



SMARTCHEM TECHNOLOGIES LIMITED

CIN: U67120AP1987PLC039114

28th Annual Report

2014-15

Board of Directors

Shri S. C. Mehta
Shri S. R. Wadhwa
Shri. U. P. Jhaveri (w.e.f 10th February, 2015)
Dr. T. K. Chatterjee
Shri R. Sriraman
Shri M. P. Shinde

Company Secretary

Shri Nandan Shah

Bankers

State Bank of India
Axis Bank Limited
The Hongkong and Shanghai
Banking Corporation Limited
IDBI 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

Sai Hira, Survey No.93
Mundhwa, Pune – 411 006
Tel: 020 - 6645 8000

NOTICE

NOTICE is hereby given that Twenty Eighth Annual General Meeting of the members of **SMARTCHEM TECHNOLOGIES LIMITED** will be held on Tuesday, 23rd June, 2015 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:
 - a. the audited financial statement of the Company for the financial year ended 31st March, 2015, together with the Directors' Report and the Auditors' Report thereon; and
 - b. the audited consolidated financial statement of the Company for the financial year ended 31st March, 2015.
2. To declare dividend for the Financial Year ended 31st March, 2015.
3. To appoint a Director in place of Shri S. C. Mehta (DIN No. 00128204) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. T. K. Chatterjee (DIN No. 00118123) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify appointment of Statutory Auditor to hold office from conclusion of this Meeting until the conclusion of Twenty Ninth Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To appoint Shri U. P. Jhaveri 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 the Companies Act, 2013 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. U. P. Jhaveri (DIN: 00273898) who was appointed as an Additional Director by the Board of Directors with effect from 10th February, 2015, who is eligible for appointment as Independent Director of the Company and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 2 (Two) consecutive years for a term up to the Annual General Meeting for the Financial Year 2016-17 or 22nd June 2017 whichever is earlier.”

By the order of the Board of Directors,



Nandan Shah

Company Secretary

(M. No- 24703)

Place: Mumbai

Date: 20th May, 2015

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, 2015 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

The Board of Directors of the Company has appointed Shri U.P. Jhaveri as Additional Director with effect from 10th February, 2015.

Shri U. P. Jhaveri has 30 years experience in project management, plant operation, troubleshooting, reliability and productivity improvement, etc. in two of the prestigious Fertilizer & Petrochemicals manufacturing companies in India viz. Gujarat State Fertilizer Co. Ltd. and Gujarat Narmada Valley Fertilizer Co. Ltd. and a leading precious metal processing unit i.e. Parekh Platinum Ltd.

Considering, Shri. U. P. Jhaveri's experience and knowledge the Board is of the opinion that Shri. U. P. Jhaveri possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as Director.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 with the amount of requisite deposit from one of the members signifying its intention to propose the appointment of Shri U. P. Jhaveri.

As per Section 149 of Companies Act, 2013 Independent Directors shall hold office for a term upto 5 (Five) consecutive years, however the Board of Directors has decided to appoint Shri. U. P. Jhaveri as an Independent Director for a term of 2 (Two) consecutive years. The section further provides that Independent Directors are not liable to retire by rotation. Therefore, considering the applicable provisions of Companies Act, 2013, Shri. U. P. Jhaveri shall not be liable to retire by rotation.

Copy of the draft appointment letter to be issued to Shri. U. P. Jhaveri as Independent Director setting out the terms and conditions is 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.



**ANNUAL REPORT
2014-15**

In the opinion of the Board, the proposed appointment of Shri. U. P. Jhaveri as Independent Director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Shri. U. P. Jhaveri 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 ordinary resolution, except Shri. U. P. Jhaveri and his relatives.

By the order of the Board of Directors,

A handwritten signature in black ink, appearing to be "Nandan Shah", written over a set of horizontal and vertical lines.

**Nandan Shah
Company Secretary
(M. No- 24703)**

Place: Mumbai

Date: 20th May, 2015

Registered Office:

Village – Ponnada, Via Bonthalakoduru

Srikakulam

Andhra Pradesh – 532 408

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2015.

1. FINANCIAL RESULTS

The summarised financial results are as under:

(Rupees in Lacs)

<u>Financial Year</u>	<u>Standalone</u>		<u>Consolidated</u>	
	2014-15	2013-14	2014-15	2013-14
Income (Gross)	9,540.51	11,037.39	9,721.53	11,037.39
Profit /(Loss) Before Tax (PBT)	346.01	1234.71	(327.05)	1234.71
Less:				
a) Provision for Income Tax	136.00	448.00	136.00	448.00
b) Provision for Deferred Tax	(18.31)	(57.61)	(18.31)	(57.61)
c) Provision for Fringe Benefit Tax	-	-	-	-
Profit After Tax (PAT)	228.33	844.32	(444.74)	844.32
(Add) / Less: Share of profit / (loss) attributable to Minority interest	-	-	139.53	-
Profit / (Loss) for the year attributable to the shareholders of the Company	228.33	844.32	(305.21)	844.32
Add: Balance brought forward	1,361.23	893.84	1361.24	893.84
Less: Transfer to Capital Redemption Reserve	-	-	-	-
Amount available for appropriation	1,589.56	1,738.16	1,056.02	1,738.16
Appropriations:				
- Transfer to General Reserve	-	84.43	-	84.43
- Proposed Dividend on Pref. Shares	-	-	-	-
- Proposed Dividend on Equity Shares	100.00	250	100.00	250
- Corporate Dividend Tax	20.92	42.49	20.92	42.49
Surplus carried to Balance Sheet	1,468.64	1,361.24	935.10	1,361.24

2. STATE OF COMPANY'S AFFAIRS

During the year under review, your Company has achieved Gross Income of Rs. 9,540.51 Lacs as against Rs. 11,037.39 Lacs for the previous year. Total production of Ammonium Nitrate during the year under review decreased to 27,849 MT as compared to 34,520 MT in the previous year. Similarly, the total production of Weak Nitric Acid (on 60% basis) decreased to 43,285 MT as compared to 53,400 MT in the previous year. At Srikakulam Plant, capacity utilisation for manufacturing of Ammonium Nitrate was 86% and that of Weak Nitric Acid was at 80%.

The major reasons for lower capacity utilization were due to the cyclone in the month of October / November 2014 which led to power cut for 25 days and also due to plant stoppage for 43 days on account of weak market demand for AN and WNA at different times of the year.

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

Ammonia sourcing is a challenge for which Company is attempting to tie up sourcing from the local suppliers.

