



SMARTCHEM TECHNOLOGIES LIMITED

CIN: U67120AP1987PLC039114

27th Annual Report

2013-14

Board of Directors

Shri S. C. Mehta
Dr. T. K. Chatterjee
Shri S. R. Wadhwa
Shri R. Sriraman
Shri M. P. Shinde

Manager

Shri Bhaskar Pai (Upto 22nd March 2014)

Company Secretary

Shri Nandan Shah

Bankers

State Bank of India
Axis Bank Limited

Auditors

Deloitte Haskins & Sells LLP

Registered Office & Plant

Village Ponnada,
Etcherla Mandalam,
Srikakulam,
Andhra Pradesh – 532 408.
Tel : 08942 – 271391, 270726
Fax: 08942 - 271392.

Bhagwati Division

Village Khattalwada,
Sanjan (Western Railway),
Taluka Umbergaon,
Dist. Valsad, Gujarat – 396 120

Corporate Office

Deepak Complex,
Opp. Golf Course,
Shastri Nagar, Yerawada,
Pune – 411 006.
Tel : 020 - 6645 8000
Fax : 020 - 2668 3722

NOTICE

NOTICE is hereby given that Twenty Seventh Annual General Meeting of the members of SMARTCHEM TECHNOLOGIES LIMITED will be held on Monday, 23rd June, 2014 at 11.00 a.m. at the Registered Office of the Company at Village – Ponnada, via Bonthalakoduru, Srikakulam, Andhra Pradesh 532 408 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the financial year ended 31st March 2014 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Shri. R. Sriraman (DIN: 00228061), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors for a period of 5 (Five) years commencing from conclusion of this Meeting until the conclusion of Thirty Second Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To appoint Shri S. R. Wadhwa as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri S. R. Wadhwa (DIN:00228201), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 3 (Three) consecutive years for a term up to the Annual General Meeting for the Financial Year 2016-17 or 22nd June, 2017 whichever is earlier."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT, in supersession of earlier resolution passed by the Members at the Annual General Meeting of the Company held on 11th April, 2000 and pursuant to the provisions to Section 180 (1) (c) of the Companies Act, 2013 and any other applicable provisions, if any, of Companies Act, 2013 (including any statutory modification(s) or

re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 100 Crore (Rupees One Hundred Crore only) over and above the aggregate of the paid-up Capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

***RESOLVED THAT** in supersession of earlier resolution passed by the Members at the Annual General Meeting of the Company held on 11th April, 2000, and pursuant to the provisions to Section 180 (1) (a) of the Companies Act, 2013 and any other applicable provisions, if any, of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s) to mortgage / charge / hypothecate / encumber any of its movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage / charge / hypothecate / encumber, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institutions(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs.100 Crore (Rupees One Hundred Crore only) over and above the aggregate of the paid-up Capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company.

RESOLVED FURTHER THAT mortgage / charge / hypothecate / encumber to be created by the Company aforesaid may rank prior / pari-passu / subservient with/to the mortgage / charge / hypothecation / encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt relating thereto that may arise in regard to creating mortgage / charge as aforesaid."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

***RESOLVED THAT**, in supersession of earlier resolution passed by the Members at the Extra Ordinary General Meeting of the Company held on 19th November, 2007 and pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with its Rules thereof and any other applicable laws for the time being in force, the consent of the Members be and is hereby accorded to Board of Directors to give any loan to person(s) or other bodies corporate or give any guarantee or provide security in connection with a loan to any other bodies corporate or person(s), acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate, upto Rs. 80 Crores (Rupees Eighty Crores only) over and above the statutory limits prescribed under Section 186 of the Companies Act, 2013."

By the order of the Board of Directors,



Nandan Shah
Company Secretary

Place: Mumbai

Date: 14th May, 2014

Registered Office:

Village – Ponnada, Via Bonthalakoduru
Srikakulam

Andhra Pradesh – 532 408

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. An Explanatory Statement as required by Section 102 of the Companies Act, 2013 in respect of Special Business as set out above is annexed hereto.
3. The dividend, if declared, will be paid to those members whose names appear on the register of members as on 23rd June, 2014 being the Record Date to determine entitlement of members to attend and vote at the AGM and for payment of dividend, if any.
4. Members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number.

Annexure to the Notice

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

Item No. 5

Section 149 of Companies Act, 2013 provides that Independent Directors shall hold office for a term upto 5 (Five) consecutive years. The Board of Directors has decided to appoint Shri S.R. Wadhwa as Independent Director for a term of 3 (Three) consecutive years.

Further, pursuant to the provisions of Section 149 of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Therefore, considering the provisions of Companies Act, 2013, Shri S.R. Wadhwa shall not be liable to retire by rotation.

Copy of the draft letter to be issued to Shri S.R. Wadhwa as Independent Director setting out the terms and conditions are available for inspection by Members at the Registered Office between 10.30 a.m. and 01.00 p.m. on all working days of the Company upto and including the day of the Meeting. The Board is of the opinion that Shri S.R. Wadhwa possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have his association with the Company as director.

Further, in the opinion of the Board, the proposed appointment of Shri S.R. Wadhwa as Independent Director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Shri S.R. Wadhwa as Independent Director is independent of the management.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except Shri S.R. Wadhwa and his relatives.

Item No. 6

The Members of the Company at the Extraordinary General Meeting held on 11th April, 2000, had, by Ordinary Resolution, delegated the powers to the Board of Directors of the Company to borrow for the purpose of the business of the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), an amount not exceeding Rs. 100 Crore (Rupees One Hundred Crore only) over and above the aggregate of the paid-up capital and free reserves of the Company.

Pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 approval of Members of the Company is required by special resolution for borrowing any amount over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose).

In view of the above, your Directors recommend to the Members to pass a special resolution under the provisions of Section 180 (1) (c) of the Companies Act, 2013 so as to enable the Board of Directors of the Company to borrow an amount within overall limit, as and when necessary.

None of the Directors / Key Managerial Personnel or their relatives is/ are in any way concerned or interested, in passing the above mentioned resolution, except to the extent of their shareholding in the Company.

Item No. 7

As the Members may be aware, the borrowings of the Company are in general required to be secured by mortgages / charges / hypothecation or encumbrances on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be stipulated by the Lender(s) and accepted by the Board of Directors of the Company from time to time.

The mortgages and / or charges by the Company of its movable and immovable properties and/ or the whole or any part of the undertaking(s) of the Company in favour of the Bank(s) or Financial Institutions(s) or Body(ies) Corporate or Person(s), with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180 (1)(a) of the Companies Act, 2013.

In view of the above, your Directors recommend to the Members to pass a special resolution under the provisions of Section 180 (1)(a) of the Companies Act, 2013 so as to enable the Board of Directors of the Company to create a mortgage and/ or charge for securing the borrowing of the Company, as and when necessary.

None of the Directors / Key Managerial Personnel or their relatives is/ are in any way concerned or interested, in passing the above mentioned resolution, except to the extent of their shareholding in the Company.

