting fees to Non-Executive Directors @ Rs.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 : 10,00,100 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 : 50,000 equity shares (0.057%)

■ **ANNUAL GENERAL MEETINGS**

Details of last three Annual General Meetings (AGMs) held :

Particulars	FY 2007-08	FY 2008-09	FY 2009-10
Day	Tuesday	Thursday	Thursday
Date	29th July, 2008	23rd July, 2009	22nd July, 2010
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivaji Nagar, Pune - 411 005	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
Whether any special resolutions passed in the previous 3 AGMs	Yes	–	Yes

No Special resolution was passed through Postal Ballot during the Financial Year 2009-10 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. None of the other Directors have any relation inter-se.

■ **MEANS OF COMMUNICATION**

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



General Shareholder Information

1. Annual General Meeting Day, Date, Time and Venue	:	Monday, 8th August, 2011 at 11.00 a.m. MDC Auditorium, YASHADA Campus, Raj Bhavan Complex, Baner Road, Pune – 411 007
2. Financial year / Calendar		
- Results for first quarter ending 30th June, 2011	:	On or before 15th August, 2011
- Results for second quarter ending 30th September, 2011	:	On or before 15th November, 2011
- Results for third quarter ending 31st December, 2011	:	On or before 15th February, 2012
- Results for financial year ending 31st March, 2012	:	On or before 31st May, 2012
3. Date of Book Closure	:	Monday, 25th July, 2011 to Monday, 8th August, 2011 (both days inclusive)
4. Dividend Payment Date	:	12th August, 2011
5. Registered Office	:	Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006.
6. Phone, Fax, E-mail	:	Phone : (020) 6645 8000 Fax : (020) 2668 3727 Email : investorgrievance@deepakfertilisers.com Website : www.dfpc.com
7. Plant Location	:	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
8. Registrar & Share Transfer Agent (RTA) and Address for investors' correspondence	:	Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd floor, Off Andheri-Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072
9. Phone, Fax, E-mail of RTA	:	Phone : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 Email : deepak@shareproservices.com
10. Listing on Stock Exchanges	:	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) Annual Listing fee for financial year 2011-12 has been paid to both the Exchanges.
Stock Code	:	Bombay Stock Exchange Limited (BSE) : 500645 National Stock Exchange of India Limited (NSE) : DEEPAKFERT
Demat ISIN in NSDL and CDSL	:	INE 501A01019


11. Market Price Data for 2010-11 :

MONTH	SHARE PRICE		BSE SENSEX	
	High	Low	High	Low
April	122.55	110.20	18,047.86	17,276.80
May	116.70	103.05	17,536.86	15,960.15
June	140.75	116.45	17,919.62	16,318.39
July	156.15	141.60	18,237.56	17,395.58
August	165.45	147.60	18,475.27	17,819.99
September	180.90	157.70	20,267.98	18,027.12
October	193.20	175.85	20,854.55	19,768.96
November	198.15	170.20	21,108.64	18,954.82
December	176.95	158.25	20,552.03	19,074.57
January	182.45	156.35	20,664.80	18,038.48
February	170.00	148.90	18,690.97	17,295.62
March	159.05	149.90	19,575.16	17,792.17

12. Distribution of shareholding as on 31st March, 2011 : 1,16,235 shareholders held 8,82,04,943 equity shares of Rs.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	1,09,838	94.50	1,24,62,446	14.13
501- 1000	3,735	3.21	28,98,525	3.29
1001-2000	1,382	1.19	20,69,284	2.34
2001-3000	401	0.34	10,32,678	1.17
3001-4000	193	0.17	6,98,837	0.79
4001-5000	181	0.16	8,52,102	0.97
5001-10000	243	0.21	17,87,191	2.03
10001 & above	262	0.22	6,64,03,880	75.28
Total	1,16,235	100.00	8,82,04,943	100.00

13. Share Transfer System :

As the members are aware, the Company has appointed Sharepro Services (India) Pvt. Ltd., (SSIPL) as Registrar & Share Transfer Agent (RTA) to handle demat 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, 2nd Floor, Off 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 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. 8,01,67,165 equity shares (90.81% of paid-up capital) held by 56,754 shareholders (48.82% of total number of shareholders) have been dematerialised as on 31st March, 2011.

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 No. RBI / 2008-09 / 509 / DPSS (CO) EPPD No. 2283 / 04.01.04 / 2008-2009 dated 25th June, 2009 had introduced National Electronic Clearing Service (NECS) which aims at increasing efficiency and simplification of the ECS process. RBI has also directed the member banks to update their systems and information pertaining to the bank account numbers of their customers. In view of the above, members holding shares in physical form desirous of receiving dividend electronically through NECS but have not updated / furnished mandate details are requested to obtain the prescribed mandate form from the Company's RTA and submit the same to the RTA duly filled in and signed for registration.

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

17. Unclaimed / Outstanding dividend on equity shares :

To facilitate investors who have not claimed the dividend amount for earlier years on the equity shares from the Company, details of the unclaimed amount are being displayed on the Company's website 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 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 2010-11.

Mumbai

Dated 11th May, 2011

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 for the year ended on 31st March, 2011, 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 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 31st March, 2011 we state that no 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

Firm's Registration No.: 105102W

Membership No.: 47942

Mumbai

Dated 11th May, 2011



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 31st March, 2011 and also the Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, Profit and Loss Account 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 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 31st March, 2011;
 - b) in the case of the Profit and Loss Account, 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.

Mumbai
Dated 11th May, 2011

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



Annexure to the Auditor's 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 explanations 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 31st March, 2011, which have not been deposited on account of a dispute, are included in Annexure C of Schedule 13.

10) The Company has no accumulated losses as at 31st March, 2011 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 financial institutions, banks 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 transactions 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 explanations 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
Firm's Registration No.: 105102W
Membership No. : 47942

Mumbai
Dated 11th May, 2011

**Balance Sheet**

AS AT 31ST MARCH, 2011

(Rs. in Lacs)

	Schedule	As at 31.03.2011		As at 31.03.2010	
I. SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	8,820.49		8,820.49	
(b) Reserves & Surplus	2	97,791.15	1,06,611.64	84,219.49	93,039.98
2. LOAN FUNDS	3				
(a) Secured Loans		77,566.73		68,119.69	
(b) Unsecured Loans		-	77,566.73	5,000.00	73,119.69
3. DEFERRED TAX LIABILITY			8,061.44		6,210.18
TOTAL			1,92,239.81		1,72,369.85
II. APPLICATION OF FUNDS					
1. FIXED ASSETS (AT COST)	4				
(a) Gross Block		1,67,624.22		1,34,936.26	
(b) Less: Depreciation/Amortisation		65,935.07		59,063.63	
(c) Net Block		1,01,689.15		75,872.63	
(d) Capital Work-in-Progress - Others		1,370.88		426.31	
(e) Capital Work-in-Progress - Projects	4a	25,762.56	1,28,822.59	40,989.57	1,17,288.51
2. INVESTMENTS	5		11,357.18		15,577.34
3. CURRENT ASSETS, LOANS AND ADVANCES	6				
(a) Interest Accrued on Deposits		347.97		173.32	
(b) Inventories		15,676.75		11,163.21	
(c) Sundry Debtors		25,004.95		19,812.47	
(d) Cash and Bank Balances		26,907.34		20,624.29	
(e) Loans and Advances		14,864.37		10,900.12	
Total		82,801.38		62,673.41	
Less: CURRENT LIABILITIES AND PROVISIONS	7				
(a) Liabilities		23,419.81		16,770.34	
(b) Provisions		7,321.53		6,399.07	
Total		30,741.34		23,169.41	
Net Current Assets			52,060.04		39,504.00
TOTAL			1,92,239.81		1,72,369.85

As per our Report of even date
For B. K. KHARE & CO.
Chartered Accountants

C. K. MEHTA
Chairman

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 11th May, 2011

Mumbai
Dated 11th May, 2011

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



Profit and Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in Lacs)

	Schedule	Year ended 31.03.2011		Year ended 31.03.2010	
INCOME					
Income from Operations	8	1,56,481.77		1,28,797.83	
Other Income	9	3,582.27	1,60,064.04	4,490.30	1,33,288.13
EXPENDITURE					
Manufacturing and Other Expenses	10	1,21,460.84		1,01,494.46	
Inventory Adjustment	11	405.63		(547.56)	
Interest and Other Financial Charges	12	4,390.13	1,26,256.60	4,632.89	1,05,579.79
PROFIT BEFORE DEPRECIATION			33,807.44		27,708.34
Depreciation/Amortisation		7,164.89		6,451.39	
Less: Transferred from Special Reserve		18.18	7,146.71	18.18	6,433.21
PROFIT BEFORE PRIOR YEARS' ADJUSTMENTS			26,660.73		21,275.13
Prior Years' Adjustments (Net)			175.99		1.73
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			26,484.74		21,273.40
Exceptional Items (Net) [Refer Note 6]			338.09		(2,504.36)
PROFIT BEFORE TAX			26,146.65		23,777.76
PROVISION FOR DIRECT TAXES					
Current Tax (Inclusive of earlier years short provision of Rs.39.97 Lacs; Previous year : Rs.612.24 Lacs)		5,591.98		6,839.61	
Deferred Tax (Net of Reversal of Previous Years excess provision of Rs.Nil Lacs; Previous Year : Rs.397.48 Lacs)		1,851.26		(295.30)	
Wealth Tax		41.00	7,484.24	28.65	6,572.96
NET PROFIT			18,662.41		17,204.80
Balance Brought Forward		60,917.64		51,177.84	
Transferred from Debenture Redemption Reserve		380.00	61,297.64	285.00	51,462.84
AMOUNT AVAILABLE FOR APPROPRIATION			79,960.05		68,667.64
APPROPRIATIONS					
Transferred to Debenture Redemption Reserve			1,792.00		1,542.00
Transferred to General Reserve			1,870.00		1,750.00
Proposed Dividend (Net of earlier year's reversal)			4,408.65		3,971.00
Corporate Dividend Tax (Net of earlier year's reversal)			663.92		487.00
SURPLUS IN PROFIT AND LOSS ACCOUNT			71,225.48		60,917.64
Earnings Per Share [Refer Note 20] (Rs.) (Face Value of Rs. 10/- each)			21.16		19.51
NOTES FORMING PART OF ACCOUNTS	13				

As per our Report of even date
For B. K. KHARE & CO.
Chartered Accountants

C. K. MEHTA
Chairman

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 11th May, 2011

Mumbai
Dated 11th May, 2011

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

**Cash Flow Statement for the year ended 31st March, 2011**

(Rs. in Lacs)

	2010-11	2009-10
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	26,146.65	23,777.76
Adjustments For -		
Depreciation and Amortisation	7,146.71	6,433.21
Exceptional Items	338.09	(2,559.34)
Exchange Fluctuations (net)	(422.73)	(1,345.38)
Profit on Sale of Investments	(678.26)	(682.18)
Provision for diminution on Fertiliser Bonds written back	(525.18)	-
Loss / (Profit) on Sale of Asset	0.86	45.25
Interest / Dividend (net)	2,815.90	3,027.11
Operating Profit Before Working Capital Changes	34,822.04	28,696.43
Adjustments For -		
Trade And Other Receivables	(8,732.08)	5,035.97
Inventories	(4,513.54)	(1,309.17)
Trade Payables	6,846.22	(4,365.24)
Cash Generated From Operations	28,422.64	28,057.99
Direct Taxes Paid (net)	(5,680.83)	(6,502.25)
Net Cash From Operating Activities (A)	22,741.81	21,555.74
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(19,089.35)	(29,670.28)
Sale of Fixed Assets	51.42	5,712.51
Acquisition of Investments - Others (net)	5,450.66	342.83
Deposits Redeemed / (Made)	(497.97)	(27.77)
Interest Received	1,072.21	725.35
Dividend Received	327.39	1,034.96
Net Cash used in Investing Activities (B)	(12,685.64)	(21,882.40)
(C) Cash Flow From Financing Activities		
Exchange Fluctuations (net)	422.73	1,345.38
Increase / (Decrease) in Working Capital Borrowings	(614.13)	(10,951.53)
Proceeds / (Repayment) External Commercial Borrowings (net)	12,429.10	2,057.20
Proceeds / (Repayment) Term Loans (net)	(10,847.93)	7,378.88
Proceeds from PPNC (net)	3,480.00	13,860.00
Interest Paid	(4,099.69)	(4,713.46)
Equity Dividend and Corporate Dividend Tax Paid	(4,543.20)	(3,920.75)
Net Cash Generated / (Used) in Financing Activities (C)	(3,773.12)	5,055.72
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	6,283.05	4,729.06
Cash and Cash Equivalents Opening Balance	20,624.29	15,895.23
Cash and Cash Equivalents Closing Balance	26,907.34	20,624.29

Note: (i) Figures in brackets are outflows.

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

As per our Report of even date

For B. K. KHARE & CO.
Chartered AccountantsC. K. MEHTA
ChairmanN. C. SINGHAL
DirectorDr. S. RAMA IYER
DirectorSANTOSH PARAB
PartnerS. C. MEHTA
Vice-Chairman & Managing DirectorS. R. WADHWA
DirectorFirm's Registration No.: 105102W
Membership No.: 47942Mumbai
Dated 11th May, 2011Mumbai
Dated 11th May, 2011R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary



Schedules forming part of the Balance Sheet

Schedule 1

(Rs. in Lacs)

SHARE CAPITAL	As at 31.03.2011		As at 31.03.2010	
AUTHORISED				
12,50,00,000 Equity Shares of Rs.10/-each	12,500.00		12,500.00	
10,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each	1,000.00	13,500.00	1,000.00	13,500.00
ISSUED, SUBSCRIBED AND PAID-UP				
8,82,04,943 Equity Shares of Rs.10/- each fully paid-up		8,820.49		8,820.49

Schedule 2

(Rs. in Lacs)

RESERVES AND SURPLUS	As at 31.03.2011		As at 31.03.2010	
RESERVES				
Capital Reserve		0.13		0.13
Capital Redemption Reserve		150.00		150.00
Share Premium Account		10,798.95		10,798.95
Special Reserve (*)	45.86		64.04	
Less: Transferred to Profit and Loss Account	18.18	27.68	18.18	45.86
Debenture Redemption Reserve				
Balance as per last Balance Sheet	2,547.00		1,290.00	
Less: Transferred to Profit and Loss Account	380.00		285.00	
Add: Transferred from Profit and Loss Account	1,792.00	3,959.00	1,542.00	2,547.00
General Reserve				
Balance as per last Balance Sheet	9,759.91		8,009.91	
Add: Transferred from Profit and Loss Account	1,870.00	11,629.91	1,750.00	9,759.91
Surplus in Profit and Loss Account		71,225.48		60,917.64
Total		97,791.15		84,219.49

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



Schedules forming part of the Balance Sheet

Schedule 3

(Rs. in Lacs)

LOAN FUNDS	As at 31.03.2011		As at 31.03.2010	
SECURED LOANS				
A. LONG TERM LOAN				
(a) External Commercial Borrowings (ECBs)	20,065.50		7,636.40	
(b) From Banks	13,399.34	33,464.84	24,247.27	31,883.67
B. SECURED NON-CONVERTIBLE DEBENTURES (NCDs)				
(a) 7.50% Privately Placed NCDs	-		800.00	
(b) 7.25% Privately Placed NCDs	-		720.00	
(c) 10.80% Privately Placed NCDs	12,500.00		12,500.00	
(d) 9.75% Privately Placed NCDs	5,000.00		5,000.00	
(e) 10.00% Privately Placed NCDs	5,000.00		5,000.00	
(f) 8.35% Privately Placed NCDs	5,000.00		5,000.00	
(g) 9.31% Privately Placed NCDs	5,000.00	32,500.00	-	29,020.00
C. BUYERS CREDIT #		11,601.89		7,216.02
Total Secured Loans		77,566.73		68,119.69
UNSECURED LOANS #				
Short Term Loan from Bank	-	-		5,000.00
Total Unsecured Loans				5,000.00
Total		77,566.73		73,119.69

Repayable within one year

NOTES :

- The ECB loan of US \$ 20 million was drawn in four installments of US \$ 5 million each from 8th April, 2005 and last installment of US \$ 7 million was repaid on 18th May, 2010.
- The Rupee Term loan of Rs. 1,500 Lacs made available from 27th July, 2006 is repayable in 20 equal quarterly installments of Rs. 75 Lacs each commencing from 1st January, 2007. The loan was prepaid on 20th August, 2010.
- The Rupee Term loan of Rs. 12,800 Lacs [loan of Rs. 5,800 Lacs for Ammonia Storage Tank Project at JNPT and Rs. 7,000 Lacs for DNA Plant (DNA-IV) at Taloja] was made available on 27th February, 2009.
 - Term Loan of Rs. 5,800 Lacs repayable with single balloon payment of Rs. 448 Lacs by March 2009 and balance in 72 monthly installments of Rs. 74.30 Lacs from April 2009 till March 2015.
 - Term Loan of Rs. 7,000 Lacs repayable with single balloon payment of Rs. 540 Lacs in March 2009 and in 71 monthly installments of Rs. 90 Lacs from April 2009 till February 2016 and the balance of Rs. 70 Lacs in March, 2016.