3. DIVIDEND

Considering the performance of the Company, your Directors recommend dividend @ 100% i.e. Rs.10/- per equity share on 10,00,000 Equity Shares of Rs. 10/- each for the year ended 31st March, 2015 to be paid out of profits of the current financial year of the Company. The proposed Equity Dividend will absorb Rs. 120.92 Lacs (including Corporate Dividend Tax of Rs.20.92 Lacs).

4. BOARD OF DIRECTORS

Composition and Category of Directors

Sr. No	Name of Director	Category
1	Shri S. C. Mehta	Chairman
2	Shri S. R. Wadhwa	Independent Director
3	Shri U. P. Jhaveri	Independent Director
4	Dr. T. K. Chatterjee	Non- Executive Director, Non Independent
5	Shri R. Sriraman	Non- Executive Director, Non Independent
6	Shri M. P. Shinde	Non- Executive Director, Non Independent

Six Board Meetings were held during the year. These meetings were held on 14th May, 2014, 30th July, 2014, 4th September, 2014, 3rd November, 2014, 10th February, 2015, and 18th March, 2015.

During the year under review the Board of Directors has appointed Shri U. P. Jhaveri (DIN: 00273898) as an Additional Director in the category of Independent Director of the Company with effect from 10th February, 2015.

Shri S. C. Mehta (DIN No. 00128204) and Dr. T. K. Chatterjee (DIN No. 00118123) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment pursuant to the provisions of Section 152 of Companies Act, 2013.

Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, 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;
- ii) the accounting policies had been selected and applied consistently and made judgments and estimates that are 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, 2015 and of the profit and loss 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts had been prepared on a going concern basis and;
- v) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

6. STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company in their 27th Annual General Meeting held on 23rd June, 2014 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of Companies Act, 2013 and Rules made there under to appoint Deloitte Haskins & Sells, LLP, Chartered Accountants, Pune, as the Statutory Auditor of the Company for a period of 5 years commencing from the conclusion of 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting.

The Board of Directors of the Company has, pursuant to the provisions of Section 139, recommended the ratification of appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants, for the approval of the Shareholders from the conclusion of 28th Annual General Meeting until the conclusion of 29th Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

7. TRANSFER OF BENEFICIAL INTEREST

During the year under review, Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company / DFPCL) who holds (99.99%) Equity Share Capital in the Company has acquired beneficial interest from all remaining 6 Equity Shareholders, resulting to which your Company has become wholly owned subsidiary of DFPCL.

8. SUBSIDIARY COMPANIES

During the year under review, your Company's has formed a Subsidiary Company, namely Platinum Blasting Services Pty Limited with locally renowned professionals in the field of mining / blasting services in Australia (Local Australian Partners). Your Company will have 65% equity participation and other Local Australian Partners will have 35% equity participation to provide blasting services in and around Australia.

Pursuant to section 129 (3) of the Companies Act, 2013, where a Company has one or more subsidiaries, it shall, in addition to financial statement provided under sub-section (2) prepare a consolidated financial statement of the Company and of the subsidiaries in the same form and manner as that of its own which shall also be laid before the Annual General Meeting of the Company along with the laying of its financial statement under sub- section (2).

The Section further states that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiary as may be prescribed.

Report in specified format on the performance and financial position of the Subsidiary Company is given in the Annexure- I forming part of this Report.

9. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Details of investment made or loans advanced by the Company have been given in note no. 10 to the Financial Statement.

The Company has not given any guarantee pursuant to the provisions of Section 186 of Companies Act, 2013.

10. ANNUAL RETURN

The extract of Annual Return is given in the Annexure- II forming part of this Report.

11. RELATED PARTY TRANSACTION

The Company has entered into contract / arrangements with related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

12. COMMITTEES OF BOARD OF DIRECTORS

i. AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

Sr. No	Name of Director	Chairman / Member
1.	Shri S. R. Wadhwa	Chairman*
2.	Shri U. P. Jhaveri	Member**
3.	Dr. T. K. Chatterjee	Member

* Shri S.R. Wadhwa has been appointed as Chairman of the Committee with effect from 10th February, 2015.

** Shri U. P. Jhaveri became member of the Committee with effect from 10th February, 2015.

During the year under review, six Audit Committee meetings were held on 14th May, 2014, 30th July, 2014, 4th September, 2014, 3rd November, 2014, 10th February, 2015, and 18th March, 2015. During the year all the recommendations made by the Audit Committee were accepted by the Board of Directors.

The terms of reference of the Audit Committee broadly comprises of recommending for appointment, remuneration and terms of appointment of auditors of the company; reviewing and monitoring auditor's independence and performance, and effectiveness of audit process; examining financial statement and the auditors' report thereon; approving or any subsequent modification of transactions of the Company with related parties; scrutinizing inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever it is necessary; evaluating internal financial controls and risk management systems; monitoring the end use of funds raised through public offers and related matters.

ii. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee.

The Board of Directors of the Company has also formed Corporate Social Responsibility (CSR) Policy, to articulate a clear and long- term focus for the Company's CSR initiatives, to help

setup high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models, to encourage a sense of empathy and equity amongst the employees as well as their families to motivate them to serve the society, to allow network with like-minded NGOs/firms/people who can enhance/complement our efforts.

The CSR Committee consists of the following Directors:

Sr. No	Name of Director	Chairman / Member
1.	Shri S. R. Wadhwa	Chairman
2.	Shri R. Sriraman	Member
3.	Shri M. P. Shinde	Member

During the year under review, CSR Committee Meeting was held on 10th February, 2015.

The Company has adopted a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises of reviewing the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the 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.

The Annual Report of the initiatives taken by the Company on CSR during the year as per Companies (Corporate Social Responsibility Policy) Rules is given in the Annexure-III forming part of this Report.

iii. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014 mandates the constitution of Nomination and Remuneration Committee (NRC) by certain Companies. Accordingly, the Company has constituted a NRC at its Board Meeting held on 10th February, 2015.

The Nomination and Remuneration Committee consists of consists of the following Directors:

Sr. No	Name of Director	Chairman / Member
1.	Shri S. R. Wadhwa	Chairman
2.	Shri U. P. Jhaveri	Member
3.	Dr T. K. Chatterjee	Member

During the year under review, Nomination and Remuneration Committee Meeting was held on 18th March, 2015.

The Company has adopted a Nomination and Remuneration Policy of Director, Senior Management Employees and Key Managerial Personnel. The Policy is approved by the Nomination & Remuneration Committee and the Board of Directors.

The terms of reference of the Nomination and Remuneration Committee broadly comprises of identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and carry out evaluation of every director's performance and formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulating criteria for evaluation of Chairman, Directors, Board and Committees.

The Nomination and Remuneration Policy of the Company is enclosed as Annexure- IV to this Report.