Item No. 8

The Members of the Company have at the Extraordinary General Meeting held on 19th November, 2007, approved the investment of the Company's surplus funds in various money market instruments like inter corporate loans, shares of other companies, deposits, mutual funds etc. in excess of the statutory limits subject to a maximum limit of Rs. 60 Crore. The Board is of the opinion in view of the proposed expansion plans of the Company, the Company may need to invest in excess of aforesaid limit of Rs. 60 Crore. Hence, it is necessary under Section 186 of the Companies Act, 2013 to seek Members approval for increase in the said investment limit to Rs. 80 Crores over and above the statutory limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel or their relatives is/ are in any way concerned or interested, in passing the above mentioned resolution, except to the extent of their shareholding in the Company.

By the order of the Board of Directors,



Nandan Shah
Company Secretary

Place: Mumbai
Date: 14th May, 2014

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2014.

FINANCIAL RESULTS

The summarised financial results are as under:

<u>Financial Year</u>	<u>2013-14</u>	<u>2012-13</u>
		(Rupees in Lacs)
Income (Gross)	11,037.39	6,396.02
Profit Before Tax (PBT)	1234.71	7.22
Less:		
a) Provision for Income Tax	448.00	7.00
b) Provision for Deferred Tax	(57.61)	(5.21)
c) Provision for Fringe Benefit Tax		-
Profit After Tax (PAT)	844.32	5.43
Add: Balance brought forward	893.84	1,005.94
Less: Transfer to Capital Redemption Reserve	-	-
Profit available for appropriation	1738.16	1,011.37
Appropriations:		
- Transfer to General Reserve	84.43	0.54
- Proposed Dividend on Pref. Shares	-	-
- Proposed Dividend on Equity Shares	250.00	100.00
- Corporate Dividend Tax	42.49	16.99
Surplus carried to Balance Sheet	1,361.24	893.84

DIVIDEND

Considering the performance of the Company, your Directors recommend dividend @ 250% i.e. Rs.25/- per equity share on 10,00,000 Equity Shares of Rs. 10/- each for the year ended 31st March, 2014 to be paid out of profits of the current financial year of the Company. The proposed

Equity Dividend (including Corporate Dividend Tax) will absorb Rs. 292.49 Lacs (including Corporate Dividend Tax of Rs. 42.49 Lacs).

OPERATIONS AND FUTURE OUTLOOK

During the year under review, your Company has achieved Gross Income of Rs. 11,037.39 Lacs as against Rs. 6,396.02 Lacs for the previous year. Total production of Ammonium Nitrate during the year under review increased to 34,520 MT as compared to 20,389 MT in the previous year. Similarly, the total production of Weak Nitric Acid (on 60% basis) increased to 53,400 MT as compared to 33,262 MT in the previous year. At Srikakulam Plant, capacity utilisation of Ammonium Nitrate was 107% and that of Weak Nitric Acid at 99%.

Your Company has embarked on various measures for energy conservation and for productivity improvement. This should lead to higher productivity and cost reduction.

The Ammonia sourcing is a challenge for which company is attempting to tie up sourcing of ammonia from the local suppliers.

DIRECTORS

The Companies Act, 2013 provides that independent directors shall not be liable to retire by rotation. Accordingly, Shri S. R. Wadhwa independent director of your Company shall not retire by rotation pursuant to the provisions of Section 149 of Companies Act, 2013 and is proposed to be appointed for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 22nd June, 2017 whichever is earlier.

Shri. R. Sriraman retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of Companies Act, 2013 and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

During the year under review, six Audit Committee meetings were held on 4th April 2013, 30th May, 2013, 21st July, 2013, 23rd October, 2013, 19th December, 2013 and 28th January, 2014.

As on date, the Audit Committee consists of the following Directors:

1. Dr. T. K. Chatterjee
2. Shri S. R. Wadhwa
3. Shri R. Sriraman

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Companies Act, 2013 mandates the constitution of Corporate Social Responsibility (CSR) Committee by certain Companies. Accordingly, the Company has constituted a CSR Committee at its board meeting held on 28th March, 2014.

The CSR Committee consists of the following Directors:

1. Shri. S. R. Wadhwa- Chairman
2. Shri R. Sriraman
3. Shri M. P. Shinde

CSR Committee shall formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013, recommend the amount of expenditure to be incurred on the activities referred to in CSR Policy of the Company, institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

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 judgments 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 as on 31st March, 2014 and of the Profit of the Company for the year ended on that date;
- 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.

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W), (the Firm), has been converted into a Limited Liability Partnership (LLP) with the name Deloitte Haskins & Sells LLP (ICAI Firm Registration No. 117366W/W-100018) pursuant to Section 58 of the Limited Liability Partnership Act, 2008 (LLP Act) with effect from 20th November 2013.

Deloitte Haskins & Sells, LLP, Chartered Accountants, Pune, the Statutory 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 2014-15 to 2018-19 will be within the limit prescribed under Section 141(3)(g) of the Companies Act, 2013. The Board of Directors commends their appointment.

COMPLIANCE CERTIFICATE

Pursuant to the proviso to sub-section (1) of Section 383A of the Companies Act, 1956, compliance certificate obtained from a secretary in whole-time practice has been enclosed with the report and forms part of the report.

PERSONNEL

During the year under review, there were no employees who were covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under report.

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 the Annexure forming part of this Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to its bankers for their continued support during the year.

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

For and on behalf of the Board of Directors,

Place: Mumbai
Date: 14th May, 2014


S. C. 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 in 2013-14.

- (A) Installed the Automatic Power Factor Controller (APFC) for the improvement in the Power factor from 0.96 to 1.00 and thereby to reduce the power consumption in plant operations.
- (B) Replaced about 15 no. of 250 W rating HPSV street lights & plant lights with 90 W rating LED lights, 8 no. of 125 W rating HPMV lights with 50 W rating LED lights and 7 no. of 400 W rating MH lights with 150 W rating LED lights.
- (C) Replaced the low efficient & higher maintenance pumps with new pumps having lower rating and high energy efficient motors for reducing power consumption.
- (D) Replaced a new instrument air compressor with 40 HP motor in place of old compressor with 60 HP motor for reducing the Power consumption.
- (E) Revamped the hot insulation for steam lines and condensate lines to reduce steam loses and there by utilizing the surplus steam for the evaporation of Vapor Process Condensate from AN plant to produce AN lumps.

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

- 1) Procured 6 no. of premium rating motors (93% efficiency) of Siemens make to replace the low energy efficient motors (80% efficiency) with a total cost of Rs. 1.78 Lakhs for reducing the power consumption.
- 2) Procured a new cooling water circulation pump with 200 Kw motor in place of 2 no. of old pumps with 132 Kw and 55 Kw motors which are consuming higher power with a total cost of Rs. 13.63 Lakhs for reducing the Power consumption.