Both the above loans were prepaid on 24th June, 2010.
- The Rupee Term Loan of Rs. 7,346 Lacs is repayable in 32 equal quarterly installments from 31st August, 2007 and the last installment is payable on 31st May, 2015.

The aforesaid loan is secured by way of a 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.
- The ECB loan of US \$ 25 million made available from 18th February, 2010 is repayable in 6 equal half yearly installments from 31st January, 2014 and last installment is payable on 29th July, 2016.
- The ECB loan of US \$ 20 million made available from 1st October, 2010 is repayable in 20 quarterly installments commencing from 30th September, 2012 and last installment is payable on 30th June, 2017.
- The Rupee Term loan of Rs. 6,200 Lacs made available from 10th September, 2009 is repayable in 28 quarterly installments of Rs. 221.43 Lacs each commencing from 10th September, 2011 and the last installment is payable on 10th June, 2018.



- (8) The Rupee Term loan of Rs. 3,300 Lacs made available from 8th September, 2009 is repayable in 26 quarterly installments of Rs. 125 Lacs each commencing from 8th September, 2011 and the last installment of Rs. 50 Lacs is payable on 8th April, 2018.
- (9) 500 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 5,000 Lacs carrying coupon rate of 9.75% per annum payable quarterly and redeemable in three equal installments from 25th November, 2013 to 25th November, 2015.
- (10) 500 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 5,000 Lacs carrying coupon rate of 10% per annum payable quarterly and redeemable in three equal installments from 25th November, 2013 to 25th November, 2015.

The aforesaid loans listed in Sr. Nos. (5) to (8) and Debentures listed in Sr. Nos. (9) and (10) above are secured by *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.

- (11) 500 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 5,000 Lacs carrying coupon rate of 8.35% per annum payable quarterly and redeemable in single installment on 9th February, 2013.

The aforesaid Debentures are secured by a *pari passu* first charge on the entire fixed assets pertaining to Ishanya Mall of the Company 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.

- (12) 200 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 2,000 Lacs carrying coupon rate of 7.50% per annum payable annually redeemed in the ratio of 30:30:40 on 15th September, 2008, 15th September, 2009 and 15th September, 2010 respectively.
- (13) 180 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 1,800 Lacs carrying coupon rate of 7.25% per annum payable annually redeemed in the ratio of 30:30:40 on 30th September, 2008, 30th September, 2009 and 30th September, 2010 respectively.
- (14) 1,250 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 12,500 Lacs carrying coupon rate of 10.80% per annum payable annually redeemable in three equal installments from 1st September, 2012 to 1st September, 2014.

The aforesaid Debentures together with interest, remuneration of the Trustees and all fees, costs, charges, expenses and other monies payable are secured by mortgage of 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.

- (15) 500 Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each on Private Placement basis aggregating Rs. 5,000 Lacs carrying coupon rate of 9.31% per annum payable annually and redeemable in single installment on 15th July, 2015.

The aforesaid Debentures together with interest, remuneration of the Trustees and all fees, costs, charges, expenses and other monies payable are secured by first *pari passu* mortgage/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 to rank *pari passu* with subsisting mortgage.

- (16) Cash Credit facilities sanctioned by banks including Working Capital Demand Loan 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 of the Company.



Schedules forming part of the Balance Sheet

Schedule 4

FIXED ASSETS

(Rs. in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2010	Additions	Deduct-ions/ Adjust-ments	Total upto 31-03-2011	As on 01-04-2010	Deduct-ions/ Adjust-ments	For the year	Total upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
Land - Freehold (a)	5,374.70	454.30	-	5,829.00	-	-	-	-	5,829.00	5,374.70
Land - Leasehold	1,351.36	17.36	-	1,368.72	110.37	-	17.44	127.81	1,240.91	1,240.99
Buildings (b)	20,942.54	4,509.84	382.43	25,069.95	2,889.83	22.94	456.55	3,323.44	21,746.51	18,052.71
Plant and Machinery (c)	1,01,598.60	25,369.03	58.83	1,26,908.80	53,575.69	115.49	6,022.64	59,482.84	67,425.96	48,022.91
Electrical Installations and Fittings	1,574.47	957.94	0.94	2,531.47	264.87	0.94	127.49	391.42	2,140.05	1,309.60
Furniture & Fixtures	831.98	301.03	17.92	1,115.09	495.66	15.11	62.23	542.78	572.31	336.32
Office Equipments	1,340.05	471.34	40.43	1,770.96	879.83	37.86	154.03	996.00	774.96	460.22
Vehicles	1,031.43	232.76	183.27	1,080.92	413.64	101.11	168.73	481.26	599.66	617.79
Intangible Assets	891.13	1,058.18	-	1,949.31	433.74	-	155.78	589.52	1,359.79	457.39
TOTAL	1,34,936.26	33,371.78	683.82	1,67,624.22	59,063.63	293.45	7,164.89	65,935.07	1,01,689.15	75,872.63
Previous Year	1,26,595.96	12,604.72	4,264.42	1,34,936.26	53,678.24	1,066.00	6,451.39	59,063.63	75,872.63	72,917.72
Capital Work-in-Progress (d)									1,370.88	426.31

Capital Work-in-Progress (d)

(a) Freehold land includes:

- Rs. 3,600 Lacs (Previous Year : Rs. 3,600 Lacs) represented by 24,000 Equity Shares of Rs. 10/- each in a company, which is the legal owner of the land in respect of which the Company has acquired exclusive rights of development.
- Rs. 815 Lacs (Previous Year : Rs. 815 Lacs) represented by 8,024 (Previous Year : 8,024) Equity Shares of Rs. 10/- each in the said company, which is the legal owner of the land on which the Company has been granted the rights of reconstruction of residential building premises.

(b) Buildings include a sum of Rs. 3,308.87 Lacs (Previous Year : Rs. 3,308.87 Lacs) represented by 17,628 (Previous Year : 17,628) Equity Shares of Rs. 10/- each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.

(c) Gross Block of Plant and Machinery includes:

- Rs. 421.63 Lacs (Previous Year : Rs. 421.63 Lacs) being the cost of Fixed Assets, ownership of which does not vest with the Company, being amortised over 60 months.
- Rs. 4,564.61 Lacs (Previous Year: Rs. 4,646.49 Lacs) towards foreign exchange fluctuation on Long Term Loans.

(d) Capital Work in progress includes advances / deposits for fixed assets Rs. 139.52 Lacs (Previous Year: Rs. 20.42 Lacs).

Schedule 4a

CAPITAL WORK-IN-PROGRESS - PROJECTS

(Rs. in Lacs)

Description	Incurred upto 31-3-2010	Incurred during 2010-2011	Capitalised/ Transferred during 2010-2011	Total as on 31-03-2011
Land and Site Development	62.37	72.81	-	135.18
Building (under construction)	6,378.51	3,015.81	7,400.17	1,994.15
Plant & Machinery (under installation)	22,270.63	9,093.78	13,556.01	17,808.40
Advances	4,112.80	(3,542.51)	-	570.29
Technical Know-how and Engineering Fees	2,501.07	705.27	2,898.18	308.16
Other Assets	481.81	1,878.33	2,150.22	209.92
Pre-commissioning Testing and Start-up Expenses (b)	4.18	557.54	322.38	239.34
Pre-operative expenditure pending Capitalisation / Amortisation				
Employees emoluments	913.89	814.66	946.66	781.89
General expenses	1,123.52	1,133.82	741.30	1,516.04
Interest (net) on Fixed Term Loan and other financial charges (a)	3,140.79	2,073.76	3,015.36	2,199.19
TOTAL	40,989.57	15,803.27	31,030.28	25,762.56

(a) Interest (net) on Fixed Term Loan and other financial charges incurred during the year includes :

- (i) Gain of Rs. 81.11 Lacs (Previous Year: Gain of Rs. 139.50 Lacs) on account of exchange fluctuation on Long Term Loans.
- (ii) Interest on Fixed Term Loan is net of interest earned Rs. 273.87 Lacs (Previous Year : Rs. 10.45 Lacs) on temporary deployment of Loan Funds, Tax Deducted at Source Rs. 31.50 Lacs ; (Previous Year : Rs. 1.05 Lacs).
- (iii) Gain on investment of Rs. 32.14 Lacs (Previous Year: Rs. 90.57 Lacs) on temporary deployment of Loan Funds.

(b) Includes Net expenses of Rs. 187.10 Lacs (Previous Year: Rs. Nil) relating to commissioning and startup. (Refer Note 7).



Schedules forming part of the Balance Sheet

Schedule 5

(Rs. in Lacs)

INVESTMENTS	As at 31.03.2011		As at 31.03.2010	
[Refer Note 1(G)]				
LONG TERM				
A. SUBSIDIARY - UNQUOTED				
1. 6,00,000 (Previous Year: 18,00,000) 1% Cumulative Redeemable Preference Shares of Rs.100/- each of Smartchem Technologies Limited	600.00		1,800.00	
2. 9,99,994 Equity Shares of Rs. 10/- each of Smartchem Technologies Limited	6,379.88		6,379.88	
3. 1,60,000 Shares of AUD 1/- each of Deepak Nitrochem Pty. Limited	54.20		54.20	
Less: Provision for diminution in value	30.48		30.48	
4. Deepak Mining Services Private Limited 9,998 Equity Shares of Rs. 10/- each.	1.00	7,004.60	1.00	8,204.60
B. OTHERS				
1. TRADE - UNQUOTED				
a. 88,448 Shares of Sterling Pound 1/- each of Deepak International Limited	68.69		68.69	
b. 49,994 Equity Shares of Rs. 10/- each of Ishanya Realty Corporation Limited	5.00		5.00	
c. 49,994 Equity Shares of Rs. 10/- each of Ishanya Brand Services Limited	5.00	78.69	5.00	78.69
2. NON-TRADE QUOTED				
Investment in Equity Shares	137.57		1,411.13	
Less: Provision for diminution in value	9.93	127.64	38.56	1,372.57
[Aggregate Market Price of Quoted Shares Rs. 136.42 Lacs; (Previous Year: Rs. 1,599.00 Lacs)]				
UNQUOTED				
Investment in NCD (1 Zero coupon Debenture of Rs. 1,000 Lacs)		1,044.35		-
CURRENT INVESTMENTS				
A. INVESTMENT IN BONDS				
1. 7.00% Fertiliser Company GOI Special Bonds 2022	2,275.00		4,550.00	
2. 6.65% Fertiliser Company GOI Special Bonds 2023	348.90		697.80	
3. 6.20% Fertiliser Company GOI Special Bonds 2022	654.10		1,308.20	
Total	3,278.00		6,556.00	
Less: Provision for diminution in value [Refer Note 8]	199.52	3,078.48	724.71	5,831.29
B. INVESTMENT IN MUTUAL FUNDS				
1. Liquid Funds	-		65.19	
2. Equity and Derivatives Funds	25.00		25.00	
Total	25.00		90.19	
Less: Provision for diminution in value	1.58	23.42	-	90.19
Total		11,357.18		15,577.34



Schedules forming part of the Balance Sheet

Investment in Equity Shares (Non-Trade Quoted)

Sr. No.	Name of the Scrip	Face Value	Balance as on 01.04.2010		Purchased during the year		Sold during the year		Balance as on 31.03.2011	
			Per Share (Rs.)	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs	No. of Shares
1.	Areva T & D India Ltd.	2	2,838	50.06	-	-	2,838	41.45	-	-
2.	Ashok Leyland Ltd.	1	-	-	17,000	31.41	17,000	21.82	-	-
3.	Axis Bank Ltd.	10	3,000	29.78	-	-	3,000	36.80	-	-
4.	Bharati Airtel Ltd.	5	8,000	33.98	-	-	8,000	26.29	-	-
5.	Bharat Heavy Electricals Ltd.	10	2,500	58.00	-	-	2,500	58.52	-	-
6.	Cairn India Ltd.	10	10,000	20.71	-	-	10,000	33.32	-	-
7.	Cummins India Ltd.	2	4,000	16.48	-	-	4,000	25.71	-	-
8.	Divi's Laboratories Ltd.	2	6,000	42.08	-	-	6,000	35.49	-	-
9.	DLF Limited	2	7,000	16.40	-	-	7,000	25.36	-	-
10.	Gail (India) Ltd.	10	8,000	22.70	-	-	8,000	39.89	-	-
11.	Glaxosmithkline Pharmaceuticals Ltd.	10	1,565	16.95	-	-	1,565	35.13	-	-
12.	Grasim Industries Ltd.	10	1,253	30.37	-	-	1,253	28.21	-	-
13.	Hindalco Industries Ltd.	1	15,000	9.60	-	-	15,000	33.45	-	-
14.	Housing Development Finance Corp. Ltd. #	2	2,416	50.21	-	-	7,080	51.23	5,000	26.76
15.	ICICI Bank Ltd.	10	11,000	71.84	-	-	11,000	133.77	-	-
16.	Idea Cellular Ltd.	10	32,588	35.96	-	-	32,588	22.59	-	-
17.	India Infoline Limited	2	15,000	19.86	-	-	15,000	10.96	-	-
18.	Indian Oil Corporation Ltd.	10	10,000	22.77	-	-	10,000	37.46	-	-
19.	Infosys Technologies Ltd.	5	3,000	58.85	750	20.39	3,000	91.00	750	20.38
20.	ITC Ltd. *	1	23,000	52.19	-	-	29,600	49.76	16,400	18.61
21.	IVRCL Ltd.	2	30,478	62.94	-	-	15,239	22.61	15,239	31.98
22.	Larsen & Toubro Ltd.	2	4,199	54.86	-	-	4,199	90.74	-	-
23.	Maruti Suzuki India Ltd.	5	2,000	27.43	-	-	2,000	23.24	-	-
24.	Max India Ltd.	2	15,000	29.54	-	-	15,000	28.32	-	-
25.	Mphasis Ltd.	10	4,500	28.74	-	-	4,500	20.35	-	-
26.	NTPC Ltd.	10	28,784	57.58	-	-	28,784	49.07	-	-
27.	Oil And Natural Gas Corporation Ltd. #	5	5,000	38.96	-	-	5,000	67.15	-	-
28.	Power Finance Corporation Ltd.	10	13,000	28.36	-	-	13,000	41.60	-	-
29.	Ranbaxy Laboratories Ltd.	5	2,500	10.16	-	-	2,500	15.02	-	-
30.	Reliance Capital Ltd.	10	2,000	18.62	-	-	2,000	9.09	-	-
31.	Reliance Communication Ltd.	5	14,210	84.28	-	-	14,210	12.72	-	-
32.	Reliance Industries Ltd.	10	13,000	137.48	-	-	13,000	125.11	-	-
33.	Reliance Infrastructure Ltd.	10	2,000	24.41	-	-	2,000	12.98	-	-
34.	Samruddhi Cements Ltd. @	5	-	-	1,253	-	1,253	5.98	-	-
35.	State Bank Of India	10	1,700	21.80	-	-	1,700	54.49	-	-
36.	Sterlite Industries (India) Ltd. # *	1	5,000	39.84	-	-	-	-	20,000	39.84
37.	Tata Consultancy Services Ltd.	1	5,000	23.52	-	-	5,000	54.40	-	-
38.	Tata Power Co. Limited	10	2,250	26.23	-	-	2,250	29.33	-	-
39.	Tata Steel Ltd.	10	2,000	11.46	2,500	15.89	4,500	26.92	-	-
40.	United Spirits Ltd.	10	3,000	26.13	-	-	3,000	43.21	-	-
41.	United Phosphorus Ltd.	2	-	-	17,000	31.41	17,000	21.82	-	-
	Less: Provision for Diminution in value			38.56						9.93
	Total Investment in Equity Shares			1,372.57		99.10		1,592.36		127.64

Stock split.