DISCLOSURE PURSUANT TO SECTION 178 OF THE COMPANIES ACT, 2013.

a. CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTE, INDEPENDENCE OF DIRECTOR

The broad criteria for determining qualification, positive attribute, independence are mentioned below:

- i. Track record of contribution in his/her field.
- ii. Sound character in terms of integrity, ethical conduct and human values such as respect and empathy.
- iii. Genuine interest in Corporate Governance and the affairs of the Company.
- iv. Domain knowledge in the Company's sectors of business.
- v. Capacity to invest at least 15 man days of time every year.
- vi. The past experience would need to be multi-functional with last five years or more at the broad company-wide level beyond a narrow functional focus.
- vii. The general orientation will need to be one going beyond the pure compliance needs with a greater focus on strategic depth.
- viii. The work ethos needs to be one where the focus is on long-term value, creation unlikely to overlap with the operational responsibilities of the KMP [Key Management Personnel].

- ix. The possible areas of expertise could entail: Capital Markets, Technology, Legal, Strategy, Government.
- x. Free from any potential conflict of interest.

b. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDEPENDENT DIRECTORS

The evaluation framework for assessing the performance of Chairman, Directors, Board and Committees comprises, *inter-alia*, of the following parameters:

- i. Directors bring an independent judgment on the Board's discussions utilizing his knowledge and experience especially on issues related to strategy, operational performance and risk management.
- ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance, disclosure and legal compliances.
- iii. Directors contribute new ideas/insights on business issues raised by Management.
- iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- vi. The Board receives adequate and timely information to enable discussions/ decision making during Board meetings.
- vii. The Board addresses interests of all stakeholders of the Company.
- viii. The Committee is delivering on the defined objectives.
- ix. The Committee has the right composition to deliver its objectives.

The performance evaluation of Chairman, Directors, Board and Committees was undertaken by the Nomination and Remuneration Committee for the year under review and the result were reported to the Board of Directors.

c. MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 18th March, 2015, *inter-alia*, to discuss:

1. The performance of Non-Independent Directors and the Board as a whole.
2. The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

13. FIXED DEPOSITS

The Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rules 8 (v) and (vi) of the Companies (Accounts) Rules, 2014 are reported.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's internal control systems are commensurate with the nature, size, and complexity of the businesses and operations. These are routinely tested and certified by Statutory as well as Internal Auditor. Significant audit observations and following actions are reported to the Audit Committee.

16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

During the year under review, there was no employee who was covered under Section 197 of the Companies Act, 2013 and Rules made there under.

17. INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under report.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure- V forming part of this Report.

19. 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: 20th May, 2015**


**S. C. MEHTA
CHAIRMAN
(DIN.00128204)**

**ANNEXURE-I
FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of section 129 read with rules 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part-"A": Subsidiaries

(Amount in Rs.)

Sr. No.	Particulars	
1	Name of the Subsidiary	Platinum Blasting Services Pty Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	14 th August, 2014 to 31 st March, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1 AUD : Rs. 47.7376
4	Share Capital	Rs: 32,76,04,054
5	Reserves & Surplus	Rs. (6,19,39,154)
6	Total Assets	Rs. 27,52,69,275
7	Total Liabilities	Rs. 96,04,328
8	Investments	-
9	Turnover	Rs. 1,53,74,180
10	Profit before taxation	Rs. (6,19,39,154)
11	Provision for taxation	-
12	Profit after taxation	Rs. (6,19,39,154)
13	Proposed Dividend	-
14	% of shareholding	79.27% ⁽⁴⁾

Notes:

1. Name of subsidiaries which are yet to commence operations: **Not applicable**
2. Name of the subsidiaries which have been liquidated or sold during the year: **Not applicable.**
3. The figures mentioned above are Standalone Figures.
4. Shareholding as on 31st March, 2015.

Part-"B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Name of Associate/ Joint Venture	NOT APPLICABLE
1. Latest audited Balance Sheet Date	---
2. No. Shares of Associate / Joint Ventures held by the Company on the year end	---
- Amount of Investment in Associate/ Joint Venture	---
- Extend of Holding %	---
3. Description of how there is significant influence	---
4. Reason why the associate/ joint venture is not consolidated	---
5. Net-worth attributable to Shareholding as per latest audited Balance Sheet	---
6. Profit/ Loss for the year	---
i. Considered in Consolidation	---
ii. Not Considered in Consolidation	---

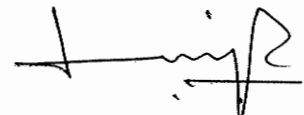
Note:

1. Name of associate or joint ventures which are yet to commence operations: **Not applicable**
2. Names of associate or joint ventures which have been liquidated or sold during the year: **Not applicable.**

For and on behalf of the Board of Directors,



S. C. MEHTA
CHAIRMAN
(DIN.00128204)



DR.T. K. CHATTERJEE
DIRECTOR
(DIN.00118123)



NANDAN SHAH
COMPANY SECRETARY
(M. No A-24703)

Place: Mumbai
Date: 20th May, 2015

ANNEXURE- II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

Pursuant to section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. Registration Details

1.	CIN	U67120AP1987PLC039114
2.	Registration Date	21 st January 1987
3.	Name of the Company	Smartchem Technologies Limited
4.	Category / Sub-Category of the Company	Company Limited by Shares / India Non- Government Company
5.	Address of the Registered office and contact details	Factory at Village Ponnada, Etcherla Mandalam, Dist. Srikakulam, Andhra Pradesh- 532 408
6.	Whether listed company Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Ammonium Nitrate	20123	88%
2.	Weak Nitric Acid	20123	10%

III. Particulars of Holding, Subsidiary And Associate Companies

Sr. No	Name and Address of the Company	NIC Code of the Product/ service	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable section
1.	Deepak Fertilisers And Petrochemicals Corporation Ltd	20123	L24121MH1979PLC021360	Holding	100%*	2 (46)
2.	Platinum Blasting Services Pty Ltd	---	----	Subsidiary	79.27%**	2 (87)

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) has acquired beneficial interest from all remaining 6 Equity Shareholders, as a result, of which Company has become wholly owned subsidiary of DFPCL w.e.f. 4th September, 2014.