Savings with the systems installed in FY 2013-14:

- 1) The APFC panel was commissioned during the year and the total savings in power consumption in FY 2013-14 was about Rs. 5.75 Lakhs. Further to it, the expected savings with the APFC installation in the FY 2014-15 would be about Rs. 26.67 Lakhs which will be of continuous and recurring savings in every year.
- 2) The LED lights were installed & commissioned during the year and with the installation of 30 no. of LED lights by replacing the conventional MV Lamps, the total savings in the year 2013-14 is about Rs. 0.5 Lacs. It is to be informed that, the expected savings with the LED lights installation in the FY 2014-15 would be about Rs. 1.00 Lacs which will be of continuous and recurring savings in every year.
- 3) The new pumps with new motors were commissioned during the year and the total energy savings were about 10.0 Kwh and total cost savings with the installation of 5 no. of new pumps with High energy efficient motors of 93% efficiency was about Rs. 1.0 Lakhs in FY 2013-14. Further to it, the expected savings in the FY 2014-15 are about Rs. 3.60 Lakhs which will be of continuous and recurring savings in every year.
- 4) The existing insulation system in the steam system was repaired to minimise the heat losses and also the flash steam generated from the 2 no. of steam condensate tanks is being scrubbed with DM water to recover the steam condensate for its utilisation as Boiler feed water. With these modifications, about 0.5 TPH of additional steam which is equivalent to about Rs. 24,000/- per day is being recovered and utilised for the evaporation of VPC from AN plant and there by to generate AN lumps as a by-product with a value of about Rs. 1500/- per day.

Savings with the systems proposed to install in FY 2014-15:

- 1) The new air compressor with refrigerated air dryer system will be commissioned in the year and the total power saving with the new compressor would be about 312 Kwh in a day and the total savings would be Rs. 50,000/- per Month.
- 2) The new Cooling water pump of 900 m³/hr capacity and 200 kw motor rating will be installed by June 2014 and the expected power saving with this installation would be about 583 kwh in a day and the total savings would be about Rs. 0.93 Lakhs/Month.
- 3) The VFD for FBC blower in AN plant will give a saving of about 20 kwh in 12 hours per day and the total savings would be Rs. 38,200/- per Month.
- 4) The VFD for DH compressor in AN plant will give a saving of about 20 kwh in 12 hours per day and the total savings would be Rs. 38,200/- per Month.

- 5) There would be a total savings of about Rs. 1.0 Lakh per year with the installation of 30 no. of LED lights in the plant.
- 6) The High energy efficient motors will be installed in the FY 2014-15 and the total expected power saving would be about 15-20 Kwh and the total savings would be about Rs. 57,250/- to 76,320/- per Month.
- (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

Power & Fuel Consumption	Units	Current Year 2013-14	Previous Year 2012-13
1. Electricity			
a) Purchased units From APEPDCL	'000 KWH	81,48.982	58,35.187
Total Amount	Rs. in Lacs	583.033	346.079
Rate per unit	(Rs. / KWH)	7.15	5.93
From TPTCL	'000 KWH	47,23.838	25,23.560
Total Amount	Rs. in Lacs	259.529	203.928
Rate per unit	(Rs. / KWH)	5.49	8.08
b) Own Generation from Diesel Generator sets.	KWH	21,044	23,351
2. Furnace Oil			
Quantity	KL	28.94	56.36
Total Amount	Rs. in Lacs	17.54	33.42
Average Rate	(Rs. / KL)	60.605	59.297

Power & Fuel Consumption	Units	Current Year 2013-14	Previous Year 2012-13
3. Light Diesel Oil			
Quantity	KL	NA	NA
Total Amount	Rs. in Lacs	NA	NA
Average Rate	(Rs. / KL)	NA	NA
4. High Speed Diesel Oil			
Quantity	KL	21.80	29.60
Total Amount	Rs. in Lacs	13.15	14.55
Average Rate	(Rs. / KL)	60.30	49.140

Consumption per unit of production

	Units	Current Year 2013-14	Previous Year 2012-13
1. Ammonium Nitrate			
Electricity	KWH / MT	125	145
Light Diesel Oil	KL/ MT	NA	NA
Furnace Oil	KL / MT	0.418	1.380
2. Weak Nitrate Acid			
Electricity	KWH / MT	251	275
Furnace Oil	KL / MT	0.271	0.847

B. TECHNOLOGY ABSORPTION

FORM B

Disclosure of particulars with respect to Absorption

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company	Nil
2. Benefits derived as a result of the above R&D	Nil
3. Future plan of action	Nil
4. Expenditure on R&D	
1. Capital	Nil
2. Recurring	Nil
3. Total	Nil
4. Total R&D Expenditure as a percentage of Total Turnover	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- i) Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation

NIL

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

NIL

- iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

NIL

(b) Total foreign exchange used and earned:

Particulars with regard to foreign exchange used and earned are set out in Note no. 26, to the accounts.

For and on behalf of the Board of Directors,

Place: Mumbai
Date: 14th May, 2014


S. C. MEHTA
CHAIRMAN



Sridhar G. Madalavi
M.Com. LL.B. F.C.S.

Company Secretary

22-A, Hanuman Nagar,
Off: Senapati Bapat Road,
Model Colony, Pune 411 016
Tel: 25655119

COMPLIANCE CERTIFICATE

[SEE RULE 3]

To,

The Members

SMARTCHEM TECHNOLOGIES LIMITED

Andhra Pradesh

CIN : U67120AP1987PLC039114

Nominal Capital : Rs. 250,000,000/-

Paid Up Capital : Rs. 10,000,000/-

I have examined the registers, records, books and papers of Smartchem Technologies Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.



3. The Company, being a Public Limited Company, comments is not required
4. The Board of Directors duly met 6 (Six) times on 04.04.2013, 30.05.2013, 21.07.2013, 23.10.2013, 28.01.2014 and 28.03.2014 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed in the financial year.
5. The Company was not required to close its register of Members or debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on March 31, 2013 was held on 25th June, 2013 after giving due notice to the member of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of Companies Act, 1956 or 185 of the Companies Act, 2013.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act, in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.



12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company
- (i) delivered all the certificates on lodgment thereof transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) has declared dividend and issued cheques on 27th June 2013 and no separate bank account was opened.
 - (iii) has paid the amount of dividend by issuing cheques and the same was cleared within thirty days of declaration of dividend.
 - (iv) was not required to transfer any amount to the Investor Education and Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or unclaimed for a period of Seven years.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointments of directors, additional directors have been duly made.
15. The Company has appointed manager after complying with the provisions of the Act, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.



19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2014.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.



29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered its articles of association during the financial year under review.
31. As informed to me there were no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any security from its employees during the financial year under review.
33. The Company has not deducted any contribution towards Provident Fund, as it does not have any scheme of provident fund, pursuant to section 418 of the Companies Act 1956.