* Includes Bonus Shares

@ Shares received on demerger of cement division of Grasim Industries Ltd.



Schedules forming part of the Balance Sheet

Current Investments (In Mutual Funds)

Sr. No.	Name of Mutual Fund	Face Value	Balance as on 01.04.2010		Purchased during the year		Sold during the year		Balance as on 31.03.2011	
			No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs
(A) LIQUID FUNDS										
1.	Axis Liquid Fund - Instl. Growth	1000	-	-	5,19,653.364	5,525.000	5,19,653.364	5,525.00	-	-
2.	Birla Sun Life Cash Manager - Instl. Plan - Growth	10	-	-	82,61,252.597	1,300.42	82,61,252.597	1,300.42	-	-
3.	Birla Sun Life Cash Plus - Instl. Premium - Growth	10	-	-	5,73,69,111.762	8,715.26	5,73,69,111.762	8,715.26	-	-
4.	Birla Sun Life Savings Fund Instl. - Growth	10	-	-	34,30,331.779	600.06	34,30,331.779	600.06	-	-
5.	Canara Robeco Liquid Super Instl. Growth Fund	10	-	-	5,09,61,848.284	5,793.80	5,09,61,848.284	5,793.80	-	-
6.	Canara Robeco Treasury Advantage Super Instl. Growth	10	-	-	2,97,14,989.463	4,239.13	2,97,14,989.463	4,239.13	-	-
7.	DSP Black Rock Floating Rate Fund - Instl. Plan Growth	1000	-	-	59,671.424	800.10	59,671.424	800.10	-	-
8.	DSP Black Rock Liquidity Fund - Instl. Plan Growth	1000	-	-	8,26,464.663	11,225.00	8,26,464.663	11,225.00	-	-
9.	DWS Insta Cash Plus Fund - Instl. Plan Growth	10	-	-	3,43,699.304	50.00	3,43,699.304	50.00	-	-
10.	DWS Insta Cash Plus Fund - Super Instl. Plan Growth	10	-	-	2,61,20,552.167	3,175.00	2,61,20,552.167	3,175.00	-	-
11.	DWS Ultra Short Term Fund - Instl. Growth	10	-	-	1,55,23,820.707	1,700.11	1,55,23,820.707	1,700.11	-	-
12.	HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	10	-	-	77,32,121.972	1,565.20	77,32,121.972	1,565.20	-	-
13.	HDFC Cash Management Fund - Savings Plan - Growth	10	-	-	59,69,436.485	1,150.00	59,69,436.485	1,150.00	-	-
14.	HDFC Floating Rate Income Fund - Short Term Fund - Wholesale - Option - Growth	10	-	-	1,48,07,268.018	2,335.12	1,48,07,268.018	2,335.12	-	-
15.	HDFC Liquid Fund - Premium Plan - Growth	10	-	-	2,63,21,332.111	4,909.84	2,63,21,332.111	4,909.84	-	-
16.	ICICI Prudential Flexible Income Plan Premium - Growth	100	-	-	33,03,318.893	5,725.99	33,03,318.893	5,725.99	-	-
17.	ICICI Prudential Floating Rate Plan D - Growth	100	-	-	3,46,233.054	500.000	3,46,233.054	500.000	-	-
18.	ICICI Prudential Liquid Super Instl. Plan - Growth	100	-	-	1,58,58,593.235	21,975.000	1,58,58,593.235	21,975.00	-	-
19.	ICICI Prudential Liquid Instl. Plus Plan - Daily Div - Reinvest	100	55,007.512	65.19	81,351.413	96.41	1,36,358.923	161.61	-	-
20.	ICICI Prudential Ultra Short Term Plan Super Premium Growth	10	-	-	4,52,91,952.675	4,700.57	4,52,91,952.675	4,700.57	-	-
21.	IDBI Liquid Fund - Growth	10	-	-	1,12,31,748.089	1,150.00	1,12,31,748.089	1,150.00	-	-
22.	IDBI Ultra Short Term Fund - Growth	10	-	-	28,25,362.233	290.00	28,25,362.233	290.00	-	-
23.	IDFC Cash Fund - Super Instl. Plan C - Growth	10	-	-	8,12,32,148.479	9,300.00	8,12,32,148.479	9,300.00	-	-
24.	IDFC Money Manager Fund - Inv. Plan - Instl. Plan B - Growth	10	-	-	31,34,336.159	450.06	31,34,336.159	450.06	-	-



Schedules forming part of the Balance Sheet

Current Investments (In Mutual Funds)

Name of Mutual Fund	Face Value	Balance as on 01.04.2010		Purchased during the year		Sold during the year		Balance as on 31.03.2011	
		No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs
25. IDFC Money Manager Fund - Treasury Plan - Super Instl. Plan C - Growth	10	-	-	2,90,60,277.826	3,250.27	2,90,60,277.826	3,250.27	-	-
26. JM High Liquidity Fund - Super Instl. Plan - Growth	10	-	-	5,43,41,185.995	8,060.00	5,43,41,185.995	8,060.00	-	-
27. JM Money Manager - Fund Super Plus Plan	10	-	-	1,14,91,490.949	1,500.18	1,14,91,490.949	1,500.18	-	-
28. JP Morgan India Liquid Fund - Super Instl. Growth	10	-	-	7,11,51,007.847	8,675.00	7,11,51,007.847	8,675.00	-	-
29. JP Morgan India Treasury Fund - Super Instl. Growth	10	-	-	2,48,45,303.505	3,025.30	2,48,45,303.505	3,025.30	-	-
30. Kotak Floater Long Term - Growth	10	-	-	6,04,79,628.965	9,016.48	6,04,79,628.965	9,016.48	-	-
31. Kotak Floater Short Term - Growth	10	-	-	3,92,03,449.980	6,225.00	3,92,03,449.980	6,225.00	-	-
32. Kotak Liquid (Instl. Premium) - Growth	10	-	-	8,66,78,139.048	16,475.00	8,66,78,139.048	16,475.00	-	-
33. Reliance Liquid Fund - Treasury Plan - Instl. Option - Growth	10	-	-	94,85,559.694	2,200.00	94,85,559.694	2,200.00	-	-
34. Reliance Liquid Fund - Cash Plan - Growth	10	-	-	6,05,40,709.577	9,510.00	6,05,40,709.577	9,510.00	-	-
35. Reliance Liquidity Fund - Growth Option	10	-	-	2,94,02,851.251	4,225.00	2,94,02,851.251	4,225.00	-	-
36. Reliance Money Manager Fund - Instl. Option - Growth	1000	-	-	1,98,835.778	2,500.00	1,98,835.778	2,500.00	-	-
37. Religare Liquid Fund - Super Instl. - Growth	10	-	-	9,05,81,894.056	11,621.15	9,05,81,894.056	11,621.15	-	-
38. Religare Ultra Short Term Fund - Instl. - Growth	10	-	-	2,95,89,745.824	3,795.56	2,95,89,745.824	3,795.56	-	-
39. Religare Ultra Short Term Fund - Instl. - Growth	1000	-	-	81,141.963	1,090.49	81,141.963	1,090.49	-	-
40. SBI Magnum Insta Cash Fund - Cash Option	10	-	-	1,62,07,749.967	3,375.00	1,62,07,749.967	3,375.00	-	-
41. SBI Premier Liquid Fund - Super Instl. - Growth	10	-	-	43,73,946.196	650.00	43,73,946.196	650.00	-	-
42. SBI - SHF - Ultra Short Term Fund - Instl. Plan - Growth	10	-	-	3,87,01,384.748	4,834.23	3,87,01,384.748	4,834.23	-	-
43. TATA Floater Fund - Growth	10	-	-	3,14,07,792.639	4,391.45	3,14,07,792.639	4,391.45	-	-
44. TATA Liquid Super High Inv. Fund - Growth	1000	-	-	4,92,532.884	8,525.00	4,92,532.884	8,525.00	-	-
45. TATA Treasury Manager SHIP Growth	1000	-	-	1,43,195,868	1,500.18	1,43,195,868	1,500.18	-	-
46. Templeton India Treasury Mgmt. Account Instl. Plan - Growth	1000	-	-	8,886.806	130.86	8,886.806	130.86	-	-
47. Templeton India Treasury Management Account Regular Plan - Growth	1000	-	-	3,236.069	75.00	3,236.069	75.00	-	-



Schedules forming part of the Balance Sheet

Current Investments (In Mutual Funds)

Sr. No.	Name of Mutual Fund	Face Value	Balance as on 01.04.2010		Purchased during the year		Sold during the year		Balance as on 31.03.2011	
			No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs	No. of Units	Rs. in Lacs
48.	Templeton India Treasury Management Account Super Instl. Plan - Growth	1000	-	-	8,00,208.398	11,250.00	8,00,208.398	11,250.00	-	-
49.	Templeton India Ultra Short Bond Fund Super Instl. - Growth	10	-	-	2,89,43,050.650	3,491.04	2,89,43,050.650	3,491.04	-	-
50.	UTI Liquid Cash Plan Instl. - Growth Option	1000	-	-	47,911.491	750.00	47,911.491	750.00	-	-
51.	UTI Money Market Fund Instl. - Growth Plan	1000	-	-	4,33,046.251	4,850.00	4,33,046.251	4,850.00	-	-
52.	UTI Treasury Advantage Fund Instl. Plan - Growth	1000	-	-	1,30,292.938	1,625.27	1,30,292.938	1,625.27	-	-
Total Liquid Funds (A)			55,007.512	65.19	1,13,00,91,055.493	2,33,889.83	1,13,01,46,063.005	2,33,955.02	-	-
(B) FIXED MATURITY PLAN										
1.	ICICI Prudential Interval Fund Monthly Interval Plan - I Instl. - Growth	10	-	-	49,76,164.174	500.00	49,76,164.174	500.00	-	-
Total Fixed Maturity Plan (B)			-	-	49,76,164.174	500.00	49,76,164.174	500.00	-	-
(C) EQUITY AND DERIVATIVE FUND										
1	SBI Infrastructure Fund - I - Dividend	10	2,50,000.000	25.00	-	-	-	-	2,50,000.00	25.00
Total Equity and Derivative Fund (C)			2,50,000.00	25.00	-	-	-	-	2,50,000.00	25.00
Less: Provision for Diminution in value										1.58
Grand Total (A+B+C)			3,05,007.512	90.19	1,13,50,67,219.667	2,34,389.83	1,13,51,22,227.179	2,34,455.02	2,50,000.000	23.42



Schedules forming part of the Balance Sheet

Schedule 6

(Rs. in Lacs)

CURRENT ASSETS, LOANS AND ADVANCES	As at 31.03.2011		As at 31.03.2010	
A. CURRENT ASSETS				
1. INTEREST ACCRUED ON DEPOSITS		347.97		173.32
2. INVENTORIES				
(a) Raw Materials [In transit Rs. Nil; Previous Year : Rs. 845.96 Lacs]	5,502.30		1,932.78	
(b) Stores, Spares, Oil, Chemicals & Catalysts [(Net of provision for obsolescence Rs. 16.97 Lacs; (Previous Year : Rs. 32.69 Lacs)]	7,383.26		6,044.05	
(c) Finished Goods	2,791.19	15,676.75	3,186.38	11,163.21
3. SUNDRY DEBTORS [Refer Note 13 (i)]				
(a) Unsecured, considered good :				
(i) Over six months	2,411.17		1,862.08	
(ii) Others	22,593.78		17,950.39	
(b) Considered doubtful	586.89		513.57	
Total	25,591.84		20,326.04	
Less: Provision for doubtful debts	586.89	25,004.95	513.57	19,812.47
4. CASH AND BANK BALANCES				
(a) Cash and Cheques on hand	183.28		189.47	
(b) Balances with Scheduled Banks :				
(i) Current/Cash Credit Accounts	4,774.26		2,400.68	
(ii) Short Term/Margin Deposits (Under Lien with Banks Rs.14.25 Lacs; Previous Year: Rs.913.34 Lacs)	21,949.80	26,907.34	18,034.14	20,624.29
B. LOANS AND ADVANCES [Refer Note 13 (ii)]				
Unsecured, considered good (Unless provided for) :				
1. Security and other Deposits	1,394.42		896.45	
2. Balance with Central Excise, Customs etc.	1,778.40		2,025.53	
3. Prepaid Expenses	925.31		819.62	
4. Advances recoverable in cash or kind or for value to be received	10,766.24	14,864.37	7,158.52	10,900.12
Total		82,801.38		62,673.41



Schedules forming part of the Balance Sheet

Schedule 7

(Rs. in Lacs)

CURRENT LIABILITIES AND PROVISIONS	As at 31.03.2011		As at 31.03.2010	
A. CURRENT LIABILITIES				
1. Sundry Creditors [Refer Note 14]	9,871.95		6,434.51	
2. Due to Directors	875.47		762.56	
3. Other Liabilities	11,033.95		8,259.86	
4. Unclaimed Dividend / Interest / Matured Debentures [Refer Note 15]	327.18		292.59	
5. Interest accrued but not due	1,311.26	23,419.81	1,020.82	16,770.34
B. PROVISIONS				
1. Provision for Tax (net)	238.93		286.78	
2. Provision for Employee Costs	1,956.80		1,259.47	
3. Proposed Dividend	4,410.30		3,971.00	
4. Corporate Dividend Tax	715.50		660.02	
5. Loss on Derivative Contracts [Refer Note 10]	-	7,321.53	221.80	6,399.07
Total		30,741.34		23,169.41

Schedules forming part of the Profit and Loss Account

Schedule 8

(Rs. in Lacs)

INCOME FROM OPERATIONS	Year ended 31.03.2011		Year ended 31.03.2010	
Gross Sales: Own Produced Commodities	1,23,252.84		96,665.59	
Less: Excise Duty	9,883.65		6,472.89	
Net Sales: Own Produced Commodities (excluding taxes and duties)		1,13,369.19		90,192.70
Subsidy on Manufactured Fertilisers		14,747.21		7,539.10
Gross Sales : Traded Products	17,852.42		17,144.73	
Less: Excise Duty / Counter Vailing Duty	-		3.46	
Net Sales : Traded Products (excluding taxes and duties)		17,852.42		17,141.27
Subsidy on Traded Fertilisers		9,033.50		12,195.35
Revenue from Realty Business	1,312.59		1,533.95	
Less: Service Tax	132.59		135.06	
Net Revenue from Realty Business (excluding taxes and duties)		1,180.00		1,398.89
Other Operating Income	305.49		337.69	
Less: Service Tax	6.04		7.17	
Net Other Operating Income (excluding taxes and duties)		299.45		330.52
Total		1,56,481.77		1,28,797.83

**Schedules forming part of the Profit and Loss Account****Schedule 9****(Rs. in Lacs)**

OTHER INCOME	Year ended 31.03.2011		Year ended 31.03.2010	
1. Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source : Rs. 33.53 Lacs; Previous Year : Rs. 17.41 Lacs)		118.44		81.52
2. Interest on Fertiliser Bonds (Tax Deducted at Source : Rs. Nil; Previous Year : Rs. Nil)		446.01		446.01
3. Other Interest (Gross) (Tax Deducted at Source : Rs. Nil; Previous Year : Rs. 0.80 Lacs)		682.39		43.29
4. Dividend				
a) Trade Investments - Subsidiary Company		306.00		1,017.99
b) Non Trade Investments		17.93		14.23
5. Dividend - Mutual Funds		3.46		2.74
6. Profit / (Loss) on Sale / Redemption of Investments				
a) Long Term Non Trade Quoted Shares		-		133.13
b) Mutual Funds		678.26		549.05
7. Foreign Currency Fluctuation Gain		422.73		1,345.38
8. Miscellaneous Receipts		907.05		856.96
Total		3,582.27		4,490.30



Schedules forming part of the Profit and Loss Account

Schedule 10

(Rs. in Lacs)