** Shareholding as on 31st March, 2015.

i) Other (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	--	6	6	0.0006%	--	--	--	--	--
ii) Individual Shareholders holding nominal share capital excess of Rs. 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	6	6	0.0006	--	--	--	--	--
Total Public Share-holding (B)=(B)(1)+(B)(2)	--	6	6	0.0006	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	9,99,994	6	10,00,000	100	9,99,994	6*	10,00,000	100	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) has acquired beneficial interest from all remaining 6 Equity Shareholders, as a result, of which Company has become wholly owned subsidiary of DFPCL w.e.f. 4th September, 2014.

ii. Share Holding of Promoter

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% Change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Deepak Fertilisers And Petrochemicals Corporation Ltd	99,994	99.9994%	--	10,00,000*	100%	--	0.0001

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) has acquired beneficial interest from all remaining 6 Equity Shareholders, as a result, of which Company has become wholly owned subsidiary of DFPCL w.e.f. 4th September, 2014.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	9,99,994	99.9994%	9,99,994	99.9994
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	6*	0.0001%	1,000,000*	100.00
	At the End of the year.	1,000,000	100.00	--	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) has acquired beneficial interest from all remaining 6 Equity Shareholders, as a result, of which Company has become wholly owned subsidiary of DFPCL w.e.f. 4th September, 2014.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
01.	Dilesh Himatlal Mehta				
	At the beginning of the year	1	0.0001	1	0.0001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	1	0.0001	--	--

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri Dilesh Himatlal Mehta.

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
02.	A. P. Shah				
	At the beginning of the year	1	0.0001	1	0.0001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	1	0.0001	--	--

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri A.P. Shah.

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
03.	Rohit Prabhudas Shah				
	At the beginning of the year	1	0.0001	1	0.0001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	1	0.0001	--	--

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri Rohit Prabhudas Shah.

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
04.	Deepak Amritlal Desai				
	At the beginning of the year	1	0.0001	1	0.0001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	1	0.0001	--	--

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri Deepak Amritlal Desai.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
01.	S. C. Mehta				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
02.	S.R. Wadhwa				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
03.	U. P. Jhaveri				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
04.	R. Sriraman				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1	0.00	1	0.00
	At the end of the year	1	0.00	1*	0.00

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Shri R. Sriraman.

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
05.	Dr. T. K. Chatterjee				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1	0.00	1	0.00
	At the end of the year	1	0.00	1*	0.00

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Dr. T. K. Chatterjee.

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
06.	M. P. Shinde				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
07.	Nandan Shah				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	--	--	--	--

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. In Lacs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	2830.00	-	2830.00
• Reduction	-	450.00	-	450.00
Net Change	-	2380.00	-	2380.00
Indebtedness at the end of the financial year	-	2436.33	-	2436.33
i) Principal Amount	-	2380.00	-	2380.00
ii) Interest due but not paid	-	56.33	-	56.33
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2436.33	-	2436.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

 A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **NOT APPLICABLE**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	--	--	--	--	--
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission	--	--	--	--	--
	- as % of profit	--	--	--	--	--
	- others, specify...	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--
	Ceiling as per the Act	--	--	--	--	--

B. Remuneration to other Director:

Sr. No	Particulars of Remuneration	Name of Director				Total Amount
		Shri. S. R. Wadhwa		Shri. U. P. Jhaveri		
1.	Independent Director					
	Fee for attending board / committee meetings	70,000		15,000		85,000
	Commission	--		--		--
	Others, please specify	--		--		--
	Total (1)	70,000		15,000		85,000
2.	Other Non-Executive Directors	Shri S. C. Mehta	Dr. T. K. Chatterjee	Shri M. P. Shinde	Shri R. Sriraman	
	Fee for attending board / Committee meetings	30,000	65,000	35,000	60,000	1,90,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (2)	30,000	65,000	35,000	60,000	1,90,000
	Total (B)=(1+2)					2,75,000
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	--	4,61,719	--	4,61,719
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total	--	4,61,719	--	4,61,719

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					

ANNEXURE- III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken.**

Smartchem Technologies Limited (STL) is committed to serve the society it operates in. It conducts several outreach programmes around STL Plant. These programmes are in the areas of:

- a) Women empowerment through vocational training (skill development) and livelihood programmes
- b) Health and
- c) Education

The underlying objectives are aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth and women to ensure livelihood for economic betterment and social development of themselves and their families, instilling pride and confidence (in the target population) to take on future challenges. Health initiatives, culture and heritage support programs have also formed STL's ancillary focus areas.

2. **The Composition of the CSR Committee**

Sr. No	Name of Director	Chairman / Member
1.	Shri S. R. Wadhwa	Chairman
2.	Shri R. Sriraman	Member
3.	Shri M.P. Shinde	Member

3. **Average net profit of the Company for last three financial years – Rs. 724.83 Lacs**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above). - Rs. 15 Lacs**
5. **Details of CSR spent during the financial year:**
- a) Total amount to be spent for the financial year: Rs. 15 Lacs
 - b) Amount unspent, if any: Rs. 13.46 Lacs

c) Manner in which the amount spent during the financial year is detailed below:

(Rs. In Lacs)


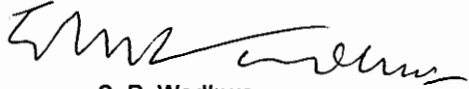
Sr. No	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount outlay (budget) project or program wise	Amount spent on the projects or programs during the FY 2014-15	Cumulative expenditure for upto the reporting period starting from April,2014	Amount spent: Direct or through implementing Agency
			Local Area or other	State or District where Project or Programs was undertaken				
1.	Construction of a compound wall and other works of Primary school & Anganvadi building	Promoting Education	Venkanna-gari Peta Village.	Andhra Pradesh	Rs. 3.00	Rs. 0.86	Rs. 0.86	Direct
2.	Arrangement of food packets to the Hud-Hud cyclone affected people	Eradication of Hunger	Etcherla Mandal	Andhra Pradesh	Rs. 0.70	Rs. 0.55	Rs.0.55	Direct
3.	Arrangement of Food packets to the Unemployed youth who have attended Army recruitment camps.	Livelihood Enhancing Projects	Srikakulam Town	Andhra Pradesh	Rs. 0.15	Rs. 0.13	Rs. 0.13	Direct
TOTAL					Rs 3.85	Rs. 1.54	Rs. 1.54	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

During the year under review, the Company has made consistent efforts to identify the projects for its CSR activities. However, the Company could not spend the requisite amount due to requirement of detailed execution steps for the long term sustained CSR projects to be undertaken. The objective of our CSR Policy is not just to show mere spending of amount but ensuring sustained deliveries in line with its vision and mission. Your Company is actively pursuing effective steps to ensure long term impactful contributions towards the upliftment of the underprivileged in the society.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

 S. C. Mehta (Chairman)	 S. R. Wadhwa (Chairman - CSR Committee)
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ANNEXURE-IV

NOMINATION AND REMUNERATION POLICY

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and Rules made thereunder this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide resolution dated 18th March, 2015. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel & Senior Management.