Place: Pune
Date: 14.05.2014

Signature : 
Name of the Company Secretary: Sridhar G. Mudaliar
C. P. No. : 2664



ANNEXURE-A

Registers as maintained by the Smartchem Technologies Limited

Sr. No.	Register	Related Section
1.	Register of Members	150
2.	Books of Accounts	209
3.	Register of Contracts	301
4.	Register of directors, managing director, manager and secretary	303
5.	Minutes of Board of Meeting & General Meetings	193
6.	Register of Charges	123

Place: Pune
Date: 14.05.2014

Signature
Name of the Company Secretary: 
C.P. No. 2664




As regards compliance of section 209, I have relied on the report of Statutory Auditors of the Company. The said compliance is subject to comments mentioned in said Audit report & annexure there.

ANNEXURE-B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2014.

Sr. No.	Form No./ Return	Filed under Section/ Rule	Date of event	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	32	303,383A	04.04.2013	09.04.2013	Yes	NA
2.	29C	269	04.04.2013	18.04.2013	Yes	NA
3.	30B	159	26.06.2013	20.08.2013	Yes	NA
4.	32	303	25.06.2013	16.07.2013	Yes	NA
5.	23AC -XBRL &ACA- XBRL	220	31.03.2013	25.07.2013	Yes	NA
6.	66	383A	25.06.2013	25.07.2013	Yes	NA
7.	32	303	25.06.2013	31.09.2013	Yes	NA
8.	32	383A	28.01.2014	12.02.2014	Yes	NA

Place: Pune
Date: 14.05.2014

Signature: 
Name of the Company Secretary: Sridhar G. Modhkar
C.P. No: 2664



Deloitte Haskins & Sells LLP

Chartered Accountants
706, B' Wing, 7th Floor
ICC Trade Tower
International Convention Centre
Senapati Bapat Road
Pune - 411 016
Maharashtra, INDIA
Tel: +91 (20) 6624 4600
Fax: +91 (20) 6624 4605

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMARTCHEM TECHNOLOGIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SMARTCHEM TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Haskins & Sells LLP

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Hemant M. Joshi
(Partner
(Membership No. 38019)

PUNE, 14 MAY , 2014

Deloitte

Haskins & Sells LLP

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (vi), (xi), (xii), (xiii), (xiv), (xv), (xvi) (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a programme for physical verification of fixed assets whereby fixed assets are physically verified once every three years. In accordance with the said programme, no physical verification was planned/conducted in the current year and accordingly, the question of reporting on discrepancies on physical verification does not arise. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. The activities of the Company during the year did not involve sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

Deloitte Haskins & Sells LLP

- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- As explained to us, the Company was not required to deposit any amounts with the Investor Education and Protection Fund and the provisions of the Employees State Insurance Act, 1948 are not applicable to the Company for the year ended 31st March 2014.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Central Excise Act, 1944	Excise Demand	Central Excise and Service Tax Appellate Tribunal (CESTAT)	F.Y. 2002-03	1,377,723
Income Tax Act, 1961	Corporate tax	Income tax Appellate Tribunal	F.Y 2001-02	890,752

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- (x) The Company does not have any accumulated losses as at 31st March, 2014. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have *prima-facie*, not been used during the year for long-term investment.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Hemant M. Joshi
(Partner
(Membership No. 38019)

PUNE, 14 MAY ,2014

Balance Sheet as at

Particulars	Note No.	31-Mar-2014	31-Mar-2013
		Rupees	Rupees
I EQUITY AND LIABILITY			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	10,000,000	10,000,000
(b) Reserves and Surplus	3	401,428,434	358,105,461
		411,428,434	368,105,461
(2) Non Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	21,852,189	27,613,364
(b) Long Term Provisions	5	8,216,570	7,960,423
		30,068,759	35,573,787
(3) Current liabilities			
(a) Trade payables	6	48,065,522	69,880,246
(b) Other current liabilities	7	12,194,620	6,755,087
(c) Short term provisions	5	34,405,229	14,207,389
		94,665,372	90,842,722
TOTAL		536,162,565	494,521,970
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		207,353,251	223,907,581
(ii) Intangible Assets		1,143,767	996,264
(iii) Capital work-in-progress		4,084,968	41,193
		212,581,986	224,945,038
(b) Non Current Investments	9	367,770	367,770
(c) Long Term loans and advances	10	30,977,731	27,786,382
(d) Other Non Current Assets	11	5,226,557	4,819,434
		36,572,058	32,973,586
(2) Current Assets			
(a) Current Investments	12	-	45,000,000
(b) Inventories	13	66,032,218	65,481,086
(c) Trade Receivables	14	186,013,793	93,460,660
(d) Cash and cash equivalents	15	22,423,228	17,466,581
(e) Short Term Loans and advances	10	11,369,585	14,074,661
(f) Other Current Assets	11	1,169,697	1,120,358
		287,008,521	236,603,346
TOTAL		536,162,565	494,521,970
See accompanying notes forming part of the financial statements	1		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


For and on behalf of Board of Directors

Hemant M. Joshi
Partner

Pune
Date: 14 May 2014


S. C. Mehta
Director


R. Sriraman
Director


Nandan Shah
Company Secretary

Mumbai
Date: 14 May 2014

Statement of Profit and Loss for the year ended

Particulars	Note No.	31-Mar-2014	31-Mar-2013
		Rupees	Rupees
I Revenue from operations	16	976,990,910	559,847,812
II Other Income	17	5,833,602	10,673,177
III Total Revenue (I + II)		982,824,512	570,520,989
IV Expenses :			
Cost of Materials consumed	18	654,930,613	420,910,302
Changes in inventories of finished goods	19	(2,571,320)	(1,795,260)
Employee benefit expense	20	38,381,265	34,957,488
Finance cost	21	585,120	179,672
Depreciation and amortization expense	8	17,091,111	16,471,303
Other expenses	22	150,936,247	99,075,643
Total expenses		859,353,036	569,799,149
V Profit before tax (III- IV)		123,471,476	721,840
VI Tax expense:			
(1) Current tax		44,800,000	700,000
(2) Deferred tax		(5,761,175)	(520,862)
		39,038,825	179,138
VII Profit after tax		84,432,651	542,702
VIII Earnings per equity share (Refer Note 24):			
(1) Basic		84.43	0.54
(2) Diluted		84.43	0.54
(Face Value per share Rs. 10)			
See accompanying notes forming part of the financial statements	1		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Hemant M. Joshi
Partner