MANUFACTURING AND OTHER EXPENSES		Year ended 31.03.2011		Year ended 31.03.2010	
1.	RAW MATERIALS CONSUMED (including use of gas for primary reformer heating)		68,529.59		49,985.14
2.	MATERIAL HANDLING CHARGES		258.74		170.87
3.	PURCHASES OF GOODS TRADED		23,780.20		26,682.40
4.	PACKING MATERIAL CONSUMED		2,192.54		1,813.94
5.	EMPLOYEES' EMOLUMENTS				
	(a) Salaries, Wages and Allowances	8,715.48		7,316.73	
	(b) Contribution to Provident, Superannuation and Gratuity Funds	1,193.80		763.62	
	(c) Welfare and other Amenities	770.37	10,679.65	631.94	8,712.29
6.	OPERATING AND OTHER EXPENSES				
	(a) Power, Fuel and Water	1,644.21		1,464.60	
	(b) Stores, Spares, Oil, Chemicals and Catalysts Consumed	2,312.55		2,042.38	
	(c) Repairs to:				
	(i) Buildings	377.44		297.89	
	(ii) Plant and Machinery	2,570.25		2,641.59	
	(iii) Others	653.48		522.21	
	(d) Insurance	701.96		587.32	
	(e) Rent	328.80		344.55	
	(f) Rates, Taxes and Duties	524.81		400.49	
	(g) Directors' Sitting fees	11.19		8.77	
	(h) Auditors' Remuneration	46.56		46.81	
	(i) Carriage Outward (net)	2,215.19		1,579.49	
	(j) Cash Discounts	92.50		94.21	
	(k) Provision for diminution in the value of investments				
	Loss on Sale of Investments - Bonds	399.04		-	
	Less: Loss shared by Govt. [Refer Note 8]	(199.52)		-	
	Loss incurred during the year	199.52		-	
	Less: Provision for diminution / write back on bonds	(525.18)		337.11	
	Total	(325.66)		337.11	
	Add: Provision in diminution in the value of other investments (net)	1.57		(10.88)	
	Net Provision / Write back towards diminution	(324.09)		326.23	
(l)	Miscellaneous Expenses	4,865.27	16,020.12	3,773.28	14,129.82
	Total		1,21,460.84		1,01,494.46

Schedule 11

(Rs. in Lacs)

INVENTORY ADJUSTMENTS		Year ended 31.03.2011		Year ended 31.03.2010	
1.	Opening Stock of Finished Goods		3,186.38		2,639.20
2.	Closing Stock of Finished Goods		2,791.19		3,186.38
3.	(Increase)/Decrease in Excise Duty on Stock of Finished Goods		10.44		(0.38)
	(Increase)/Decrease		405.63		(547.56)

Schedule 12

(Rs. in Lacs)

INTEREST AND OTHER FINANCIAL CHARGES		Year ended 31.03.2011		Year ended 31.03.2010	
1.	Interest on Loans*		3,990.23		3,800.19
2.	Interest - Others		267.34		503.97
3.	Other Financial Charges*		132.56		328.73
	Total		4,390.13		4,632.89

* Excluding amount capitalised Rs. 1,709.14 Lacs (Previous Year : Rs. 1,290.24 Lacs)



Schedule 13

NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

B) REVENUE RECOGNITION

- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from FICC/ Ministry of Agriculture/Ministry of Fertilisers.
- Grants and subsidies from the government are recognized when there is reasonable assurance of the receipt thereof on the fulfilment 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 N₂O reduction in its Nitric Acid plant are recognized 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 recognized as and when it is received for the value of the certificate.
- Rental income from realty business is recognized based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognized 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 capitalized as per the Accounting Standard 11 as amended by the Notification No. G.S.R.225 (E) dated 31.03.09.
- 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 31st March, 2011, has been provided prospectively over the residual useful life of the assets.
- Machinery Spares other than those required for regular maintenance are capitalised as per Accounting Standard-10 on Fixed Assets and depreciated over remaining useful life of the related machinery/equipments. Costs of such spares are charged to Profit and Loss Account when issued for actual use at written down value.
- Cost of Fixed Assets, ownership of which does not vest with the Company, is amortised over a period of 60 months.
- Intangible assets are amortised over a period not exceeding 60 months except in the case of right to use of properties which are amortised over the effective useful life of such rights.
- Cost of Leasehold Land is amortised over the lease period.

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 (AS)-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 Profit and Loss Account. However exchange differences, arising either on settlement or on translation, in case of borrowings used for acquisition of fixed assets are capitalised.



- 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 Profit and Loss Account. 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 Profit and Loss Account of the year in which the related service is rendered.
- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.
- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.
- The Company has a Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary. The plan is managed by a trust and fund is invested with Life Insurance Corporation of India under its Group Superannuation Scheme. The contributions as specified under the trust deed are paid to the Life Insurance Corporation of India. The Company is liable for annual contributions and recognises such contributions as an expense of the year in which the liability is incurred.
- The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.
- The Company has a 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.

J) BORROWING COST

- Borrowing cost on working capital is charged against the profit/loss for year in which it is incurred.
- Borrowing costs that are attributable to the construction/acquisition of fixed assets are capitalised as a part of the cost of these capitalised assets till the date of completion of physical construction/mechanical completion of the assets.
- Borrowing costs that are attributable to the development/acquisition of intangible asset are capitalised till the date of use.



K) PRIOR PERIOD ITEMS

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

L) CONTINGENT LIABILITIES

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

M) TAXES ON INCOME

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 5,495.09 Lacs (Previous Year : Rs. 10,092.26 Lacs).

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

- Claims by Suppliers : Rs. 5,963.81 Lacs (Previous Year : Rs. 5,825.04 Lacs).

Taxes & Duties

- Income Tax demands : Rs. 1,152.77 Lacs (Previous Year : Rs. 1,152.77 Lacs).
- Excise demands : Rs. 1,574.16 Lacs (Previous Year : Rs. 920.13 Lacs).
- Sales Tax / VAT demands : Rs. 1,657.20 Lacs (Previous Year : Rs. 704.59 Lacs).

4. The following foreign currency transactions remain outstanding as at 31st March, 2011:

A) Un-hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,00,00,000	70,00,000
Buyers' Credit	US \$	1,38,29,615	Nil
Imports	US \$	7,02,220	1,88,929
	EUR	-	2,67,702
Export	US \$	5,75,177	10,56,331
	EUR	Nil	1,79,924
	GBP	Nil	1,53,204

B) Hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,50,00,000	1,00,00,000
Buyers' Credit	US \$	1,20,75,000	1,58,01,544
Imports	US \$	4,29,700	Nil

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

6. Exceptional items represent:

- Amortisation of VRS Compensation paid Rs. Nil (Previous Year : Rs. 54.98 Lacs).
- Gains arising on transfer of rights in unusable surplus land amounting Rs. Nil (Previous Year : Rs. 3,551.80 Lacs).
- Cost of assets discarded or in the process of being discarded under restructuring of the real estate business Rs. 338.09 Lacs (Previous Year : Rs. 992.46 Lacs).



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

Sr. No.	Particulars	Rs. in Lacs	Rs. in Lacs
A.	Manufacturing and Other Expenses		
1.	Raw Materials Consumed	767.09	
2.	Packing Materials Consumed	21.75	
3.	Employee Emoluments	158.94	
4.	Power and Water	130.42	
5.	Stores, Spares, Oil and 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	1,227.40
B.	Less : Realisations		1,040.30
C.	Net Expenses		187.10

8. The Company has sold part of the Fertiliser Bonds (issued in lieu of fertiliser subsidy) pursuant to the decision of Government of India to buy back outstanding bonds in two tranches in 2010-11 and 2011-12 at a price to be decided later and compensate the Company atleast 50% of the loss incurred on such sale. Accordingly, the Company has accounted for the loss of Rs. 199.52 Lacs (net of 50% compensation receivable from Government of India) and the same has been shown under operating and other expenses. Consequently the provision towards Mark to Market loss made earlier on such bonds amounting to Rs. 525.18 Lacs has been reversed and shown under Operating and other expenses.
9. In respect of long term investment in listed securities, the diminution in value is estimated on the basis of appraisal made by Portfolio Managers.
10. The Company has entered into option contract to cover its risk towards foreign exchange exposure on External Commercial Borrowing taken during the year. The marked to market loss of Rs. Nil (Previous Year : Rs. 221.80 Lacs) has been provided in the accounts.
11. **IMPAIRMENT OF ASSETS:** The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of CGUs are impaired during the financial year ended 31st March, 2011.
12. A) Computation of Managerial Remuneration

	2010-11		2009-10	
Profit Before tax		26,146.65		23,777.76
<i>Add:</i>				
1) Managerial Remuneration	908.51		781.75	
2) Directors' Sitting fees / Commission	106.19		98.77	
3) Provision for diminution in value of Investments (net)	(552.24)		207.71	
4) Provision for Doubtful Debts (net)	73.32		125.10	
5) Exceptional items	-		54.98	
6) Loss on sale / discard of assets (net)	0.86	536.64	-	1,268.31
<i>Less:</i>				
1) Profit on Sale of Investments	678.26		682.18	
2) Capital Profit on Sale of Assets	-	678.26	3,551.80	4,233.98
Profit as per Section 349		26,005.03		20,812.09
Maximum permissible remuneration to whole-time Directors under Section 198 of the Companies Act, 1956 @ 5%		1,300.25		1,040.60
Remuneration to Vice-Chairman & Managing Director		908.51		781.75
Maximum permissible remuneration to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1%		260.05		208.12
Remuneration to Non-Executive Directors		95.00		90.00



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

	2010-11	(Rs. In Lacs) 2009-10
(i) Salary and allowances	86.73	73.54
(ii) Contribution to Provident Fund and Superannuation Fund*	21.60	18.36
(iii) Perquisites	20.03	17.62
(iv) Commission	780.15	672.23
	908.51	781.75

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

13. (i) Sundry Debtors include due from companies in which some of the Directors are Directors/Members: Rs. 691.03 (payable) on the basis of provisional discount (Previous Year receivable: Rs. 319.35 Lacs) maximum amount due during the year: Rs. 279.34 Lacs (Previous Year: Rs. 954.80 Lacs).

(ii) Loans and Advances include:

- Security deposit of Rs. 200 Lacs (Previous Year : Rs. 200 Lacs) placed with Vice-Chairman & Managing Director towards lease of residential premises.
- Due from officers Rs. 0.30 Lacs (Previous Year : Rs. 4.42 Lacs) Maximum amount due during the year Rs. 4.42 Lacs (Previous Year : Rs. 8.54 Lacs).

14. 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.

15. The aggregate amount of unclaimed dividend of previous years' as on 31st March, 2011 was Rs. 327.18 Lacs (Previous Year : Rs. 292.59 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.

16. Auditor's Remuneration (Refer Schedule 10)

	2010-11	(Rs. in Lacs) 2009-10
(a) Statutory Audit	20.16	18.91
(b) Report on Consolidated Accounts	4.13	4.13
(c) Quarterly Results Limited Review	4.84	4.54
(d) Tax Audit	4.13	4.13
(e) Certification	5.15	5.35
(f) Taxation Matters	7.00	8.70
(g) Out-of-pocket Expenses	1.15	1.05
	46.56	46.81



17. Defined Benefit Plans - As per actuarial valuation as on 31st March, 2011

(Rs. in Lacs)

Sr No.	Particulars	Gratuity Benefits		Compensated Absences	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
1.	Components of employer expenses				
	Current service cost	168.06	105.80	103.32	60.58
	Interest cost	139.08	125.67	49.04	45.79
	Expected return on plan assets	(126.86)	(103.69)	N.A.	N.A.
	Actuarial losses	366.46	90.14	285.89	136.67
	Total expenses recognised in the Profit and Loss Account	546.74	217.92	438.25	243.04
2.	Actual contribution and benefits paid during the year				
	Actual benefits paid	120.71	93.61	167.52	118.69
	Actual contribution	217.48	188.03	N.A.	N.A.
3.	Net asset / (liability) recognised in the Balance Sheet as on 31st March, 2011				
	Present Value of Defined Benefit Obligation (DBO)	(2,366.21)	(1,798.85)	(967.43)	(696.70)
	Fair value of plan assets	1,539.26	1,301.16	N.A.	N.A.
	Net asset / (liability) recognised in the Balance Sheet	(826.95)	(497.69)	(967.43)	(696.70)
4.	Change in DBO during the year ended 31st March, 2011				
	Present Value of DBO at beginning of year	1,798.85	1,570.85	696.70	572.35
	Current Service cost	168.06	105.80	103.32	60.58
	Interest cost	139.08	125.67	49.04	45.79
	Actuarial losses	380.93	90.14	285.89	136.67
	Benefits paid	(120.71)	(93.61)	(167.52)	(118.69)
	Present Value of DBO at the end of year	2,366.21	1,798.85	967.43	696.70
5.	Change in Fair Value of Assets during the year ended 31st March, 2011				
	Plan assets at beginning of year	1,301.16	1,103.05	N.A.	N.A.
	Actual return on plan assets	126.86	103.69	N.A.	N.A.
	Actual Company contributions	217.48	188.03	N.A.	N.A.
	Actuarial losses on Plan Assets	14.47	-	N.A.	N.A.
	Benefits paid	(120.71)	(93.61)	N.A.	N.A.
	Plan assets at the end of year	1,539.26	1,301.16	N.A.	N.A.
6.	Actuarial Assumptions				
	Discount Rate	8.30%	8.00%	8.30%	8.00%
	Expected Return on plan assets	9.40%	9.40%	N.A.	N.A.
	Salary escalation	5.00%	5.00%	5.00%	5.00%

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

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

(Rs. in Lacs)

Sr No.	Particulars	Opening Balance as on 01-04-2010	Net Increase/ (Decrease) during the Year	Closing Balance as on 31-03-2011
A.	Deferred Tax Liabilities			
	1. Timing Difference on account of depreciation	7,102.99	2,060.53	9,163.52
	2. Others	84.81	(1.97)	82.84
	Total A	7,187.80	2,058.56	9,246.36
B.	Deferred Tax Assets			
	1. Provision for Doubtful Debts / Loans & Advances	411.32	(91.44)	319.88
	2. Accrued expenses deductible on actual payment / quantification	566.30	298.74	865.04
	Total B	977.62	207.30	1,184.92
	Net Tax effect of Timing Difference (A-B)	6,210.18	1,851.26	8,061.44



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

A. QUANTITATIVE DETAILS (PRODUCED COMMODITIES)

PARTICULARS	UNIT	AMMONIA	CNA	DNA	METHANOL	IPA	PROPANE	CRUDE IPE	TAN	CO ₂	NP	Sulphur	POWER (KWH)
Licensed Capacity/Annum													
Current Year	MT	125400	79200	445500	100000	70000	-	-	429000	33000	229500	25000	87600000
Previous Year	MT	125400	79200	445500	100000	70000	-	-	132000	33000	229500	25000	87600000
Installed Capacity/ Annum													
Current Year	MT	125400	79200	445500	100000	70000	-	-	429000	33000	229500	25000	87600000
Previous Year	MT	125400	79200	386100	100000	70000	-	-	132000	33000	229500	25000	87600000
01-04-2010 to 31-03-2011													
Production/Purchase(*)	MT	150926	93546	308950	81888	67462	9166	2557	146827	30403	125231	11254	15427120
Captive Consumption (**)	MT	147640	-	271257	-	-	109	-	-	-	-	-	-
Damage/Losses	MT	-	-	-	-	-	-	-	25	-	-	6	145125
Sales (***)	MT	4621	93148	37101	81708	67652	9060	2557	146115	30310	125032	12178	15281995
	Rs. in Lacs	677	12781	4341	11849	41222	3494	314	25599	1272	23281	2678	608
01-04-2009 to 31-03-2010													
Production/Purchase(*)	MT	127041	87596	260956	65647	61619	9231	3589	132337	29132	100284	10191	20027398
Captive Consumption (**)	MT	124042	-	239385	-	-	-	-	-	-	-	-	-
Damage/Losses	MT	-	1	-	6	-	-	-	-	-	-	-	741752
Sales (***)	MT	3312	87653	23187	65703	61671	9316	3589	133043	29176	99444	8691	19285646
	Rs. in Lacs	423	11111	2368	8239	31265	2902	470	23770	1098	13501	1848	737
Opening Stock 01-04-2010	MT	6270	87	720	78	378	35	-	49	24	1765	1921	-
Closing Stock 31-03-2010	Rs. in Lacs	558	14	45	9	171	12	-	5	1	167	182	-
Opening Stock 01-04-2009	MT	6583	145	2336	140	430	120	-	755	68	925	421	-
	Rs. in Lacs	408	9	95	21	193	34	-	68	1	57	110	-
Closing Stock 31-03-2011	MT	4935	485	1312	258	188	32	-	736	117	1964	991	-
	Rs. in Lacs	202	42	87	33	98	4	-	118	2	58	131	-

(*) Ammonia production includes purchased Ammonia 43,825.90 MT (Previous Year:26,189.99 MT) and equivalent Ammonia for Hydrogen production 4,621.49 MT (Previous Year: 3,312.43 MT).