2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- a. To recommend to the Board appointment and removal of Directors, Key Managerial Personnel and Senior Management in accordance with criteria laid down.
- b. To recommend to the Board a policy including following:
 - (i) determining qualifications, positive attributes and independence of a director;
 - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;
 - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (v) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - (vi) Performance evaluation of Independent Directors and the Board.

3. Definitions

“Act” means Companies Act, 2013 and rules thereunder.

“Board” means Board of Directors of the Company.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Smartchem Technologies Limited (STL).

“**Independent Director**” means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013.

“**Key Managerial Personnel**” means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director or Executive Director or Chief Executive Officer or Manager
- ii. Whole-time Director;
- iii. Company Secretary;
- iv. Chief Financial Officer and
- v. such other officer as may be prescribed.

“**Policy**” means Nomination and Remuneration Policy.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding the Board of Directors.

4. Functions of Committee

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- a. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- b. To recommend to the Board a policy for following:
 - (i) Determining qualifications, positive attributes and independence of a director;
 - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;
 - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (v) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - (vi) Performance evaluation of Independent Directors and the Board.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

5. Membership

- i. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- ii. The quorum shall be either two members or one third of the members of the Committee whichever is higher.
- iii. Membership of the Committee shall be disclosed in the Annual Report.
- iv. Term of the Committee shall be continuous unless terminated by the Board of Directors.

6. Chairperson

- i. Chairperson of the Committee shall be an Independent Director.
- ii. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- iii. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

7. Frequency of Meeting

The meeting of the Committee shall be held at such regular intervals as may be required.

8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Minutes of Committee Meeting

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

10. Policy for appointment and removal of Director, KMP and Senior Management

(A) Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.

(B) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(C) Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(A) General:

- a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.

c) Term / Tenure of the Directors shall be as per company's policy and subject to the provisions of the Act.

(B) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(C) Remuneration to Non- Executive / Independent Director

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

c) **Commission:**

Commission may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Act.

12. Amendments

This policy may be amended or modified by the Nomination and Remuneration Committee of the Company with the approval of the Board. Any amendment or modification would be communicated to all the persons to whom this policy is applicable.

The above policy guidelines are subject to review and revision by the Board at suitable intervals.

ANNEXURE-V

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

Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken in 2014-15.

- i. Installed Variable Frequency Drive (VFD) for the 37 KW motor of FBC blower in AN plant with a cost of Rs. 2.0 Lakhs in order to reduce the power consumption.
- ii. Installed automatic temperature controllers for Loading and Unloading of DH compressors in AN plant operations in order to reduce the power consumption during the monsoon and winter period for about 6 months in a year.
- iii. Installed a new cooling water circulation pump of 200 Kw motor with a cost of Rs. 13.63 Lakhs for reducing the Power consumption, in place of 2 no. of old pumps of 132 Kw and 55 Kw motors which were consuming high power,
- iv. Procured & installed 4 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. 1.75 Lakhs for reducing the power consumption.
- v. Procured & replaced about 12 no. of 250 W rating HPSV street lights & plant lights and 10 no. of 125 W rating HPMV lights with 15 no. of 90 W rating LED lights.
- vi. A new air compressor with refrigerated air dryer system is installed with lesser motor capacity in order to get power saving with the continuous operation of new compressor.

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

- i. Procurement of 2 no. of Solar submersible pumps for borewells in Tepparevu pump house for reducing power consumption.
- ii. Installation of Automatic Power Factor Controller for Tepparevu pump house to regulate and improve the PF from 0.9 to 1.0 levels.
- iii. A new high efficient raw water pump of 50 m³/hr capacity is proposed to be installed to reduce the power consumption.

- iv. Proposed to procure a premium rating motor (93% efficiency) of 132 Kw capacity for DH compressor in place of the low energy efficient motor (80% efficiency) to reduce the power consumption.
- v. Proposed to replace about 20 no. of 250 W rating HPSV street lights & plant lights and 125W rating HPMV lights with 50W rating LED lights in order to reduce the power consumption.

c) Savings with the systems installed in FY 2014-15 :

- i. With the Installation of Variable Frequency Drive (VFD) for the 37 KW motor of FBC blower in AN plant, there was a power saving of about 7,380 Kwh per month which amount to a saving of Rs. 49,446/- per month and with a payback period of 4 months.
- ii. With the installation of the automatic temperature controllers for Loading and Unloading of DH compressors in AN plant operations there was a power saving of about 8,670 Kwh per month and for 6 months period in a year the total saving would be Rs. 3,48,534/- per year as the savings are obtained during monsoon and winter periods only.
- iii. The new Cooling water pump of 900 m³/hr capacity and 200 Kw motor rating was commissioned in the month of July - 2014 and the power saving with this installation is about 583 Kwh in a day and the total savings was about Rs. 1,17,183/- per month.
- iv. With the installation of 4 no. of premium rating motors (93% efficiency) of Siemens make in place of the low energy efficient motors (80% efficiency), there was a saving of about 4,521 Kwh per month which amounts to a saving of Rs. 30,295/- per month.
- v. With the replacement of about 12 no. of 250 W rating HPSV street lights & plant lights and of 10 no. of 125 W rating HPMV lights with 90 W rating LED lights, there was a saving of about 1,485 Kwh per month which amounts to a saving of Rs. 9,950/- per month.
- vi. With the commissioning of new air compressor with refrigerated air dryer system, there was a saving of about 9,360 Kwh per month which amounts to a saving of Rs. 62,712/- per month.

d) Savings with the systems proposed to install in FY 2015-16 :

- i. With the installation of 2 no. of Solar submersible pumps for borewells in Tepparevu pump house there will be a reduction in power bill by Rs. 7,500/- per month as these 2 no. of solar pumps will be operated continuously without any external power requirement for about 8 hours in a day.
- ii. There will be an improvement in the power factor of the incoming power supply by about 10% with the installation of Automatic Power Factor Controller at Tepparevu pump house and resulting to which there will be a savings of about 8% in the Pump house power bills.