Pune
Date : 14 May 2014

For and on behalf of the Board of Directors


S. C. Mehta
Director


R. Sriraman
Director


Nandan Shah
Company Secretary

Mumbai
Date : 14 May 2014

7 NPS

Statement of Cash Flows for the year ended

Particulars	31 March 2014		31 March 2013	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Profit before tax		123,471,476		721,840
Depreciation and amortisation		17,091,111		16,471,303
(Profit) / loss on sale of fixed assets		352,202		53,771
Finance costs		585,120		179,672
Interest income		(1,358,191)		(1,407,084)
Dividend income		(1,952,786)		(3,938,916)
Wealth Tax provision		153,000		151,000
Net gain on sale of investments		(986,712)		(994,975)
Provision for doubtful		-		20,395
Liabilities / provisions no longer required written back		(21,659)		(1,775,937)
Operating profit before working capital changes		137,343,560		9,481,069
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories		(551,132)		(16,867,244)
Trade receivables		(92,553,133)		(31,114,196)
Short-term loans and advances		2,705,076		(827,451)
Long-term loans and advances		(1,515,139)		495,852
Other current assets		-		-
Other non-current assets		92,877		5,609
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		(21,793,064)		52,805,563
Other current liabilities		3,153,467		(3,811,636)
Short-term provisions		797,218		194,440
Long-term provisions		256,147		1,226,123
Cash generated from operations		27,935,877		11,658,129
Net Direct Taxes paid		(43,101,588)		(6,477,281)
Net cash flow (used in)/from operating activities (A)		(15,165,711)		5,180,848
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(16,341,333)		(3,488,726)
Proceeds from sale of fixed assets		-		1
Current investments not considered as Cash and cash equivalents				
- Purchase	(420,824,912)		(469,259,438)	
- Proceeds from sale	466,811,624	45,986,712	429,259,438	(40,000,000)
Interest received		1,308,852		1,166,986
Dividend received		1,952,786		3,938,916
Net cash flow (used in)/from investing activities (B)		32,907,017		(38,382,823)
C. Cash flow from financing activities				
Finance cost	(585,120)		(179,672)	
Dividend paid	(10,000,040)		(39,999,960)	
Dividend Distribution Tax Paid	(1,699,500)		(6,489,000)	
Net cash flow used in financing activities (C)		(12,284,660)		(46,668,632)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		5,456,648		(79,870,608)
Cash and cash equivalents at the beginning of the year		16,960,581		96,831,189
Cash and cash equivalents at the end of the year		22,417,228		16,960,581
		5,456,648		(79,870,608)
Cash and cash equivalents comprises of :				
		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
(a) Cash on hand		18,835	41,613	109,591
(b) Cheques, drafts on hand		-	-	43,422
(c) Balances with banks				
(i) In current accounts		7,646,715	11,599,664	4,156,529
(ii) In deposit accounts		14,751,678	5,319,304	92,521,647
Sub-total		22,417,228	16,960,581	96,831,189
Add: Deposits Under Lien		6,000	506,000	506,000
Cash and Cash Equivalents as per Note 15		22,423,228	17,466,581	97,337,189

For and on behalf of the Board of Directors

 In terms of our report attached
 For Deloitte Haskins & Sells LLP
 Chartered Accountants



Hemant M. Joshi
Partner

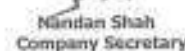
 Pune
 Date: 14 May 2014



S. C. Mehta
Director



R. Sriraman
Director



Nandan Shah
Company Secretary

 Mumbai
 Date: 14 May 2014

Note 1:

BACKGROUND & SIGNIFICANT ACCOUNTING POLICIES

I) BACKGROUND

Smartchem Technologies Limited (the Company) is engaged in the business of manufacturing and trading of Ammonium Nitrate and Weak Nitric Acid. The Company has two plants located at Srikakulam in the State of Andhra Pradesh and at Khattalwada in the state of Gujarat. Its corporate office is situated at Pune in the state of Maharashtra.

II) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act, 2013 Act, as applicable.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialise.

3. FIXED ASSETS

Fixed Assets are recorded at cost of acquisition or construction. All costs relating to the acquisition and installation of Fixed Assets are capitalized. They are stated at historical cost or other amounts substituted for historical cost, less accumulated depreciation, except leasehold land, which is carried at cost.

4. DEPRECIATION

Depreciation on fixed assets is provided for on straight-line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV to the Act.

Depreciation on fixed assets purchased/sold during the year is provided for on pro-rata basis according to the period for which assets are put to use. Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

The additional charge for depreciation on the increased value due to revaluation of assets is transferred from Revaluation Reserve to the Statement of Profit and Loss.

Intangible assets are amortised over a period of 4 years.

5. INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories comprises all costs of purchase (net of CENVAT), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis for Raw material, Packing material and Stores and spares. Work – in – progress is valued at raw material cost. Finished goods are valued by the absorption costing method. Goods-in-transit is carried at cost.

6. INVESTMENTS

All current investments are valued at cost or market value whichever is lower.

Long term investments are valued at cost. Provision is made for other than temporary diminution, if any, in the value of investments.

7. EMPLOYEE BENEFITS

(i) Defined contribution plans

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both 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 and charged to the Statement of Profit & Loss of the year based on the amount of contribution required to be made and when services are rendered by the employees.

(ii) Defined benefit plans

Leave Encashment

The Company provides for the encashment of leave subject to certain criteria. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each balance sheet date on the basis of an independent actuarial valuation.

Gratuity

The Company has an obligation towards Gratuity under the Payment of Gratuity Act, 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 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

In respect of eligible employees who are covered by LIC's Superannuation scheme, contribution is made based on the annual demand from LIC.

8. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated assets and liabilities (monetary items) are translated into Indian Rupees at the exchange rates prevailing on the Balance Sheet date and the resulting gain/loss is recorded in the Statement of Profit and Loss.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the period in which they arise.

9. REVENUE RECOGNITION

Revenue from goods sold is recognised on delivery of goods, when significant risks and rewards have been transferred and no effective ownership control is retained. Gross sales are inclusive of excise duty recovered and are net of sales tax, commission and discounts. Excise duty paid in respect of sales made during the year is, in accordance with Accounting Standards Interpretation (ASI) 14 – "Disclosure of Revenue from Sales Transactions" issued by the Institute of Chartered Accountants of India (ICAI), presented as a deduction from sales.

Revenue for services rendered is recognised on the basis of services rendered and billed to client based on contractual obligation.

Revenue is recognised where it is earned and no significant uncertainty exists as to its realisation or collection.

Interest is recognized on time proportion basis and dividend income from investments in shares is recognized when the owner's right to receive the payment is established.

10. INCOME TAX

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of the Income Tax Act, 1961.

The tax effect of timing differences that result between taxable income and accounting income originating in one period and are capable of reversal in one or more subsequent periods are recorded as deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax assets can be realised.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.

11. IMPAIRMENT OF ASSETS:

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

12. EARNINGS PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

13. CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company.

14. OPERATING LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as "Operating Leases" in accordance with Accounting Standard - 19 "Accounting for leases". Operating Lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term on straight line basis.

15. CONTINGENT LIABILITIES

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for –

- (a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- (b) Any present obligation that arises from past events because –
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is disclosed, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

16. BUSINESS SEGMENT:

The Company has considered the business segment as the primary segment for disclosure. The Company is engaged in the business of manufacturing and trading of Ammonium Nitrate and Weak Nitric Acid. These in the context of Accounting Standard 17 on segment reporting are considered to constitute one single primary segment.