DNA Production includes purchased DNA Nil MT (Previous Year : 794 MT)

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

(***) Ammonia sales include equivalent Ammonia 4,621.49 MT (Previous Year : 3,312.43 MT) for Hydrogen sale. Sale value of Hydrogen is Rs. 677.17 Lacs (Previous Year : Rs. 422.65 lacs).

NP sale value includes subsidy received from Govt. of India Rs. 14,747.21 Lacs (Previous Year : Rs.7,539.10 Lacs)

B. QUANTITATIVE DETAILS (TRADED PRODUCTS)

Product	01-04-2010 to 31-03-2011				01-04-2009 to 31-03-2010				Opening Stock 01-04-2010/Closing Stock 31-03-2010		Opening Stock 01-04-2009		Closing Stock 31-03-2011	
	Purchase	Damage/Losses	Sales		Purchase	Damage/Losses	Sales		MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs
Unit	MT	MT	MT	Rs. in Lacs	MT	MT	MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs
Methanol	-	-	-	-	5100	7	6881	663	-	-	1788	168	-	-
NP Ethoxylates 9.5	-	-	-	-	34	-	34	21	-	-	-	-	-	-
Propylene Glycol	-	-	-	-	17	-	17	11	-	-	-	-	-	-
Nonyl Phenol	-	-	-	-	91	-	91	59	-	-	-	-	-	-
Acetophenone	-	-	-	-	16	-	16	14	-	-	-	-	-	-
Muriate of Potash *	59634	39	59603	11552	58479	171	58479	14671	8	1	179	50	-	-
DAP *	-	-	-	76	-	-	-	-	-	-	-	-	-	-
Ammonium Sulphate	8344	-	8344	595	12166	-	12264	925	-	1	98	8	-	-
Mixtures	28854	-	28854	2210	38184	-	38184	2836	-	2	-	2	-	3
Single Super Phosphate	61362	-	61362	2018	52491	-	52491	2173	-	-	-	-	-	-
Organic Fertilisers	1738	-	1741	57	810	3	793	33	14	1	-	-	11	-
Micronutrients	34001	-	34018	2443	27321	-	27147	2299	338	108	164	32	321	116
Seeds	-	-	-	-	-	-	-	-	88	8	88	8	88	8



B. QUANTITATIVE DETAILS (TRADED PRODUCTS) (Contd.)

Product	01-04-2010 to 31-03-2011				01-04-2009 to 31-03-2010				Opening Stock 01-04-2010/Closing Stock 31-03-2010		Opening Stock 01-04-2009		Closing Stock 31-03-2011	
	Purchase	Damage/Losses	Sales		Purchase	Damage/Losses	Sales		MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs
Unit	MT	MT	MT	Rs. in Lacs	MT	MT	MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs
Solid Soluable Fertiliser	7704	-	8327	4327	6289	-	5252	2525	3346	1406	2309	985	2723	1132
Sulphur	-	-	-	-	-	-	38	11	4	1	42	19	4	1
Magnesium Sulphate	8173	-	8227	722	8088	-	7986	539	250	18	148	14	196	16
Zink Sulphate	680	-	599	180	426	-	426	121	47	14	47	14	128	83
Tropicote	132	-	215	84	-	1	171	67	285	88	457	139	202	-
Bio Fert-L (KL)	282	-	258	719	226	1	168	560	99	238	42	138	123	304
Bio Fert-S	4846	-	4706	871	4657	-	4660	895	413	88	416	62	553	90
Pesticides	69	-	63	27	11	-	5	6	6	1	-	3	12	4
Fruits/ Vegetables	5481	98	4596	1004	1900	155	1727	908	20	47	2	1	807	259

* Muriate of Potash sale value includes subsidy of Rs. 8,957.12 Lacs (Previous Year : Rs. 12,195.35 Lacs), DAP Sales value includes Rs. 76.38 Lacs subsidy (Previous Year : Rs Nil)

C. PRINCIPAL RAW MATERIALS CONSUMED

	Gas (For Production & Utilities)		Phosphoric Acid		R G Propylene		Ammonia	DNA
	SM ³ Million	Rs. in Lacs	MT	Rs. in Lacs	MT	Rs. in Lacs	MT	MT
01.04.2010 TO 31.03.2011	235.46	21,466.34	29,670.56	10,586.57	61,285.17	28,276.71	147,640.02	271,256.51
01.04.2009 TO 31.03.2010	212.33	15,140.54	23,423.50	7,658.26	58,713.12	22,149.90	124,042.10	239,385.00

D. CIF VALUE OF IMPORTS

	(Rs.in Lacs)	
	2010-11	2009-10
(i) Raw Material	11,546.16	5,724.63
(ii) Capital Goods	915.78	974.30
(iii) Components and Spares	1,022.09	1,245.15
(iv) Traded Goods	11,521.58	14,394.19
	<u>25,005.61</u>	<u>22,338.27</u>

E. PAYMENTS IN FOREIGN CURRENCY (CASH BASIS)

(i) Interest and repayment of Loans and Debentures	11,379.39	18,318.33
(ii) Dividend	17.59	16.36
No.of Shareholders	350	365
No.of Shares	3,90,850	4,08,950
(iii) Technical Fees to Foreign Vendors	84.24	429.19
(iv) Foreign Travel	24.70	26.63
(v) Others (Net of Reimbursements)	134.54	59.88
	<u>11,640.46</u>	<u>18,850.39</u>

F. EARNINGS IN FOREIGN EXCHANGE

(i) FOB Value of exports	4,618.24	4,223.81
(ii) Others	378.17	283.91
	<u>4,996.41</u>	<u>4,507.72</u>

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

	2010-11		2009-2010	
	Rs. in Lacs	Percentage	Rs. in Lacs	Percentage
(i) Raw Materials				
- Imported	10,801.05	15.76	8,093.08	16.19
- Indigenous	57,728.54	84.24	41,892.06	83.81
	<u>68,529.59</u>	<u>100.00</u>	<u>49,985.14</u>	<u>100.00</u>
(ii) Components and Spares				
- Imported	439.85	7.82	531.28	11.41
- Indigenous	5,185.25	92.18	4,124.32	88.59
	<u>5,625.10</u>	<u>100.00</u>	<u>4,655.60</u>	<u>100.00</u>

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

	2010-2011	2009-2010
(i) Net Profit After Tax (Rs. in Lacs)	18,662.41	17,204.80
(ii) Number of Equity Shares of Rs. 10/- each	8,82,04,943	8,82,04,943
(iii) Basic and Diluted Earnings Per Share	21.16	19.51

21. Segment Reporting - Refer Annexure - A.**22. Related Party Disclosures - Refer Annexure - B.****23. Statutory dues not deposited on account of dispute - Refer Annexure - C.****24. Previous year's figures have been re-grouped wherever necessary to conform to current year's grouping.**

As per our Report of even date

For B. K. KHARE & CO.
Chartered AccountantsC. K. MEHTA
ChairmanN. 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 11th May, 2011Mumbai
Dated 11th May, 2011R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary



ANNEXURE-A

SEGMENT REPORTING

(Rs. in Lacs)

Sr. No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	Revenue							
	a) External Sales							
	i) Produced	1,01,549.57	25,959.01	-	607.82	-	-	1,28,116.40
	Previous Year	81,645.63	15,349.06	-	737.11	-	-	97,731.80
	ii) Traded	-	26,885.92	-	-	-	-	26,885.92
	Previous Year	767.66	28,568.96	-	-	-	-	29,336.62
	b) Inter-segment sales	6,040.42	-	-	-	(6,040.42)	-	-
	Previous Year	2,791.16	-	-	-	(2,791.16)	-	-
	c) Other operating income	4.39	273.53	1,180.00	21.53	-	-	1,479.45
	Previous Year	41.41	289.12	1,398.88	-	-	-	1,729.41
	d) Unallocated Corporate other income	-	-	-	-	-	3,582.27	3,582.27
	Previous Year	-	-	-	-	-	4,490.30	4,490.30
	Total Revenue	1,07,594.38	53,118.46	1,180.00	629.35	(6,040.42)	3,582.27	1,60,064.04
	Previous Year	85,245.86	44,207.14	1,398.88	737.11	(2,791.16)	4,490.30	1,33,288.13
2.	Segment Result	31,946.01	3,164.60	(500.25)	272.61	-	3,582.27	38,465.24
	Previous Year	26,423.17	1,620.95	(387.96)	382.57	-	4,490.30	32,529.03
3.	Unallocated Corporate expenses	-	-	-	-	-	19,802.83	19,802.83
	Previous Year	-	-	-	-	-	15,324.23	15,324.23
4.	Net profit	-	-	-	-	-	-	18,662.41
	Previous Year	-	-	-	-	-	-	17,204.80
5.	Other Information							
	a) Segment Assets	1,22,658.65	18,464.82	26,290.95	3,971.80	-	-	1,71,386.22
	Previous Year	1,01,781.29	16,935.31	25,660.11	4,216.17	-	-	1,48,592.88
	Unallocated Corporate Assets	-	-	-	-	-	51,594.93	51,594.93
	Previous Year	-	-	-	-	-	46,946.38	46,946.38
	Total Assets	-	-	-	-	-	-	2,22,981.15
	Previous Year	-	-	-	-	-	-	1,95,539.26
	b) Segment Liabilities	9,909.00	3,132.46	2,220.45	-	-	-	15,261.91
	Previous Year	5,000.23	2,456.03	2,003.74	-	-	-	9,460.00
	Unallocated Corporate Liabilities	-	-	-	-	-	1,01,107.60	1,01,107.60
	Previous Year	-	-	-	-	-	93,039.28	93,039.28
	Total Liabilities	-	-	-	-	-	-	1,16,369.51
	Previous Year	-	-	-	-	-	-	1,02,499.28
	c) Capital Expenditure incurred during the year	13,934.19	1,379.68	2,395.15	-	-	435.74	18,144.76
	Previous Year	26,925.51	641.79	617.79	-	-	1,856.94	30,042.03
	d) Depreciation / Amortisation	5,096.19	764.25	793.00	245.49	-	247.78	7,146.71
	Previous Year	4,491.75	689.01	797.82	245.49	-	209.14	6,433.21
	e) Other non-cash expenditure	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

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

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

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

As per our Report of even date

For B.K.KHARE & CO.
Chartered Accountants

C.K.MEHTA
Chairman

N.C.SINGHAL
Director

Dr. S. RAMA IYER
Director

SANTOSH PARAB

Partner

S.C.MEHTA

S.R.WADHWA

Firm's Registration No.: 105102W

Vice-Chairman & Managing Director

Director

Membership No.: 47942

Mumbai

Mumbai

R.SRIRAMAN

Dated 11th May, 2011

Dated 11th May, 2011

Sr. Vice-President (Legal) &
Company Secretary



ANNEXURE – B

1. NAMES OF THE RELATED PARTIES AND RELATIONSHIP

A. ASSOCIATES

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

B. SUBSIDIARIES

1. Smartchem Technologies Ltd.
2. Deepak Nitrochem Pty. Ltd.
3. Deepak Mining Services Pvt. Ltd.

C. KEY MANAGEMENT PERSONNEL

1. Shri S. C. Mehta

2. RELATED PARTY TRANSACTIONS

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Current Year				Previous Year			
		Subsidiaries	Associates	Key Management Personnel	Total	Subsidiaries	Associates	Key Management Personnel	Total
1.	Sale of Goods	53.43	2,774.25	-	2,827.68	779.54	2,202.56	-	2,982.10
2.	Purchase of Goods	-	-	-	-	9.54	0.65	-	10.19
3.	Donation Given	-	185.00	-	185.00	-	130.00	-	130.00
4.	Rendering of Services	4.18	5.10	-	9.28	0.08	6.03	-	6.11
5.	Receiving of Services	-	78.25	899.52	977.77	271.70	75.19	772.75	1,119.64
6.	Leasing or Hire Purchase arrangements	-	24.55	(9.00)	15.55	-	24.55	(9.00)	15.55
7.	Purchase of Equity Shares	-	-	-	-	1.00	10.00	-	11.00
8.	Redemption of Preference Shares	(1,200.00)	-	-	(1,200.00)	-	-	-	-
9.	Sale of Fixed Asset	-	-	-	-	-	-	-	-
10.	Interest Received	-	-	-	-	-	-	-	-
11.	Dividend Received	306.00	-	-	306.00	1,017.99	-	-	1,017.99
12.	Dividend Paid	-	805.74	773.61	1,579.35	-	716.22	687.67	1,403.89
13.	Balance Receivable/(Payable)	4.19	(694.03)	(580.15)	(1,269.99)	(2.31)	302.16	(472.23)	(172.38)
	Less: Provision for Receivable/(Payable)	-	-	-	-	-	-	-	-
	Net Outstanding Receivable/(Payable)	4.19	(694.03)	(580.15)	(1,269.99)	(2.31)	302.16	(472.23)	(172.38)

**3. NAMES OF THE RELATED PARTIES FOR VALUE EXCEEDING 10% OF THE TRANSACTIONS****(Rs. in Lacs)**

Sr. No.	Nature of Transactions	Subsidiaries	Associates	Key Management Personnel
1.	Sale of Goods			
	Smartchem Technologies Limited	53.43	-	-
	Deepak Nitrite Limited	-	2,774.25	-
2.	Purchase of Goods	-	-	-
3.	Donation Given			
	Ishanya Foundation	-	185.00	-
4.	Rendering of Services			
	Deepak Mining Services Pvt. Ltd.	4.03	-	-
	Ishanya Foundation	-	1.65	-
	Deepak Nitrite Ltd.	-	3.45	-
5.	Receiving of Services			
	Smartchem Technologies Limited	-	-	-
	Yerrowda Investments Limited	-	78.25	-
	Shri S. C. Mehta (Remuneration)	-	-	119.37
	Shri S. C. Mehta (Commission)	-	-	780.15
6.	Leasing or Hire Purchase arrangements			
	Deepak Nitrite Ltd.	-	24.55	-
	Shri S. C. Mehta	-	-	(9.00)
7.	Redemption of Preference Shares			
	Smartchem Technologies Ltd.	1,200.00	-	-
8.	Dividend Received			
	Smartchem Technologies Ltd.	306.00	-	-
9.	Dividend Paid			
	Nova Synthetic Ltd.	-	748.95	-
	Shri S. C. Mehta	-	-	773.61
10.	Balance Receivable / (Payable)			
	Deepak Mining Services Pvt. Ltd.	4.11	-	-
	Deepak Nitrite Limited	-	(694.03)	-
	Shri S. C. Mehta	-	-	(580.15)

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 11th May, 2011

C. K. MEHTA

Chairman

S. C. MEHTA

Vice-Chairman & Managing Director

Mumbai

Dated 11th May, 2011

N. C. SINGHAL

Director

S. R. WADHWA

Director

R. SRIRAMAN

Sr. Vice-President (Legal) &
Company Secretary

Dr. S. RAMA IYER

Director



ANNEXURE - C

STATUTORY DUES NOT DEPOSITED ON ACCOUNT OF DISPUTES

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which Amount relates	Forum where the dispute is pending
The Maharashtra Sales Tax on Transfer of Right to Use Any Goods for any Purpose Act, 1985	Lease tax levied on crane hire charges	23,554	Assessment Year 1990-91	Dy. Commissioner of Sales Tax, Pune
The Bombay Stamp Act, 1958	Stamp Duty demanded against licence fee	26,14,695	FY 1995-96	The Chief Revenue Authority, Pune
The Central Excise Act, 1944	CENVAT credit of raw material for exempted finished goods.	2,57,11,433	November 2002 to August 2007	Bombay High Court/ CESTAT
The Income Tax Act, 1961	Demand u/s 271(1)(c)	1,61,76,216	Assessment Year 2003-04	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 FY 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

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 11th May, 2011

C. K. MEHTA

Chairman

S. C. MEHTA

Vice-Chairman & Managing Director

Mumbai

Dated 11th May, 2011

N. C. SINGHAL

Director

S. R. WADHWA

Director

R. SRIRAMAN

Sr. Vice-President (Legal) &

Company Secretary

Dr. S. RAMA IYER

Director

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

Corporate Identity No.	L24121 MH1979 PLC 021360
Balance Sheet Date	31-03-2011

II Capital Raised during the year**(Amount in Rs. Thousands)**

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

III Position of Mobilisation and Deployment of Funds

Total Liabilities	1,92,23,981
Total Assets	1,92,23,981

Sources of Funds

Paid-up Capital	8,82,049
Reserves and Surplus	97,79,115
Secured Loans	77,56,673
Unsecured Loans	-
Deferred Tax Liability	8,06,144

Application of Funds

Net Fixed Assets	1,28,82,259
Investments	11,35,718
Net Current Assets	52,06,004
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil

IV Performance of the Company

Turnover	1,60,06,404
Total Expenses	1,33,91,739
Profit Before Tax	26,14,665
Profit After Tax	18,66,241
Earnings Per Share (Rs.)	21.16
Dividend Rate (%)	50

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

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



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

1. Name of the Subsidiary	: Smartchem Technologies Limited	Deepak Nitrochem Pty. Limited	Deepak Mining Services Private Limited
2. Financial Year of the Subsidiary Company ended on	: 31.03.2011	31.03.2011	31.03.2011
3. Date from which it became Subsidiary	: 09.12.2003	27.08.2004	20.08.2009
4. (a) Number of Shares held by Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) with its nominees in the Subsidiary at the end of the Financial Year of the Subsidiary	: 9,99,994 Equity Shares of Rs. 10/- each fully paid-up	1,60,000 Shares of AUD 1/- each fully paid-up	9,998 Equity Shares of Rs. 10/- each fully paid-up
	: 6,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each		
(b) Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary	: 99.99%	100.00%	99.98%
5. The Net aggregate amount of the Subsidiary's Profit/ (Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company's accounts			
(i) For the Financial Year ended 31st March, 2011	: Rs. 914.11 Lacs	Rs. (3.03) Lacs	Rs. (4.25) Lacs
(ii) For the Previous Year	: Rs. 848.72 Lacs	Rs. (0.06) Lacs	Rs. (1.39) Lacs
6. The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company			
(i) For the Financial Year ended 31st March, 2011	: Rs. 306.00 Lacs	Nil	Nil
(ii) For the Previous Year	: Rs. 1,017.99 Lacs	Nil	Nil
7. Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	: N.A.	N.A.	N.A.