- iii. With the installation of new high efficient raw water pump of 50 m³/hr capacity at plant, there will be a reduction in power consumption by about 3,900 Kwh per month with a total savings of Rs. 26,130/- per month.
- iv. With the installation of a premium rating motor (93% efficiency) of 132 Kw capacity for DH compressor in place of the low energy efficient motor (80% efficiency) there will be a power saving of about 7,200 Kwh per month and with a total savings of Rs. 48,240/- per month.
- v. There will be a saving of about 1,300 Kwh of power per month with the proposal to replace about 20 no. of 250 W rating HPSV street lights & plant lights and 125 W rating HPMV lights with 50 W rating LED lights which will result to saving of Rs. 8,710/- per month.
- e) 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 2014-15	Previous Year 2013-14
1. Electricity			
a) Purchased units From APEPDCL	'000 KWH	70,63,084	81,48.982
Total Amount	Rs. in Lacs	513.365	583.033
Rate per unit	(Rs. / KWH)	7.26	7.15
From TPTCL	'000 KWH	32,77,714	47,23.838
Total Amount	Rs. in Lacs	172.864	259.529
Rate per unit	(Rs. / KWH)	5.39	5.49
b) Own Generation from Diesel Generator sets.	KWH	14,504	21,044

Power & Fuel Consumption	Units	Current Year 2014-15	Previous Year 2013-14
2. Furnace Oil			
Quantity	KL	27.80	28.94
Total Amount	Rs. in Lacs	13.87	17.54
Average Rate	(Rs. / Lt)	49.892	60.605
3. Light Diesel Oil			
Quantity	KL	NA	NA
Total Amount	Rs. in Lacs	NA	NA
Average Rate	(Rs. / Lt)	NA	NA
4. High Speed Diesel Oil			
Quantity	KL	7.00	21.80
Total Amount	Rs. in Lacs	4.25	13.15
Average Rate	(Rs. / Lt)	60.72	60.30

Consumption per unit of production

	Units	Current Year 2014-15	Previous Year 2013-14
1. Ammonium Nitrate			
Electricity	KWH / MT	133	125
Light Diesel Oil	KL / MT	NA	NA
Furnace Oil	KL / MT	0.499	0.418
2. Weak Nitric Acid			
Electricity	KWH / MT	262	251
Furnace Oil	KL / MT	0.321	0.271

f) Steps taken by STL for utilizing alternate sources of energy

Company proposes to establish 2.0 MW capacity Solar Power plant within the plant premises with an investment of Rs. 14.0 Crores in 2015-16.

g) Capital investment made on energy conservation equipments

During the year under review, Company has spent about Rs. 5.0 Lakhs on Energy conservation measures and about Rs. 19 Lakhs of investment was already made in 2013-14 and they are put into service in 2014-15. The total savings from the Energy Conservation Measures carried out in the year 2014-15 is about Rs. 35,83,560/-

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	NIL
1. Capital	
2. Recurring	
3. Total	
4. Total R&D Expenditure as a percentage of Total Turnover	

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 3 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:

- (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: 20th May, 2015


S. C. MEHTA
CHAIRMAN
(DIN.00128204)
 

Deloitte Haskins & Sells LLP

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMARTCHEM TECHNOLOGIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Smartchem Technologies Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Deloitte Haskins & Sells LLP

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

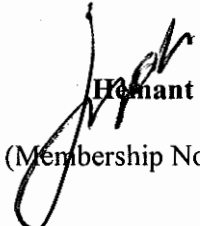
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations which would impact its financial position in its financial statements - Refer Note 29 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


Hemant M. Joshi
Partner
(Membership No. 38019)

Pune, May 20, 2015

Deloitte Haskins & Sells LLP

Chartered Accountants
706, 'B' Wing, 7th Floor
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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)

Having regard to the nature of the Company's business / activities / results during the year, clauses (ix) and (xi) of paragraph 3 of the Order are not applicable to the Company

- (i) In respect of its fixed assets:
 - (b) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (c) The Company has a program of physical verification of fixed assets whereby fixed assets are physically verified once in every three years. In accordance with the said program, 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.
- (ii) 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.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) 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 for the purchase 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 continued failure to correct major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

Deloitte Haskins & Sells LLP

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing, undisputed statutory dues, including Provident Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company for the year ended 31st March 2015.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2015 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.)
Income Tax Act, 1961	Corporate tax	Income tax Appellate Tribunal	F.Y 2001-02	890,752
Income Tax Act, 1961	Corporate tax	The Commissioner of Income Tax (Appeals)	F.Y 2011-12	97,100

There are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

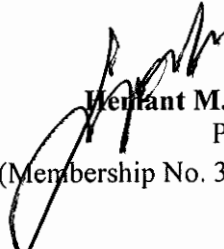
(viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks and financial institutions.

Deloitte Haskins & Sells LLP

- (x) To the best of our knowledge and belief 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 Registration No. 117366W/ W-100018)


Venant M. Joshi
Partner
(Membership No. 38019)

Pune, May 20, 2015

Balance Sheet as at

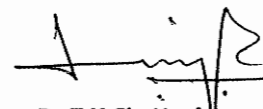
<u>Particulars</u>	<u>Note No.</u>	<u>31-Mar-2015</u> <u>Rupees</u>	<u>31-Mar-2014</u> <u>Rupees</u>
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	10,000,000	10,000,000
(b) Reserves and Surplus	3	400,307,885	401,428,434
		410,307,885	411,428,434
(2) Non Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	20,021,127	21,852,189
(b) Long Term Provisions	5	7,405,011	8,216,570
		27,426,138	30,068,759
(3) Current liabilities			
(a) Short Term Borrowings	6	238,000,000	-
(b) Trade payables	7	92,301,216	48,065,522
(c) Other current liabilities	8	13,322,075	12,194,620
(d) Short term provisions	5	15,045,282	34,405,229
		358,668,573	94,665,372
TOTAL		796,402,596	536,162,565
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	185,266,362	207,353,251
(ii) Intangible Assets	9	475,878	1,143,767
(iii) Capital work-in-progress	9	5,449,403	4,084,968
		191,191,643	212,581,986
(b) Non Current Investments	10	285,720,895	367,770
(c) Long Term loans and advances	11	43,030,383	30,977,731
(d) Other Non Current Assets	12	5,226,557	5,226,557
		333,977,835	36,572,058
(2) Current Assets			
(a) Inventories	13	56,120,577	66,032,218
(b) Trade Receivables	14	147,537,503	186,013,793
(c) Cash and cash equivalents	15	33,176,868	22,423,228
(d) Short Term Loans and advances	11	33,233,740	11,369,585
(e) Other Current Assets	12	1,164,430	1,169,697
		271,233,118	287,008,521
TOTAL		796,402,596	536,162,565
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