Note 2
Share Capital

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Authorised		
7,000,000 (P.Y 7,000,000) Equity Shares of Rs. 10/- each	70,000,000	70,000,000
1,800,000 (P.Y. 1,800,000) 1% Cumulative Redeemable Preference shares of Rs. 100/- each	180,000,000	180,000,000
Issued, Subscribed & Paid up		
1,000,000 (P.Y 1,000,000) Equity Shares of Rs. 10/- each fully paidup	10,000,000	10,000,000
Total	10,000,000	10,000,000

Note 2 A
Reconciliation of number of Equity Shares outstanding at the beginning and end of the reporting period

Particulars	31-Mar-2014		31-Mar-2013	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

Out of above 999,994 Equity Shares (Previous Year 999,994) are held by Deepak Fertilisers and Petrochemicals Corporation Limited, the holding Company.

NOTE 2 B
Details of Shareholders holding more than 5% shares in the company

Name of Shareholder	31-Mar-2014		31-Mar-2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Deepak Fertilisers and Petrochemicals Corporation Limited	999,994	99.99%	999,994	99.99%

NOTE 3
Reserves & Surplus

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
a. Capital Redemption Reserve		
Opening Balance	180,000,000	180,000,000
(+) Transfer from Statement of Profit and Loss	-	-
(+) Transfer from General Reserve	-	-
Closing Balance	180,000,000	180,000,000
b. Revaluation Reserve		
Opening Balance	81,473,110	93,334,038
(+) Addition during the year	-	-
(-) Utilised for set off against depreciation	11,860,928	11,860,928
Closing Balance	69,612,182	81,473,110
c. General Reserve		
Opening Balance	7,249,300	7,195,000
(+) Transfer from Statement of Profit and Loss	8,443,300	54,300
(-) Transfer to Capital Redemption Reserve	-	-
Closing Balance	15,692,600	7,249,300
d. Surplus		
Opening balance	89,383,051	100,594,149
(+) Net Profit/(Loss) For the year	84,432,651	542,702
(-) Proposed Dividend on Equity shares (Rs.25 per share, (P.Y Rs.10 per share)	25,000,000	10,000,000
(-) Tax on Proposed Dividend	4,248,750	1,699,500
(-) Transfer to Capital Redemption Reserve	-	-
(-) Transfer to General Reserve	8,443,300	54,300
Closing Balance	136,123,652	89,383,051
Total	401,428,434	358,105,461

NOTE 4
Deferred Tax Liabilities (Net)

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Difference between book and tax depreciation	25,333,231	30,477,804
Deferred Tax Liability	25,333,231	30,477,804
Expenditure allowable on payment basis	3,474,110	2,857,508
Provision for Doubtful Debts	6,932	6,932
Deferred Tax Asset	3,481,042	2,864,440
Net Deferred Tax Liability	21,852,189	27,613,364

Note 5
Provisions

Particulars	Long Term Provisions		Short Term Provisions	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	Rupees	Rupees	Rupees	Rupees
(a) Provision for employee benefits				
Gratuity (unfunded) (Refer note 31)	6,225,433	6,038,903	916,845	266,026
Leave Encashment (unfunded)	1,991,137	1,923,520	321,165	174,766
	8,216,570	7,960,423	1,238,010	440,792
(b) Others				
Provision for Tax (Net of Advance Tax and TDS Rs.202,731,531/- (P.Y. Rs.159,629,943)	-	-	3,918,469	2,067,057
Provision for proposed equity dividend	-	-	25,000,000	10,000,040
Provision for tax on proposed dividend	-	-	4,248,750	1,699,500
	-	-	33,167,219	13,766,597
Total	8,216,570	7,960,423	34,405,229	14,207,389

Note 6
Trade Payables

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Trade payables (Other than acceptances)*	48,065,522	69,880,246
Total	48,065,522	69,880,246

*(Refer Note No.32 for details of MSMED Creditors)

NOTE 7
Other Current Liabilities

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Other Payables :-		
Advances from customers	2,726,843	1,070,598
Deposits and Earnest Money	1,506,034	1,502,303
Statutory Remittances (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	5,675,677	4,182,186
Payable on purchase of fixed assets	2,286,066	
Total	12,194,620	6,755,087

NOTE 9
Non Current Investments

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Investment in Equity Shares (Quoted) :-		
943 (P.Y 943) Equity shares of Punjab National Bank Limited of Rs. 10/- each fully paid up	367,770	367,770
	367,770	367,770
Market Value	701,498	676,980

NOTE 10
Loans and advances

Particulars	Long Term		Short Term	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	Rupees	Rupees	Rupees	Rupees
Unsecured, Considered good				
Capital Advances	2,150,390	474,180	-	-
Security Deposits	14,724,047	13,388,997	2,537,318	2,055,198
Advances to Employees	-	-	212,600	172,100
Advances to Suppliers	-	-	2,702,276	872,991
Mutual Fund Redemption Proceeds Receivable	-	-	-	5,994,975
Prepayments and Others	233,778	1,320	568,685	728,816
	17,108,215	13,864,497	6,020,879	9,824,080
Balances with Government Authorities				
Convat credit receivable	-	-	5,103,683	3,925,958
Deposit with customs	-	-	1,531	1,531
Service tax credit receivable	1,031	53,400	243,492	323,092
	1,031	53,400	5,348,706	4,250,581
Advance Payment of Taxes (Net of provisions Rs.185,339,330/- [P.Y. Rs. 185,339,330/-])	13,868,485	13,868,485	-	-
Total	30,977,731	27,786,382	11,369,585	14,074,661

Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01 April 2013	Additions	Disposals	Balance as at 31 March 2014	Upto 01 April 2013	Depreciation/ Amortisation charge for the year	Adjustment due to revaluations	On disposals	Upto 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a											
Tangible Assets											
Land											
- Freehold	8,686,569	-	-	8,686,569	-	-	-	-	-	8,686,569	8,686,569
- Leasehold	314,912	-	-	314,912	-	-	-	-	-	314,912	314,912
Buildings	28,722,035	6,371,200	-	35,093,235	13,037,261	918,012	-	-	13,955,273	21,137,962	15,684,774
Plant and Equipment (refer Note (f) below)	551,627,356	4,529,044	7,244,049	548,912,351	353,321,718	15,341,156	11,860,928	6,881,847	373,641,955	175,270,396	198,305,638
Furniture and Fixtures	394,864	-	-	394,864	373,238	6,587	-	-	379,825	15,039	21,626
Vehicles	581,393	550,000	-	1,131,393	362,077	97,571	-	-	459,648	671,745	219,316
Office equipment	2,412,594	772,660	-	3,185,254	1,737,848	190,778	-	-	1,928,626	1,256,628	674,746
Total	562,739,723	12,222,904	7,244,049	597,210,526	368,832,142	16,554,104	11,860,928	6,881,847	360,365,327	207,353,251	223,907,581
b											
Intangible Assets (Other than Internally generated)											
Computer Software	1,998,000	684,510	-	2,682,510	1,001,736	537,007	-	-	1,538,743	1,143,767	996,264
Total	1,998,000	684,510	-	2,682,510	1,001,736	537,007	-	-	1,538,743	1,143,767	996,264
Grand Total	564,737,723	12,907,414	7,244,049	600,401,088	369,833,878	17,091,111	11,860,928	6,881,847	391,904,070	208,497,018	224,903,845
Previous Year	502,453,071	12,585,774	(301,122)	504,737,723	341,748,997	16,471,303	11,860,928	(247,350)	369,833,878	224,903,845	240,704,074
c											
Capital Work In Progress	41,193	16,862,150	12,819,415	4,084,968	-	-	-	-	-	4,084,968	41,193

Note (f) On 1st April 2001, the company revalued Plant and Machinery at its Srikaliam Plant based on valuation report of Anand Sekhri and Associates, Chartered Engineers and Registered Valuers. The valuation was made on the basis of current replacement values of the Plant and Machinery. The gross block at 1st April 2001 has been increased by Rs.225,144,129/- by transferring a similar amount to Revaluation Reserve. Depreciation amounting to Rs.11,860,928/- for the year on the revalued amount has been charged to Statement of Profit and Loss and similar amount has been withdrawn from the Revaluation Reserve and credited to Statement of Profit and Loss.