C. K. MEHTA
Chairman

N. C. SINGHAL
Director

Dr. S. RAMA IYER
Director

S. C. MEHTA
Vice-Chairman & Managing Director

S. R. WADHWA
Director

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

Mumbai

Dated 11th May, 2011



DETAILS OF SUBSIDIARY COMPANIES FOR 2010-11

(Rs. in Lacs)

	Name of the Subsidiary	Smartchem Technologies Limited	Deepak Nitrochem Pty. Limited	Deepak Mining Services Private Limited
	Financial Year ends on	31st March	31st March	31st March
a.	Share Capital	700.00	73.51	1.00
b.	Reserves	4,080.85	-	-
c.	Total Assets	5,107.59	73.51	4.74
d.	Total Liabilities	5,107.59	73.51	4.74
e.	Details of Investments			
	Investments in Equity Shares	3.68	-	-
	Investments in Mutual Funds	1,120.29	-	-
f.	Turnover	6,355.58	-	-
g.	Profit Before Taxation	1,353.30	(3.03)	(4.25)
h.	Provision for Taxation	439.19	-	-
i.	Profit After Taxation	914.11	(3.03)	(4.25)
j.	Proposed Dividend	300.00	-	-

Accounts of Deepak Nitrochem Pty. Ltd. has been converted into Indian Rupees at exchange rate prevailing on 31-03-2011
AUD 1 = Rs. 45.95

C. K. MEHTA
Chairman

N. C. SINGHAL
Director

Dr. S. RAMA IYER
Director

S. C. MEHTA
Vice-Chairman & Managing Director

S. R. WADHWA
Director

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

Mumbai

Dated 11th May, 2011



Consolidated Financial Statements

Auditor's 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 31st March, 2011 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement 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 Rs. 5,686.12 Lacs as at 31st March, 2011 (Previous Year : Rs. 6,339.12 Lacs) and total revenues of Rs. 6,425.82 Lacs (Previous Year : Rs. 5,179.91 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, in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 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 31st March, 2011;
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries for the year then ended; and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows of Deepak Fertilisers And Petrochemicals Corporation Limited and its subsidiaries for the year then ended.

For B. K. KHARE & CO.

Chartered Accountants

SANTOSH PARAB

Partner

Firm's Registration No.: 105102W

Membership No. : 47942

Mumbai

Dated 11th May, 2011

**Consolidated Balance Sheet as at 31st March, 2011**

(Rs. in Lacs)

	Schedule	As at 31.03.2011		As at 31.03.2010	
I. SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	8,820.49		8,820.49	
(b) Reserves & Surplus	2	97,126.22	1,05,946.71	83,576.16	92,396.65
2. MINORITY INTEREST			0.01		0.01
3. LOAN FUNDS	3				
(a) Secured Loans		77,566.73		68,119.69	
(b) Unsecurd Loans		-	77,566.73	5,000.00	73,119.69
4. DEFERRED TAX LIABILITY			8,388.17		6,583.84
TOTAL			1,91,901.62		1,72,100.19
II. APPLICATION OF FUNDS					
1. FIXED ASSETS (AT COST)	4				
(a) Gross Block		1,78,529.36		1,45,809.82	
(b) Less: Depreciation / Amortisation		72,622.60		64,910.34	
(c) Net Block		1,05,906.76		80,899.48	
(d) Capital Work-in-Progress - Others		1,412.08		449.38	
(e) Capital Work-in-Progress - Projects	4a	25,762.56	1,33,081.40	40,989.57	1,22,338.43
2. INVESTMENTS	5		5,476.55		9,435.33
3. CURRENT ASSETS, LOANS AND ADVANCES	6				
(a) Interest Accrued on Deposits		349.33		174.44	
(b) Inventories		16,139.36		11,631.21	
(c) Sundry Debtors		25,964.80		20,200.63	
(d) Cash and Bank Balances		26,972.76		20,692.18	
(e) Loans and Advances		15,152.50		11,172.90	
Total		84,578.75		63,871.36	
Less: CURRENT LIABILITIES AND PROVISIONS	7				
(a) Liabilities		23,864.17		17,088.88	
(b) Provisions		7,370.91		6,456.05	
Total		31,235.08		23,544.93	
Net Current Assets			53,343.67		40,326.43
TOTAL			1,91,901.62		1,72,100.19

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

C. K. MEHTA
Chairman

S. C. MEHTA
Vice-Chairman & Managing Director

N. C. SINGHAL
Director

S. R. WADHWA
Director

Dr. S. RAMA IYER
Director

Mumbai
Dated 11th May, 2011

Mumbai
Dated 11th May, 2011

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



Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Rs. in Lacs)

	Schedule	Year ended 31.03.2011		Year ended 31.03.2010	
INCOME					
Income from Operations	8	1,62,789.94		1,32,929.76	
Other Income	9	3,346.40	1,66,136.34	3,559.52	1,36,489.28
EXPENDITURE					
Manufacturing and Other Expenses	10	1,26,275.06		1,04,282.95	
Inventory Adjustment	11	408.40		(556.64)	
Interest and Other Financial Charges	12	4,391.77	1,31,075.23	4,638.23	1,08,364.54
PROFIT BEFORE DEPRECIATION			35,061.11		28,124.74
Depreciation / Amortisation		8,007.08		7,286.69	
Less: Transferred from Special Reserve		18.18		18.18	
Transferred from Revaluation Reserve		117.39	7,871.51	132.32	7,136.19
PROFIT BEFORE PRIOR YEARS' ADJUSTMENTS			27,189.60		20,988.55
Prior Years' Adjustments (Net)			175.99		1.73
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			27,013.61		20,986.82
Exceptional Items (Net) [Refer Note 10]			338.09		(2,504.36)
PROFIT BEFORE TAX			26,675.52		23,491.18
PROVISION FOR TAX					
Current Tax (Inclusive of earlier years' short provision Rs. 39.97 Lacs; Previous Year : Earlier years' short provision Rs. 612.24 Lacs)		6,076.98		7,274.61	
Deferred Tax (Net of Reversal of Previous Year's excess provision Rs. Nil; Previous Year : Net of Reversal of Previous Year's excess provision Rs. 397.48 Lacs)		1,804.33		(338.81)	
Wealth Tax		42.12	7,923.43	29.93	6,965.73
NET PROFIT			18,752.09		16,525.45
Balance Brought Forward		58,618.94		50,194.36	
Transferred from Debenture Redemption Reserve		380.00	58,998.94	285.00	50,479.36
AMOUNT AVAILABLE FOR APPROPRIATION			77,751.03		67,004.81
APPROPRIATIONS					
Transferred to Debenture Redemption Reserve			1,792.00		1,542.00
Transferred to General Reserve			1,961.40		1,834.90
Transferred to Capital Redemption Reserve			575.00		-
Proposed Dividend (Net of earlier year's reversal)			4,408.65		3,971.00
Corporate Dividend Tax (Net of earlier year's reversal)			663.92		1,037.97
SURPLUS IN PROFIT AND LOSS ACCOUNT			68,350.06		58,618.94
Earnings Per Share [Refer Note 18] (Rs.) (Face Value of Rs. 10/- each)			21.26		18.74
NOTES FORMING PART OF ACCOUNTS		13			

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

C. K. MEHTA
Chairman

S. C. MEHTA
Vice-Chairman & Managing Director

N. C. SINGHAL
Director

S. R. WADHWA
Director

Dr. S. RAMA IYER
Director

Mumbai
Dated 11th May, 2011

Mumbai
Dated 11th May, 2011

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

**Consolidated Cash Flow Statement for the year ended 31st March, 2011**

(Rs. in Lacs)

	2010-11	2009-10
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	26,675.52	23,491.18
Adjustments For-		
Depreciation and Amortisation	7,871.51	7,136.19
Exceptional Items	338.09	(2,559.34)
Exchange Fluctuations (net)	(422.73)	(1,345.38)
Profit on Sale of Investments	(678.50)	(682.18)
Provision for diminution on Fertiliser Bonds written back	(525.18)	-
Loss / (Profit) on Sale of Asset	1.10	45.25
Interest / Dividend (net)	3,077.86	3,975.10
Operating Profit Before Working Capital Changes	36,337.67	30,060.82
Adjustments For -		
Trade And Other Receivables	(9,303.25)	5,262.81
Inventories	(4,508.15)	(1,280.28)
Trade Payables	6,981.79	(4,272.99)
Cash Generated From Operations	29,508.06	29,770.38
Direct Taxes Paid (net)	(6,131.05)	(6,955.58)
Net Cash From Operating Activities (A)	23,377.01	22,814.80
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(19,140.93)	(29,694.02)
Sale of Fixed Assets	51.68	5,712.51
Acquisition of Investments - Others (net)	5,189.52	177.46
Deposits Redeemed / (Made)	(508.95)	(27.68)
Interest Received	1,080.29	733.51
Dividend Received	58.73	82.46
Net Cash used in Investing Activities (B)	(13,269.66)	(23,015.76)
(C) Cash Flow From Financing Activities		
Exchange Fluctuations (net)	422.73	1,345.38
Increase / (Decrease) in Working Capital Borrowings	(614.14)	(10,951.53)
Proceeds / (Repayment) of External Commercial Borrowings (net)	12,429.10	2,057.20
Proceeds / (Repayment) Term Loans (net)	(10,847.93)	7,378.88
Proceeds from PPNC D (net)	3,480.00	13,860.00
Interest Paid	(4,101.33)	(4,718.23)
Equity Dividend and Corporate Dividend Tax Paid	(4,595.20)	(4,096.80)
Net Cash Generated / (Used) in Financing Activities (C)	(3,826.77)	4,874.90
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	6,280.58	4,673.94
Cash and Cash Equivalents Opening Balance	20,692.18	16,018.24
Cash and Cash Equivalents Closing Balance	26,972.76	20,692.18

Note: (i) Figures in brackets are outflows.
(ii) Previous Years figures have been regrouped wherever necessary.

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

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

N. C. SINGHAL
Director
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Director
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Director

Mumbai
Dated 11th May, 2011

Mumbai
Dated 11th May, 2011

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



Schedules forming part of the Consolidated Balance Sheet

Schedule 1

(Rs. in Lacs)

SHARE CAPITAL	As at 31.03.2011		As at 31.03.2010	
AUTHORISED				
12,50,00,000 Equity Shares of Rs. 10/- each	12,500.00		12,500.00	
10,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	1,000.00	13,500.00	1,000.00	13,500.00
ISSUED, SUBSCRIBED AND PAID-UP				
8,82,04,943 Equity Shares of Rs. 10/- each fully paid-up		8,820.49		8,820.49

Schedule 2

(Rs. in Lacs)

RESERVES AND SURPLUS	As at 31.03.2011		As at 31.03.2010	
RESERVES				
Capital Reserve		0.13		0.13
Capital Redemption Reserve	150.00		150.00	
Add: Transfer from General Reserve	625.00		-	
Add: Transfer from Profit and Loss Account	575.00	1,350.00	-	150.00
Share Premium Account		10,798.95		10,798.95
Special Reserve (*)	45.86		64.04	
Less: Transferred to Profit and Loss Account	18.18	27.68	18.18	45.86
Revaluation Reserve	1,168.11		1,300.42	
Less: Transferred to Profit and Loss Account	117.39	1,050.72	132.32	1,168.10
Debenture Redemption Reserve				
Balance as per last Balance Sheet	2,547.00		1,290.00	
Less: Transferred to Profit and Loss Account	380.00		285.00	
Add: Transferred from Profit and Loss Account	1,792.00	3,959.00	1,542.00	2,547.00
General Reserve				
Balance as per last Balance Sheet	10,243.62		8,408.72	
Less: Transferred to Capital Redemption Reserve	625.00		-	
Add: Transferred from Profit and Loss Account	1,961.40	11,580.02	1,834.90	10,243.62
Foreign Currency Translation Reserve		9.66		3.56
Surplus in Profit and Loss Account		68,350.06		58,618.94
Total		97,126.22		83,576.16

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



Schedules forming part of the Consolidated Balance Sheet

Schedule 3

(Rs. in Lacs)

LOAN FUNDS	As at 31.03.2011		As at 31.03.2010	
SECURED LOANS				
A. LONG TERM LOAN				
(a) External Commercial Borrowings (ECBs)	20,065.50		7,636.40	
(b) From Banks	13,399.34	33,464.84	24,247.27	31,883.67
B. SECURED NON-CONVERTIBLE DEBENTURES (NCDs)				
(a) 7.50% Privately Placed NCDs	-		800.00	
(b) 7.25% Privately Placed NCDs	-		720.00	
(c) 10.80% Privately Placed NCDs	12,500.00		12,500.00	
(d) 9.75% Privately Placed NCDs	5,000.00		5,000.00	
(e) 10.00% Privately Placed NCDs	5,000.00		5,000.00	
(f) 8.35% Privately Placed NCDs	5,000.00		5,000.00	
(g) 9.31% Privately Placed NCDs	5,000.00	32,500.00	-	29,020.00
C. BUYERS CREDIT #		11,601.89		7,216.02
Total Secured Loans		77,566.73		68,119.69
UNSECURED LOANS #				
Short Term Loan from Bank		-		5,000.00
Total Unsecured Loans		-		5,000.00
Total		77,566.73		73,119.69

Repayable within one year

Schedule 4

FIXED ASSETS

(Rs. in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2010	Additions	Deduct- ions/ Adjust- ments	Total upto 31-03-2011	As on 01-04-2010	Deduct- ions/ Adjust- ments	For the year	Total upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
Land - Freehold (a)	5,461.55	454.30	-	5,915.85	-	-	-	-	5,915.85	5,461.55
Land - Leasehold	1,354.51	17.36	-	1,371.87	110.37	-	17.44	127.81	1,244.06	1,244.14
Buildings (b)	21,229.74	4,509.84	382.43	25,357.15	2,984.16	22.94	474.30	3,435.52	21,921.63	18,245.58
Plant and Machinery (c)	1,06,945.41	25,377.94	59.31	1,32,264.04	56,240.03	115.73	6,332.34	62,456.64	69,807.40	50,705.38
Electrical Installation and Fittings	1,574.47	957.94	0.94	2,531.47	264.87	0.94	127.49	391.42	2,140.05	1,309.60
Furniture & Fixtures	856.84	301.03	18.14	1,139.73	510.64	15.33	62.67	557.98	581.75	346.20
Office Equipments	1,340.05	475.91	41.52	1,774.44	879.83	38.70	155.64	996.77	777.67	460.22
Vehicles	1,040.36	232.76	183.36	1,089.76	417.22	101.18	169.83	485.87	603.89	623.14
Intangible Assets	891.13	1,078.16	-	1,969.29	433.74	-	155.79	589.53	1,379.76	457.39
Goodwill on Consolidation	5,115.76	-	-	5,115.76	3,069.48	-	511.58	3,581.06	1,534.70	2,046.28
TOTAL	1,45,809.82	33,405.24	685.70	1,78,529.36	64,910.34	294.82	8,007.08	72,622.60	1,05,906.76	80,899.48
Previous Year	1,37,420.04	12,654.20	4,264.42	1,45,809.82	58,689.65	1,066.00	7,286.69	64,910.34	80,899.48	78,730.39
Capital Work-in-Progress (d)									1,412.08	449.38

(a) Freehold land includes:

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

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

(b) Buildings include a sum of Rs. 3,308.87 Lacs (Previous Year : Rs.3,308.87 Lacs) represented by 17,628 (Previous Year : 17,628) Equity Shares of Rs. 10/- each in a company which is the legal owner of the buildings in respect of which the Company has an exclusive right of use and occupation by virtue of the shares so held.