S. C. Mehta
Chairman


Dr T K Chatterjee
Director

Pune
Date: 20th May, 2015


Nandan Shah
Company Secretary

Mumbai
Date: 20th May, 2015

Statement of Profit and Loss for the year ended

Particulars	Note No.	31-Mar-2015	31-Mar-2014
		Rupees	Rupees
I Revenue from operations	16	845,189,422	976,990,910
II Other Income	17	4,095,122	5,833,602
III Total Revenue (I + II)		849,284,544	982,824,512
IV Expenses :			
Cost of Materials consumed	18	566,215,282	654,930,613
Changes in inventories of finished goods	19	3,445,750	(2,571,320)
Employee benefits expense	20	39,138,005	38,381,265
Finance costs	21	6,882,514	585,120
Depreciation and amortization expense	9	17,060,238	17,091,111
Other expenses	22	181,940,956	150,936,247
Total expenses		814,682,746	859,353,036
V Profit before tax (III- IV)		34,601,799	123,471,476
VI Tax expense/(benefit):			
(1) Current tax		13,600,000	44,800,000
(2) Deferred tax		(1,831,063)	(5,761,175)
Net tax expense / (benefit)		11,768,937	39,038,825
VII Profit after tax (V-VI)		22,832,862	84,432,651
VIII Earnings per equity share (Refer Note 24):			
(1) Basic		22.83	84.43
(2) Diluted		22.83	84.43
(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

For and on behalf of the Board of Directors

Hemant M. Joshi
Partner

Pune
Date: 20th May, 2015


S. C. Mehta
Chairman


Dr T K Chatterjee
Director


Nandan Shah
Company Secretary

Mumbai
Date : 20th May, 2015

Statement of Cash Flows for the year ended

Particulars	31 March 2015		31 March 2014	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Profit before tax		34,601,799		123,471,476
Depreciation and amortisation		17,060,238		17,091,111
(Profit) / loss on sale of fixed assets		-		362,202
Finance costs		6,882,514		585,120
Interest income		(1,298,476)		(1,358,191)
Dividend income		(2,416,137)		(1,952,786)
Wealth Tax provision		155,000		153,000
Net gain on sale of current investments		(303,081)		(986,712)
Liabilities / provisions no longer required written back		(579)		(21,659)
Operating profit before working capital changes		54,681,277		137,343,560
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories		9,911,641		(551,132)
Trade receivables		38,476,289		(92,553,133)
Short-term loans and advances		(21,864,155)		2,705,076
Long-term loans and advances		233,778		(1,515,139)
Other current assets		-		-
Other non-current assets		-		92,877
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		37,977,177		(21,793,064)
Other current liabilities		3,413,521		3,153,467
Short-term provisions		(352,988)		797,218
Long-term provisions		(811,559)		256,147
Cash generated from operations		121,664,981		27,935,877
Net Direct Taxes (paid)		(30,042,510)		(43,101,588)
Net cash flow (used in)/from operating activities (A)		91,622,471		(15,165,711)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(7,666,499)		(16,341,333)
Current investments not considered as Cash and cash equivalents				
- Purchase	(917,756,497)		(420,824,912)	
- Proceeds from sale	918,059,578	303,081	466,811,624	45,986,712
Purchase of long-term investments - Subsidiaries		(285,353,125)		
Interest received -Others		1,303,743		1,308,852
Dividend received -Others		2,416,137		1,952,786
Net cash flow (used in)/from investing activities (B)		(288,996,663)		32,907,017
C. Cash flow from financing activities				
Proceeds from Short Term Borrowings	283,000,000			
Repayment of Short Term Borrowings	(45,000,000)			
Finance cost	(623,419)		(585,120)	
Dividend paid	(25,000,000)		(10,000,040)	
Dividend Distribution Tax Paid	(4,248,750)		(1,699,500)	
Net cash flow used in financing activities (C)		208,127,831		(12,284,660)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		10,753,640		5,456,647
Cash and cash equivalents at the beginning of the year		22,417,228		16,960,581
Cash and cash equivalents at the end of the year		33,170,868		22,417,228
		10,753,640		5,456,647
Cash and cash equivalents comprises of :		As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
		Rupees	Rupees	Rupees
(a) Cash on hand		58,240	18,835	41,613
(b) Cheques, drafts on hand		-	-	-
(c) Balances with banks				
(i) In current accounts		1,085,082	7,646,715	11,599,664
(ii) In deposit accounts		32,027,546	14,751,678	5,319,304
Sub-total		33,170,868	22,417,228	16,960,581
Add: Deposits Under Lien		6,000	6,000	506,000
Cash and Cash Equivalents as per Note 15		33,176,868	22,423,228	17,466,581

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

Hemant M. Joshi
Partner

Pune
Date: 20th May 2015

For and on behalf of the Board of Directors

S. C. Mehta
Chairman

Dr T K Chatterjee
Director

Nandan Shah
Company Secretary

Mumbai
Date: 20th May 2015

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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 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 tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant & Machinery – 19 Years
Furniture and Fixtures – 16 Years
Vehicles – 11Years
Office equipment – 6 Years

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) Long Term Employee Benefits

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.

(iii) Defined benefit plans

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



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 as determined in accordance with the applicable tax rates and 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 attributable to the shareholders 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-2015	31-Mar-2014
	Rupees	Rupees
Authorised		
7,000,000 (P.Y 7,000,000) Equity Shares of Rs. 10/- each	7,00,00,000	7,00,00,000
1,800,000 (P.Y. 1,800,000) 1% Cumulative Redeemable Preference shares of Rs. 100/- each	18,00,00,000	18,00,00,000
Issued, Subscribed & Paid up		
1,000,000 (P.Y 1,000,000) Equity Shares of Rs. 10/- each fully	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

Note 2 A

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

Particulars	31-Mar-2015		31-Mar-2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

Out of above 1,000,000 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-2015		31-Mar-2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Deepak Fertilisers and Petrochemicals Corporation Limited	10,00,000	100.00%	9,99,994	99.99%



NOTE 3

Reserves & Surplus

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
a. Capital Redemption Reserve		
Opening Balance	18,00,00,000	18,00,00,000
(+) Transfer from Surplus in Statement of Profit and Loss	-	-
(-) Utilised during the year	-	-
Closing Balance	18,00,00,000	18,00,00,000
b. Revaluation Reserve		
Opening Balance	6,96,12,182	8,14,73,110
(+) Addition during the year	-	-
(-) Utilised for set off against depreciation	1,18,60,928	1,18,60,928
Closing Balance	5,77,51,254	6,96,12,182
c. General Reserve		
Opening Balance	1,56,92,600	72,49,300
(+) Transfer from Surplus in Statement of Profit and Loss	-	84,43,300
Closing Balance	1,56,92,600	1,56,92,600
d. Surplus in Statement of Profit & Loss		
Opening balance	13,61,23,652	8,93,83,051
(+) Net Profit For the year	2,28,32,862	8,44,32,651
(-) Proposed Dividend on Equity shares (Rs.10 per share, (P.Y Rs.25 per share)	1,00,00,000	2,50,00,000
(-) Tax on Proposed Dividend	20,92,483	42,48,750
(-) Transfer to Capital Redemption Reserve	-	-
(-) Transfer to General Reserve	-	84,43,300
Closing Balance	14,68,64,031	13,61,23,652
Total	40,03,07,885	40,14,28,434