NOTE 11
Other Non Current Assets/Other Current Assets

Particulars	Non Current		Current	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	Rupees	Rupees	Rupees	Rupees
Statutory Dues paid under Protest	5,219,434	4,819,434	-	-
Interest Accrued on Bank deposits	2,048	-	-	73,972
Interest Accrued Others	5,075	-	1,169,697	1,045,386
Total	5,226,557	4,819,434	1,169,697	1,120,358

NOTE 12
Current Investments

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Investment in Mutual Funds (Unquoted)		
1 JM High Liquidity Fund – growth (Nil (PY 626,056.47 units of Rs 31.98/- each)	-	20,000,000
2 Birla Sunlife Savings Fund – Growth (Nil (PY 89,467.925 Units of Rs 223.54/- each)	-	20,000,000
3 HDFC Top 200 Fund (Nil (PY 25,271.926 units of Rs.210.49/- each)	-	5,000,000
Total	-	45,000,000

NOTE 13
Inventories (At lower of cost and Net Realisable Value)

Particulars	31-Mar-2014		31-Mar-2013	
	Rupees	Rupees	Rupees	Rupees
a. Raw Materials and components	11,800,804		9,952,923	
Goods-in transit	8,976,682		17,557,971	
Sub total		20,777,486		27,510,894
b. Work-in-progress – AN Melt		377,123		1,368,837
c. Finished goods		5,881,552		2,992,410
d. Stores and spares		38,996,057		33,608,945
Grand Total		66,032,218		65,481,086

NOTE 14
Trade Receivables

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	3,501,752	433,914
Unsecured, considered doubtful	20,395	20,395
	3,522,147	454,309
Less: Provision for doubtful Trade Receivables	20,395	20,395
	3,501,752	433,914
Other Trade Receivables		
Unsecured, considered good	182,512,041	93,026,746
Total	186,013,793	93,460,660

NOTE 15
Cash and cash equivalents

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
a. Cash on hand	18,835	41,613
b. Balances with banks*		
i) In current account	7,646,715	11,599,664
ii) In deposit account	14,757,678	5,825,304
Total	22,423,228	17,466,581

* Balances with banks in deposit account includes margin money amounting to Rs.6,000/- (P.Y Rs. 505,000/-), which has an original maturity of more than 12 months.

NOTE 16
REVENUE FROM OPERATIONS

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Sale of Finished Goods (Refer Note 16A)	1,097,755,457	628,917,252
Less: Excise duty	(120,764,547)	(69,069,440)
Total	976,990,910	559,847,812

NOTE 16A
DETAILS OF FINISHED GOODS SOLD

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
- Ammonium Nitrate	1,004,528,093	558,929,103
- Weak Nitric Acid	93,227,364	69,988,149
Total	1,097,755,457	628,917,252

NOTE 17
Other Income

Particulars	31-Mar-2014	31-Mar-2013
	Rupees	Rupees
Interest Income – from bank deposit	188,494	222,258
- Others	1,169,697	1,184,826
Dividend Income – Current Investments	1,917,895	3,918,170
- Long term investments	34,891	20,746
Net gain on sale of current investments	986,712	994,975
Other non-operating income (Refer Note (i) below)	1,535,913	4,332,202
Total	5,833,602	10,673,177

(i) Other non operating income comprises:

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
Liabilities / provisions no longer required written back	21,659	1,775,937
Income from Services towards supply of	-	2,300,000
Miscellaneous Income	1,514,254	256,266
Total	1,535,913	4,332,202

NOTE 18
Cost of Materials consumed

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
Opening stock	26,926,686	13,774,639
Add: Purchases	648,781,413	434,062,349
Less: Closing stock	20,777,486	26,926,686
Cost of Materials Consumed (Refer Note 27)	654,930,613	420,910,302
Details of Principal Raw Materials Consumed		
Ammonia (CY 17,280.655 MTS (PY 10,657.440 MTS)	648,606,164	415,284,544
Other Materials	6,324,449	5,625,758
Total	654,930,613	420,910,302

NOTE 19

Changes in inventories of finished goods	31 March 2014	31 March 2013
	Rupees	Rupees
Stocks of Finished Goods as at 31st March 2013/ 2012	2,992,410	975,260
Stocks of Finished Goods as at 31st March 2014/ 2013	5,881,552	2,992,410
	(2,889,142)	(2,017,150)
(Decrease)/increase in Excise Duty on Stock of Finished Goods	317,822	221,890
(Increase)/Decrease	(2,571,320)	(1,795,260)

NOTE 20
Employee Benefits Expense

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
(a) Salaries and wages	33,165,663	29,961,713
(b) Contributions to Provident Fund	1,705,638	1,557,850
(c) Gratuity expense	1,250,826	1,563,251
(d) Staff welfare expenses	2,259,138	1,874,674
Total	38,381,265	34,957,488

NOTE 21
Finance Cost

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
Other Finance cost	585,120	179,672
Total	585,120	179,672

NOTE 22
Other Expenses

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
Packing Materials Consumed	11,217,254	5,955,943
Power & Fuel	87,632,232	59,016,159
Stores & Spares Consumed	11,468,049	8,320,085
Catalyst, Oils and Chemicals Consumed	10,200,360	4,552,252
Repairs to building	2,011,703	1,069,855
Repairs to machinery	2,202,289	1,609,859
Repairs to Others	897,163	500,977
Insurance	1,982,093	1,619,524
Rates & taxes	1,198,394	828,341
Legal & Professional Fees	1,767,811	1,752,830
Office Maintenance	67,436	33,980
Telephone & Internet Charges	425,210	529,845
Travelling Expense	1,590,699	1,088,487
Freight and Forwarding	10,568,340	5,222,349
Rent	83,250	245,373
Audit fees (Refer Note 23)	1,500,000	1,500,000
Bad debts written off	-	763,861
Provision for doubtful debts	-	20,395
Foreign Exchange Loss (net)	-	49,669
Loss on fixed assets scrapped	362,202	-
Miscellaneous Expenses	5,761,762	4,395,860
Total	150,936,247	99,075,643