(c) Gross Block of Plant and Machinery includes:

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

- Rs. 4,564.61 Lacs (Previous Year : Rs. 4,646.49 Lacs) towards foreign exchange fluctuation on Long Term Loans.

(d) Capital Work-in-progress includes advances / deposits for fixed assets Rs. 139.52 Lacs (Previous Year : Rs. 20.42 Lacs).



Schedules forming part of the Consolidated Balance Sheet

Schedule 4a

CAPITAL WORK-IN-PROGRESS - PROJECTS

(Rs. in Lacs)

Description	Incurred upto 31-03-2010	Incurred during 2010-2011	Capitalised/ Transferred during 2010-2011	Total as on 31-03-2011
Land & Site Development	62.37	72.81	-	135.18
Building (under construction)	6,378.51	3,015.81	7,400.17	1,994.15
Plant & Machinery (under installation)	22,270.63	9,093.78	13,556.01	17,808.40
Advances	4,112.80	(3,542.51)	-	570.29
Technical Know-how & Engineering Fees	2,501.07	705.27	2,898.18	308.16
Other Assets	481.81	1,878.33	2,150.22	209.92
Commissioning Testing and Start-up Expenses (b)	4.18	557.54	322.38	239.34
Pre-operative Expenditure Pending Capitalisation/Amortisation				
Employees' emoluments	913.89	814.66	946.66	781.89
General expenses	1,123.52	1,133.82	741.30	1,516.04
Interest (net) on Fixed Term Loan and other financial charges (a)	3,140.79	2,073.76	3,015.36	2,199.19
TOTAL	40,989.57	15,803.27	31,030.28	25,762.56

- (a) Interest (net) on Fixed Term Loan and other financial charges incurred during the year includes :
- Gain of Rs. 81.11 Lacs (Previous Year : Gain of Rs. 139.50 Lacs) on account of Exchange fluctuation on Long Term Loans.
 - Interest on Fixed Term Loan is net of interest earned Rs. 273.87 Lacs (Previous Year : Rs. 10.45 Lacs) on temporary deployment of Loan Funds, Tax Deducted at Source Rs. 31.50 Lacs; (Previous Year : Rs. 1.05 Lacs).
 - Gain on investment of Rs. 32.14 Lacs (Previous Year : Rs. 90.57 Lacs) on temporary deployment of Loan Funds.
- (b) Includes Net expenses of Rs. 187.10 Lacs (Previous Year : Rs. Nil) relating to commissioning and startup. (Refer Note 11)

Schedule 5

INVESTMENTS [Refer Note 4(G)]

(Rs. in Lacs)

LONG TERM	As at 31.03.2011		As at 31.03.2010	
A. TRADE - UNQUOTED				
a. 88,448 Shares of Sterling Pound 1/- each of Deepak International Limited	68.69		68.69	
b. 49,994 Equity Shares of Rs. 10/- each of Ishanya Realty Corporation Limited	5.00		5.00	
c. 49,994 Equity Shares of Rs. 10/- each of Ishanya Brand Services Limited	5.00	78.69	5.00	78.69
B. NON-TRADE QUOTED				
Investment in Equity Shares	141.25		1,414.81	
Less: Provision for diminution in value (Aggregate Market Price of Quoted Shares Rs. 147.86 Lacs; Previous Year : Rs. 1,608.55 Lacs)	9.93	131.32	38.56	1,376.25
UNQUOTED				
Investment in NCD (1 Zero coupon Debenture of Rs. 1,000 Lacs)		1,044.35		-
CURRENT INVESTMENT				
A. INVESTMENT IN BONDS				
1. 7.00% Fertiliser Company GOI Special Bonds 2022	2,275.00		4,550.00	
2. 6.65% Fertiliser Company GOI Special Bonds 2023	348.90		697.80	
3. 6.20% Fertiliser Company GOI Special Bonds 2022	654.10		1,308.20	
Total	3,278.00		6,556.00	
Less: Provision for diminution in value [Refer Note 12]	199.52	3,078.48	724.71	5,831.29
B. INVESTMENT IN MUTUAL FUNDS				
1. Liquid Funds	720.29		1,968.40	
2. Short Term Funds	-		105.70	
3. Equity and Derivatives Funds	75.00		75.00	
4. Fixed Maturity Plans	350.00		-	
Total	1,145.29		2,149.10	
Less: Provision for Diminution in Value	1.58	1,143.71	-	2,149.10
Total		5,476.55		9,435.33



Schedules forming part of the Consolidated Balance Sheet

Schedule 6

(Rs. in Lacs)

CURRENT ASSETS, LOANS AND ADVANCES	As at 31.03.2011		As at 31.03.2010	
A. CURRENT ASSETS				
1. INTEREST ACCRUED ON DEPOSITS		349.33		174.44
2. INVENTORIES				
(a) Raw Materials (in transit Rs. 95.43 Lacs; Previous Year : Rs. 881.36 Lacs)	5,670.46		2,023.36	
(b) Stores, Spares, Oil, Chemicals & Catalysts (Net of provision for obsolescence; Rs. 16.97 Lacs (Previous Year : Rs. 32.69 Lacs)	7,659.00		6,399.65	
(c) Finished Goods	2,809.90	16,139.36	3,208.20	11,631.21
3. SUNDRY DEBTORS				
(a) Unsecured, Considered good :				
(i) Over six months	2,419.07		1,910.48	
(ii) Others	23,545.73		18,290.15	
(b) Considered doubtful	596.98		528.55	
Total	26,561.78		20,729.18	
Less: Provision for doubtful debts	596.98	25,964.80	528.55	20,200.63
4. CASH AND BANK BALANCES				
(a) Cash and Cheques on hand	190.51		189.99	
(b) Balances with Scheduled Banks:				
(i) Current/Cash Credit Accounts	4,824.56		2,433.23	
(ii) Short Term/Margin Deposits (Under Lien with Banks Rs. 14.25 Lacs; Previous Year : Rs. 918.84 Lacs)	21,957.69	26,972.76	18,068.96	20,692.18
B. LOANS AND ADVANCES				
Unsecured, considered good: (Unless provided for)				
1. Security and other Deposits	1,545.99		1,037.04	
2. Balance with Central Excise, Customs etc.	1,798.98		2,039.20	
3. Prepaid Expenses	946.21		834.08	
4. Advances recoverable in cash or kind or for value to be received	10,861.32	15,152.50	7,262.58	11,172.90
Total		84,578.75		63,871.36

Schedule 7

(Rs. in Lacs)

CURRENT LIABILITIES AND PROVISIONS	As at 31.03.2011		As at 31.03.2010	
A. CURRENT LIABILITIES				
1. Sundry Creditors	10,174.90		6,614.01	
2. Due to Directors	875.47		762.56	
3. Other Liabilities	11,175.36		8,398.90	
4. Unclaimed Dividend / Interest /Matured Debentures	327.18		292.59	
5. Interest accrued but not due	1,311.26	23,864.17	1,020.82	17,088.88
B. PROVISIONS				
1. Provision for Taxation (net)	226.96		238.92	
2. Provision for Employee Costs	2,018.15		1,312.31	
3. Proposed Dividend	4,410.30		3,971.00	
4. Corporate Dividend Tax	715.50		712.02	
5. Loss on Derivative Contracts [Refer Note 14]	-	7,370.91	221.80	6,456.05
Total		31,235.08		23,544.93



Schedules forming part of the Consolidated Profit And Loss Account

Schedule 8

(Rs. in Lacs)

INCOME FROM OPERATIONS	Year ended 31.03.2011		Year ended 31.03.2010	
Gross Sales Own Produced Commodities	1,30,211.49		1,01,149.10	
Less: Excise Duty	10,534.13		6,824.58	
Net Sales Own Produced Commodities (excluding taxes and duties)		1,19,677.36		94,324.52
Subsidy on Manufactured Fertilisers		14,747.21		7,539.10
Traded Products	17,852.42		17,145.71	
Less: Counter Vailing Duty	-		4.33	
Net Sales Traded Products (excluding taxes and duties)		17,852.42		17,141.38
Subsidy on Traded Fertilisers		9,033.50		12,195.35
Gross Revenue from Realty Business	1,312.59		1,533.95	
Less: Service Tax	132.59		135.06	
Net Revenue from Realty Business (excluding taxes and duties)		1,180.00		1,398.89
Other Operating Income	305.49		337.69	
Less: Service Tax	6.04		7.17	
Net Other Operating Income (excluding taxes and duties)		299.45		330.52
Total		1,62,789.94		1,32,929.76

Schedule 9

(Rs. in Lacs)

OTHER INCOME	Year ended 31.03.2011		Year ended 31.03.2010	
1. Interest on Term Deposits with Banks (Gross) (Tax Deducted at Source Rs. 33.69 Lacs; Previous Year : Rs. 18.30 Lacs).		126.78		90.76
2. Interest on Fertiliser Bonds (Tax Deducted at Source Nil; Previous Year : Nil).		446.01		446.01
3. Other Interest (Gross) (Tax Deducted at Source Rs. Nil Lacs; Previous Year : Rs. 0.80 Lacs).		682.39		43.33
4. Dividend - Non Trade Investments		17.93		14.23
5. Dividend - Mutual Funds		40.80		68.23
6. Profit on Sale / Redemption of Investments				
a) Long Term Non Trade Quoted Shares		-		133.13
b) Mutual Funds		678.50		549.91
7. Foreign Currency Fluctuation Gain		422.73		1,345.38
8. Miscellaneous Receipts		931.26		868.54
Total		3,346.40		3,559.52



Schedules forming part of the Consolidated Profit And Loss Account

Schedule 10

(Rs. in Lacs)

MANUFACTURING AND OTHER EXPENSES		Year ended 31.03.2011		Year ended 31.03.2010	
1.	RAW MATERIALS CONSUMED (including use of gas for primary reformer heating)		71,979.41		51,823.05
2.	MATERIAL HANDLING CHARGES		258.74		170.87
3.	PURCHASES OF GOODS TRADED		23,780.20		26,690.88
4.	PACKING MATERIAL CONSUMED		2,272.47		1,871.56
5.	EMPLOYEES' EMOLUMENTS				
	(a) Salaries, Wages & Allowances	8,963.63		7,673.76	
	(b) Contribution to Provident, Superannuation and Gratuity Funds	1,216.91		793.08	
	(c) Welfare and other Amenities	788.00	10,968.54	649.77	9,116.61
6.	OPERATING AND OTHER EXPENSES				
	(a) Power, Fuel and Water	2,167.86		1,886.82	
	(b) Stores, Spares, Oil, Chemicals & Catalysts Consumed	2,585.45		2,156.00	
	(c) Repairs to:				
	(i) Buildings	385.21		307.13	
	(ii) Plant & Machinery	2,617.35		2,663.05	
	(iii) Others	661.08		533.82	
	(d) Insurance	714.19		597.91	
	(e) Rent	329.47		345.64	
	(f) Rates, Taxes and Duties	528.02		403.87	
	(g) Directors' Sitting fees	12.99		8.77	
	(h) Auditors' Remuneration	57.81		63.45	
	(i) Carriage Outward (net)	2,232.71		1,589.01	
	(j) Cash Discounts	92.50		94.21	
	(k) Provision for diminution in the value of investments				
	Loss on Sale of Investments - Bonds	399.04		-	
	Less: Loss shared by Govt. [Refer Note 12]	(199.52)		-	
	Loss incurred during the year	199.52		-	
	Less: Provision for diminution / write back on bonds	(525.18)		337.11	
	Total	(325.66)		337.11	
	Add: Provision in diminution in the value of other investments	1.57		(10.88)	
	Net Provision / write back towards diminution	(324.09)		326.23	
(l)	Miscellaneous Expenses	4,955.15	17,015.70	3,634.07	14,609.98
	Total		1,26,275.06		1,04,282.95

Schedule 11

(Rs. in Lacs)

INVENTORY ADJUSTMENTS		Year ended 31.03.2011		Year ended 31.03.2010	
1.	Opening Stock of Finished Goods		3,208.20		2,651.28
2.	Closing Stock of Finished Goods		2,809.90		3,208.20
3.	(Increase) / Decrease in Excise Duty on Stock of Finished Goods		10.10		0.28
	(Increase) / Decrease		408.40		(556.64)

Schedule 12

(Rs. in Lacs)

INTEREST AND OTHER FINANCIAL CHARGES		Year ended 31.03.2011		Year ended 31.03.2010	
1.	Interest on Loans *		3,990.23		3,800.19
2.	Interest - Others		267.34		503.97
3.	Other Financial Charges*		134.20		334.07
	Total		4,391.77		4,638.23

* Excluding amount capitalised Rs. 1,709.14 Lacs (Previous Year : Rs. 1,290.24 Lacs)



Schedule 13

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

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

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.

2. PRINCIPLES OF CONSOLIDATION

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period not exceeding 10 years beginning first full year of operation under consolidation.
- Minority Interests' share of the net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority interests' share of net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the shareholders of the Company.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Variation in the respective accounting policies is given effect to in the consolidated financial statement only if the impact is significant.
- The Company follows non-integral basis for translation of foreign currency transactions in respect of its subsidiary, Deepak Nitrochem Pty. Ltd. registered in Australia.

3. (a) Company holds certain rights in immoveable 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 (AS)-10 on "Fixed Assets". Accordingly the requirements of Accounting Standard (AS) 13 on Accounting for Investments and Accounting Standard (AS) 23 Accounting for Investments in Associates in consolidated financial statements are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.
- (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 (AS) 23. However, since these companies have not commenced the commercial operations as on 31st March, 2011, 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.

4. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

B) REVENUE RECOGNITION

- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from FICC/Ministry of Agriculture/Ministry of Fertilisers.
- Grants and subsidies from the government are recognized 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 N₂O reduction in its Nitric Acid plant are recognized 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 recognized as and when it is received for the value of the certificate.
- Rental income from realty business is recognized based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognized 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). 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 capitalized as per the Accounting Standard 11 as amended by the Notification No G.S.R.225 (E) dated 31.03.09.
- 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 31st March, 2011, has been provided prospectively over the residual useful life of the assets.
- Machinery Spares other than those required for regular maintenance are capitalised as per Accounting Standard (AS)-10 on "Fixed Assets" and depreciated over remaining useful life of the related machinery/equipments. Costs of such spares are charged to Profit and Loss Account when issued for actual use at written down value.
- Cost of Fixed Assets, ownership of which does not vest with the Company, is amortised over a period of 60 months.
- Intangible assets are amortised over a period not exceeding 60 months except in the case of right to use of properties which are amortised over the effective useful life of such rights.
- Cost of Leasehold Land is amortised over the lease period.



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 Profit and Loss Account. However exchange differences, arising either on settlement or on translation, in case of borrowings used for acquisition of Fixed Assets are capitalised.
- The Company 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 Profit and Loss Account. For this purpose, the net effect of all the related streams of cash flows are taken in to consideration.

I) EMPLOYEE BENEFITS

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.
- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.
- The Company has a Superannuation Plan for its executives - a defined contribution plan. The Company makes annual contributions at 15% of the covered employees' salary. The plan is managed by a trust and fund is invested with Life Insurance Corporation of India under its Group Superannuation Scheme. The contributions



as specified under the trust deed are paid to the Life Insurance Corporation of India. The Company is liable for annual contributions and recognises such contributions as an expense of the year in which the liability is incurred.