Note 23

Particulars	31 March 2014	31 March 2013
	Rupees	Rupees
Payments to the auditor as		
a. auditor	600,000	600,000
b. for tax audit	100,000	100,000
c. for taxation matters	600,000	600,000
d. for other services	200,000	200,000
e. for reimbursement of expenses	-	-
Total	1,500,000	1,500,000

NOTE: 24
Earnings per Share (EPS):

Sr. No.	Particulars	31 March 2014	31 March 2013
a)	Profit after tax (Rs.)	84,432,651	542,702
b)	Less: Dividend on preference shares (including corporate dividend tax)	-	-
c)	Profit attributable to Equity Shareholders (Rs.)	84,432,651	542,702
d)	No. of Equity Shares outstanding during the year	1,000,000	1,000,000
e)	Nominal Value of Equity Shares (Rs.)	10/-	10/-
	Basic Earnings per Share (Rs.) (c/d)	84.43	0.54

Note: There is no dilution to the Basic EPS as there are no dilutive potential equity shares.

Note: 25
Related party disclosures:
Name of the related parties and description of relationship:

Holding Company	Deepak Fertilisers and Petrochemicals Corporation Limited
Fellow Subsidiary	Deepak Mining Services Private Limited
Key Management personnel	Mr. Bhaskar Pai – Manager (upto 22 March 2014)

Following are the transactions with related parties:

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Purchase of material & spares	92,456,577 (35,293,524)	- (-)	- (-)	92,456,577 (35,293,524)
Purchase of Fixed Assets	2,043,820 (-)			2,043,820 (-)
Services rendered	- (-)	- (2,300,000)	- (-)	- (2,300,000)
Reimbursement of Expenses	122,451 (56,467)	- (-)	208,250 (178,422)	330,701 (234,889)
Remuneration	- (-)	- (-)	3,411,764 (3,005,188)	3,411,764 (3,005,188)
Equity Dividend	9,999,940 (39,999,760)	- (-)	- (-)	9,999,940 (39,999,760)
Balance receivable at the year end	- (-)	2,584,280 (2,584,280)	- (-)	2,584,280 (2,584,280)
Balance payable at the year end	2,709,309 (35,349,991)	- (-)	- (-)	2,709,309 (35,349,991)

Note: The figures in brackets pertain to previous year.

Note: 26
Value of Imports on CIF basis in respect of:

Particulars	31 March 2014 (Rs.)	31 March 2013 (Rs.)
Raw Materials	2,913,946	1,318,205
Spares & Stores	4,031,751	200,640
Total	6,945,697	1,518,845

Note: 27

Raw materials consumed:

Particulars	31 March 2014		31 March 2013	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	652,182,520	99.58	418,433,402	99.41
Imported	2,748,093	0.42	2,476,900	0.59
Total	654,930,613	100	420,910,302	100

Note: 28

Stores and Spares Consumed:

Particulars	31 March 2014		31 March 2013	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	11,300,932	98.54	7,991,768	96.05
Imported	167,117	1.46	328,317	3.95
Total	11,468,049	100	8,320,085	100

Note: 29

Contingent Liabilities:

Particulars	31 March 2014 Rupees	31 March 2013 Rupees
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	40,000	40,000
(b) Other money for which the company is contingently liable		
- Excise	1,377,723	1,783,548
- Sales Tax	4,721,955	4,721,955
- Income Tax	890,752	919,382
	7,030,430	7,464,885

Note: 30

DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEE BENEFITS ARE AS UNDER:

The Company has adopted Accounting Standard (AS) 15 (revised 2005) on Employee benefits on 1st April, 2008. The Company has recognized, in the Statement of Profit and Loss for the year ended 31.03.2014, an amount of Rs.1,705,638/- (P.Y. Rs.1,557,850) as an expense under defined contribution plans.

Particulars	31 March 2014 Amount Rs.	31 March 2013 Amount Rs.
Benefit (contribution to)		
- Provident Fund	924,109	805,121
- Employees' Pension Scheme	7,81,529	752,729
Total	1,705,638	1,557,850

**Note: 31
Details of Unfunded Plans:**

The Company operates post retirement defined benefit unfunded plans for Gratuity. Actuarial gains and losses in respect of defined benefit plans are recognized in the Statement of Profit and Loss.

(Amount in Rupees)

Description	31 March 2014	31 March 2013			
1. Reconciliation of opening and closing balances of Obligation					
a. Present value of obligation as at the beginning of the year	6,304,929	5,228,962			
b. Current Service Cost	481,290	445,491			
c. Past Service Cost	-	-			
d. Interest Cost	493,953	423,752			
e. Actuarial (gain)/Loss	275,583	694,008			
f. Benefits paid	(413,477)	(487,284)			
g. Present value of obligation as at the end of the year	7,142,278	6,304,929			
2. Expenses recognized in the period					
a. Current Service Cost	481,290	445,491			
b. Past Service Cost	-	-			
c. Interest Cost	493,953	423,752			
d. Actuarial (gain)/Loss	275,583	694,008			
e. Expense recognized in the period	1,250,826	1,563,251			
3. Principal Actuarial Assumptions					
a) Discount rate (per annum)	8.50%	8.10%			
b) Rate of Increase in Compensation Levels	5%	5%			
c) Expected Average remaining working lives of employees (years)	11.47	12.17			
4. Experience History	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
a. Experience adjustments on Plan Liabilities	(491,093)	(499,985)	(190,675)	136,788	*
b. Experience adjustments on Plan Assets	-	-	-	-	-
c. Present Value of Defined Benefit Obligation at the end of the period	7,142,278	6,304,929	5,228,962	4,637,621	(4,241,335)
d. Plan Assets at the end of the period	-	-	-	-	-
e. Funded/(unfunded) Status	(7,142,278)	(6,304,929)	(5,228,962)	(4,637,621)	(4,241,335)

* The details of experience adjustments arising on account of plan liabilities as required by paragraph 120(n)(ii) of AS 15(Revised) on "Employee Benefits" are not available in the valuation report and hence are not furnished.

Note: 32

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

To comply with the requirement of the Micro, Small and Medium Enterprises Development Act, 2006, the company requested its suppliers to confirm whether they are covered as Micro, Small and Medium enterprises as is defined in the said Act. Based on the confirmations received, 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.

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note: 33

Capital Commitments:-

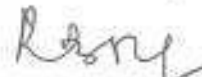
Estimated amount of contracts remaining to be executed on capital account and not provided for the year ended 31st March 2014 (net of advances Rs. 2,150,390 (P.Y. Rs. 474,180/-)) is Rs.3,203,496 /- (P.Y. Rs. 2,787,770 /-) in respect of tangible fixed assets.

Note: 34

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

For and on behalf of the Board of Directors,


S. C. MEHTA
DIRECTOR


R. SRIRAMAN
DIRECTOR


NANDAN SHAH
COMPANY SECRETARY

Place : Mumbai
Date : 14th May, 2014

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