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

J) BORROWING COST

- Borrowing cost on working capital is charged against the profit/loss for year in which it is incurred.
- Borrowing costs that are attributable to the construction/acquisition of fixed assets are capitalised as a part of the cost of these capitalised assets till the date of completion of physical construction/mechanical completion of the assets.
- Borrowing costs that are attributable to the development/acquisition of intangible asset are capitalised till the date of use.

K) PRIOR PERIOD ITEMS

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

L) CONTINGENT LIABILITIES

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

M) TAXES ON INCOME

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

5. On acquisition of shares from Smartchem Technologies Limited (STL), STL had become a subsidiary of the Company effective 9-12-2003. While consolidating accounts for the period, Company had followed test of impairment in respect of goodwill. From the FY 2004-05, being first full year of operation for the consolidation, Company has decided to amortise goodwill over a period of 10 years. Accordingly an amount of Rs. 511.58 Lacs has been charged to Profit and Loss Account of consolidated financial statements.
6. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.5,495.09 Lacs (Previous Year: Rs. 10,092.26 Lacs).
7. The following liabilities are classified and considered contingent due to contested claims and legal disputes:
 - Claims by Suppliers: Rs. 5,963.81 Lacs (Previous Year : Rs. 5,825.04 Lacs)
 - Other Claims: Rs. 0.40 Lacs (Previous Year : Rs. 0.40 Lacs)

Taxes & Duties

 - Income Tax demands: Rs. 1,164.16 Lacs (Previous Year : Rs. 1,165.22 Lacs)
 - Excise demands: Rs. 1,592.00 Lacs (Previous Year : Rs. 937.97 Lacs)
 - Sales Tax / VAT demands: Rs. 1,704.42 Lacs (Previous Year : Rs. 751.75 Lacs)



8. The following foreign currency transactions remain outstanding as at 31st March, 2011:

A) Un-hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,00,00,000	70,00,000
Buyers' Credit	US \$	1,38,29,615	Nil
Imports	US \$	7,02,220	1,88,929
	EUR	Nil	2,67,702
Export	US \$	5,75,177	10,56,331
	EUR	Nil	1,79,924
	GBP	Nil	1,53,204

B) Hedged Exposure

Nature	Currency	Current Year	Previous Year
ECB Loan	US \$	2,50,00,000	1,00,00,000
Buyers' Credit	US \$	1,20,75,000	1,58,01,544
Imports	US \$	4,29,700	NIL

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

10. Exceptional items represent:

- Amortisation of VRS Compensation paid Rs. Nil Lacs (Previous Year : Rs. 54.98 Lacs).
- Gains arising on transfer of rights in unusable surplus land amounting Rs. Nil Lacs (Previous Year : 3,551.80 Lacs).
- Cost of assets discarded or in the process of being discarded under restructuring of the real estate business Rs. 338.09 Lacs (Previous Year : Rs. 992.46 Lacs).

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

Sr. No.	Particulars	Rs. in Lacs	Rs. in Lacs
A.	Manufacturing and Other Expenses		
1.	Raw Materials Consumed	767.09	
2.	Packing Materials Consumed	21.75	
3.	Employee Emoluments	158.94	
4.	Power and Water	130.42	
5.	Stores, Spares, Oil and 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	1,227.40
B.	Less: Realisations		1,040.30
C.	Net Expenses		187.10

12. The Company has sold part of the Fertiliser Bonds (issued in lieu of fertiliser subsidy) pursuant to the decision of Government of India to buy back outstanding bonds in two tranches in 2010-11 and 2011-12 at a price to be decided later and compensate the Company atleast 50% of the loss incurred on such sale. Accordingly, the Company has accounted for the loss of Rs. 199.52 Lacs (net of 50% compensation receivable from Government of India) and the same has been shown under operating and other expenses. Consequently the provision towards Mark to Market loss made earlier on such bonds amounting to Rs. 525.18 Lacs has been reversed and shown under Operating and other expenses.

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

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

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



16. Defined Benefit Plans - As per actuarial valuation as on 31st March, 2011

(Rs. in Lacs)

Sr No.	Particulars	Gratuity Benefits		Compensated Absences	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
1.	Components of employer expenses				
	Current service cost	171.66	109.10	104.78	61.59
	Past Service Cost	3.21	-	N.A.	N.A.
	Interest cost	142.20	128.21	49.83	46.56
	Expected return on plan assets	(126.86)	(103.69)	N.A.	N.A.
	Actuarial losses	367.29	95.50	289.41	136.33
	Total expenses recognised in the Profit and Loss Account	557.50	229.12	444.02	244.48
2.	Actual contribution and benefits paid during the year				
	Actual benefits paid	127.50	94.27	168.73	119.33
	Actual contribution	217.48	188.03	N.A.	N.A.
3.	Net asset/(liability) recognised in the Balance Sheet as on 31st March, 2011				
	Present Value of Defined Benefit Obligation (DBO)	(2,412.60)	(1,841.27)	(982.41)	(707.12)
	Fair value of plan assets	1,539.26	1,301.16	N.A.	N.A.
	Net asset/(liability) recognised in the Balance Sheet	(873.34)	(540.11)	(982.41)	(707.12)
4.	Change in DBO during the year ended 31st March, 2011				
	Present Value of DBO at beginning of year	1,841.27	1,602.73	707.12	581.97
	Current Service cost	171.66	109.10	104.78	61.59
	Past Service Cost	3.21	-	-	-
	Interest cost	142.20	128.21	49.83	46.56
	Actuarial losses	381.76	95.50	289.41	136.33
	Benefits paid	(127.50)	(94.27)	(168.73)	(119.33)
	Present Value of DBO at the end of year	2,412.60	1,841.27	982.41	707.12
5.	Change in Fair Value of Assets during the year ended 31st March, 2011				
	Plan assets at beginning of year	1,301.16	1,103.05	NA	NA
	Actual return on plan assets	126.86	103.69	NA	NA
	Actual Company contributions	217.48	188.03	NA	NA
	Actuarial losses on Plan Assets	14.47	-	NA	NA
	Benefits paid	(120.71)	(93.61)	NA	NA
	Plan assets at the end of year	1,539.26	1,301.16	NA	NA
6.	Actuarial Assumptions				
	Discount Rate	8.30%	8.00%	8.30%	8.00%
	Expected Return on plan assets	9.40%	9.40%	NA	NA
	Salary escalation	5.00%	5.00%	5.00%	5.00%

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



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

(Rs. In Lacs)

Sr. No.	Particulars	Opening Balance as on 01-04-2010	Net increase/ (decrease) during the Year	Closing Balance as on 31-03-2011
A.	Deferred Tax Liabilities			
1.	Timing Difference on account of depreciation	7,501.93	2,016.52	9,518.45
2.	Others	84.94	(1.97)	82.97
	Total A	7,586.87	2,014.55	9,601.42
B.	Deferred Tax Assets			
1.	Provision for Doubtful Debts/Loans & Advances	416.29	(93.06)	323.23
2.	Accrued expenses deductible on actual payment/quantification	586.74	303.28	890.02
	Total B	1,003.03	210.22	1,213.25
	Net Tax effect of Timing Difference (A-B)	6,583.84	1,804.33	8,388.17

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

	2010-11	2009-10
(i) Net Profit After Tax (Rs. in Lacs)	18,752.09	16,525.45
(ii) Number of Equity Shares of Rs. 10/- each	8,82,04,943	8,82,04,943
(iii) Basic and Diluted Earnings Per Share	21.26	18.74

19. Segment Reporting - Refer Annexure - A.

20. Related Party Disclosures - Refer Annexure - B.

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

As per our Report of even date

For B. K. KHARE & CO.
Chartered AccountantsC. K. MEHTA
ChairmanN. C. SINGHAL
DirectorDr. S. RAMA IYER
Director

SANTOSH PARAB

Partner

Firm's Registration No.: 105102W

Membership No.: 47942

S. C. MEHTA
Vice-Chairman & Managing DirectorS. R. WADHWA
Director

Mumbai

Dated 11th May, 2011

Mumbai

Dated 11th May, 2011

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



ANNEXURE-A

SEGMENT REPORTING

(Rs. in Lacs)

Sr. No.	PARTICULARS	CHEMICALS	FERTILISERS	REALTY	OTHERS	ELIMINATIONS	COMMON	TOTAL
1.	Revenue							
	a) External Sales							
	i) Produced	1,07,857.74	25,959.01	-	607.82	-	-	1,34,424.57
	<i>Previous Year</i>	85,777.45	15,349.06	-	737.11	-	-	1,01,863.62
	ii) Traded	-	26,885.92	-	-	-	-	26,885.92
	<i>Previous Year</i>	767.77	28,568.96	-	-	-	-	29,336.73
	b) Inter-segment sales	6,040.42	-	-	-	(6,040.42)	-	-
	<i>Previous Year</i>	2,791.16	-	-	-	(2,791.16)	-	-
	c) Other operating income	4.39	273.53	1,180.00	21.53	-	-	1,479.45
	<i>Previous Year</i>	41.41	289.12	1,398.88	-	-	-	1,729.41
	d) Unallocated Corporate other income	-	-	-	-	-	3,346.40	3,346.40
	<i>Previous Year</i>	-	-	-	-	-	3,559.52	3,559.52
	Total Revenue	1,13,902.55	53,118.46	1,180.00	629.35	(6,040.42)	3,346.40	1,66,136.34
	<i>Previous Year</i>	89,377.79	44,207.14	1,398.88	737.11	(2,791.16)	3,559.52	1,36,489.28
2.	Segment Result	32,719.51	3,164.60	(500.25)	272.61	-	3,346.40	39,002.87
	<i>Previous Year</i>	27,073.52	1,620.95	(387.96)	382.57	-	3,559.52	32,248.60
3.	Unallocated Corporate expenses	-	-	-	-	-	20,250.78	20,250.78
	<i>Previous Year</i>	-	-	-	-	-	15,723.15	15,723.15
4.	Net profit	-	-	-	-	-	-	18,752.09
	<i>Previous Year</i>	-	-	-	-	-	-	16,525.45
5.	Other Information							
	a) Segment Assets	1,28,667.28	18,464.82	26,290.95	3,971.80	-	-	1,77,394.85
	<i>Previous Year</i>	1,08,029.15	16,935.31	25,660.11	4,216.17	-	-	1,54,840.74
	Unallocated Corporate Assets	-	-	-	-	-	45,741.85	45,741.85
	<i>Previous Year</i>	-	-	-	-	-	40,804.38	40,804.38
	Total Assets	-	-	-	-	-	-	2,23,136.70
	<i>Previous Year</i>	-	-	-	-	-	-	1,95,645.12
	b) Segment Liabilities	10,398.01	3,132.46	2,220.44	-	-	-	15,750.91
	<i>Previous Year</i>	5,423.61	2,456.03	2,003.74	-	-	-	9,883.38
	Unallocated Corporate Liabilities	-	-	-	-	-	1,01,439.07	1,01,439.07
	<i>Previous Year</i>	-	-	-	-	-	93,365.08	93,365.08
	Total Liabilities	-	-	-	-	-	-	1,17,189.98
	<i>Previous Year</i>	-	-	-	-	-	-	1,03,248.46
	c) Capital Expenditure incurred during the year	13,967.66	1,379.68	2,395.15	-	-	435.74	18,178.23
	<i>Previous Year</i>	26,974.99	641.79	617.79	-	-	1,856.94	30,091.51
	d) Depreciation / Amortisation	5,820.99	764.25	793.00	245.49	-	247.78	7,871.51
	<i>Previous Year</i>	5,194.73	689.01	797.82	245.49	-	209.14	7,136.19
	e) Other non-cash expenditure	-	-	-	-	-	-	-
	<i>Previous Year</i>	-	-	-	-	-	-	-

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, DNA, CNA, CO ₂ , TAN, IPA, Propane, Bulk and Speciality Chemicals
b) Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Seeds, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits and Vegetables
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

C. K. MEHTA
Chairman

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 11th May, 2011

Mumbai

Dated 11th May, 2011

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



ANNEXURE – B

1. NAMES OF THE RELATED PARTIES AND RELATIONSHIP (CONSOLIDATED)

A. ASSOCIATES

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

B. KEY MANAGEMENT PERSONNEL

1. Shri S. C. Mehta
2. Shri S. Raja Reddy

2. RELATED PARTY TRANSACTIONS

(Rs. in Lacs)

Sr. No.	Nature of Transactions	Current Year			Previous Year		
		Associates	Key Management Personnel	Total	Associates	Key Management Personnel	Total
1.	Sale of Goods	2,774.25	-	2,774.25	2,202.56	-	2,202.56
2.	Purchase of Goods	-	-	-	0.65	-	0.65
3.	Donation Given	185.00	-	185.00	130.00	-	130.00
4.	Rendering of Services	5.10	-	5.10	6.03	-	6.03
5.	Receiving of Services	78.25	900.06	978.31	75.19	777.10	852.29
6.	Leasing or Hire Purchase arrangements	24.55	(9.00)	15.55	24.55	(9.00)	15.55
7.	Purchase of Equity Shares	-	-	-	10.00	-	10.00
8.	Redemption of Preference Shares	-	-	-	-	-	-
9.	Sale of Fixed Asset	-	-	-	-	-	-
10.	Interest Received	-	-	-	-	-	-
11.	Dividend Received	-	-	-	-	-	-
12.	Dividend Paid	805.74	773.61	1,579.35	716.22	687.67	1,403.89
13.	Balance Receivable/(Payable)	(694.03)	(580.15)	(1,274.18)	302.16	(472.23)	(170.07)
	Less: Provision for Receivable/(Payable)	-	-	-	-	-	-
	Net Outstanding Receivable/(Payable)	(694.03)	(580.15)	(1,274.18)	302.16	(472.23)	(170.07)

**3. NAMES OF THE RELATED PARTIES FOR VALUE EXCEEDING 10% OF THE TRANSACTIONS****(Rs. in Lacs)**

Sr. No.	Nature of Transactions	Associates	Key Management Personnel
1.	Sale of Goods		
	Deepak Nitrite Limited	2,774.25	-
2.	Donation Given		
	Ishanya Foundation	185.00	-
3.	Rendering of Services		
	Ishanya Foundation	1.65	-
	Deepak Nitrite Ltd.	3.45	-
4.	Receiving of Services		
	Yerrowda Investments Limited	78.25	-
	Shri S. C. Mehta (Remuneration)	-	119.37
	Shri S. C. Mehta (Commission)	-	780.15
5.	Leasing or Hire Purchase arrangements		
	Deepak Nitrite Ltd.	24.55	-
	Shri S. C. Mehta	-	(9.00)
6.	Dividend Paid		
	Nova Synthetic Ltd.	748.95	-
	Shri S. C. Mehta	-	773.61
7.	Balance Receivable/(Payable)		
	Deepak Nitrite Limited	(694.03)	-
	Shri S. C. Mehta	-	(580.15)

As per our Report of even date

For B. K. KHARE & CO.
Chartered AccountantsC. K. MEHTA
ChairmanN. 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 11th May, 2011Mumbai
Dated 11th May, 2011R. SRIRAMAN
Sr. Vice-President (Legal) &
Company Secretary



Financials at a glance

(Rs. in crores)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Equity Capital	88.20	88.20	88.20	88.20	88.20
Net Worth	1,066.12	930.40	802.56	697.60	633.59
Gross Block (Inclusive of CWIP)	1,947.58	1,763.52	1,509.46	1,395.32	1,180.81
Income from Operations	1,564.82	1,287.98	1,412.10	1,059.91	844.42
Operating Profit	381.97	323.41	308.21	214.93	179.96
Profit Before Tax	261.47	237.78	212.00	151.51	128.39
Profit After Tax	186.62	172.05	148.70	100.27	92.93
Earnings Per Share (Rs.)	21.16	19.51	16.86	11.37	10.54
Dividend	50%	45%	40%	35%	30%
Dividend Payout	27.47%	25.91%	25.57%	36.02%	33.32%
Long Term Debt-Equity Ratio*	0.62	0.65	0.47	0.28	0.40
Net Profit margin	12.04%	13.54%	10.71%	9.63%	11.15%
Return on Net Worth	18.69%	19.86%	19.83%	15.06%	15.43%

* Excluding Deferred Tax Liability



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