NOTE 4

Deferred Tax Liabilities (Net)

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Difference between book and tax depreciation	2,38,98,762	2,53,33,231
Deferred Tax Liability	2,38,98,762	2,53,33,231
Expenditure allowable on payment basis	38,71,018	34,74,110
Provision for Doubtful Debts	6,617	6,932
Deferred Tax Asset	38,77,635	34,81,042
Net Deferred Tax Liability	2,00,21,127	2,18,52,189

Note 5

Provisions

Particulars	Long Term Provisions		Short Term Provisions	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	Rupees	Rupees	Rupees	Rupees
(a) Provision for employee benefits				
Gratuity (unfunded) (Refer note 31)	57,00,711	62,25,433	6,71,974	9,16,845
Leave Encashment (unfunded)	17,04,300	19,91,137	2,13,048	3,21,165
	74,05,011	82,16,570	8,85,022	12,38,010
(b) Others				
Provision for Tax (Net of Advance Tax and TDS Rs.159,937,223 (P.Y. Rs.202,731,531)	-	-	20,67,777	39,18,469
Provision for proposed equity dividend	-	-	1,00,00,000	2,50,00,000
Provision for tax on proposed dividend	-	-	20,92,483	42,48,750
	-	-	1,41,60,260	3,31,67,219
Total	74,05,011	82,16,570	1,50,45,282	3,44,05,229

NOTE 6

Short Term Borrowings

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Loans & Advances From Related Parties (Secured) (Refer Note 25)	23,80,00,000	-
	23,80,00,000	-



Note 7
Trade Payables

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Trade payables (Other than acceptances)*	9,23,01,216	4,80,65,522
Total	9,23,01,216	4,80,65,522

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

NOTE 8
Other Current Liabilities

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Other Payables :		
Advances from customers	23,24,670	27,26,843
Deposits and Earnest Money	9,94,943	15,06,034
Statutory Remittances (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,00,02,462	56,75,677
Payable on purchase of fixed assets	-	22,86,066
Total	1,33,22,075	1,21,94,620

NOTE 10
Non Current Investments

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
A) Trade Investments (Unquoted)		
Investment in Equity Shares of subsidiary 54,399 Equity shares (P.Y. Nil) of Platinum Blasting Services Pty Ltd of AUD 100 each fully paid up	28,53,53,125	-
B) Other Investments		
Investment in Equity Shares (Quoted) :- 4,715 Equity shares of Punjab National Bank Limited of Rs. 2/- each fully paid up (P.Y. 943 Equity shares of Rs. 10/- each fully paid up) Market Value Rs.680,846 (P.Y Rs.701,498)	3,67,770	3,67,770
	28,57,20,895	3,67,770

NOTE 11
Loans and advances

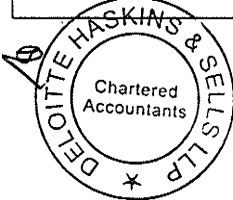
Particulars	Long Term		Short Term	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	Rupees	Rupees	Rupees	Rupees
Unsecured, Considered good				
Capital Advances	-	21,50,390	-	-
Security Deposits	1,47,24,047	1,47,24,047	33,59,000	25,37,318
Advances to Employees	-	-	1,94,600	2,12,600
Advances to Suppliers	-	-	2,49,52,253	27,02,276
Prepayments and Others	-	2,33,778	6,87,372	5,68,685
	1,47,24,047	1,71,08,215	2,91,93,225	60,20,879
Balances with Government Authorities				
Central credit receivable	-	-	13,79,956	51,03,683
Deposit with customs	-	-	7,396	1,531
Service tax credit receivable	1,031	1,031	26,53,163	2,43,492
Chartered Accountants Advances Payment of Taxes (Net of provisions Rs.243,739,330 (P.Y. Rs. 185,339,330/-))	1,031	1,031	40,40,515	53,48,706
	2,83,05,305	1,38,68,485	-	-
Total	1,50,07,383	1,80,76,731	3,32,33,740	1,12,60,585

Note 9

Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 01 April 2014	Additions	Disposals	Balance as at 31 March 2015	Upto 01 April 2014	Depreciation/ Amortisation charge for the year	Adjustment due to revaluations	On disposals	Upto 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a	Tangible Assets											
	- Freehold Land (Previous year)	8,686,569 (8,686,569)	-	-	8,686,569 (8,686,569)	-	-	-	-	-	8,686,569 (8,686,569)	8,686,569 (8,686,569)
	- Leasehold Land (Previous year)	314,912 (314,912)	-	-	314,912 (314,912)	-	-	-	-	-	314,912 (314,912)	314,912 (314,912)
	Buildings (Previous year)	35,093,235 (28,722,035)	1,114,974 (6,371,200)	-	36,208,209 (35,093,235)	13,955,273 (13,037,261)	1,135,963 (918,012)	-	-	15,091,236 (13,955,273)	21,116,973 (21,137,962)	21,137,962 (15,684,774)
	Plant and Equipment (Refer Note (i) below) (Previous year)	548,912,351 (551,627,356)	4,920,977 (4,529,044)	-	553,833,328 (548,912,351)	373,641,955 (353,321,718)	14,935,336 (15,341,156)	11,860,928 (11,860,928)	-	400,438,219 (373,641,955)	153,395,109 (175,270,396)	175,270,396 (198,305,638)
	Furniture and Fixtures (Previous year)	394,864 (394,864)	-	-	394,864 (394,864)	379,825 (373,238)	2,589 (6,587)	-	-	382,414 (379,825)	12,450 (15,039)	15,039 (21,626)
	Vehicles (Previous year)	1,131,393 (581,393)	- (550,000)	-	1,131,393 (1,131,393)	459,648 (362,077)	103,572 (97,571)	-	-	563,220 (459,648)	568,173 (671,745)	671,745 (219,316)
	Office equipment (Previous year)	3,185,254 (2,412,594)	130,437 (772,660)	-	3,315,691 (3,185,254)	1,928,626 (1,737,848)	214,889 (190,778)	-	-	2,143,515 (1,928,626)	1,172,176 (1,256,628)	1,256,628 (674,746)
	Total (Previous year)	597,718,578 (592,739,723)	6,166,388 (12,222,904)	- (7,244,049)	603,884,966 (597,718,578)	390,365,327 (368,832,142)	16,392,349 (16,554,104)	11,860,928 (11,860,928)	- (6,881,847)	418,618,604 (390,365,327)	185,266,362 (207,353,251)	207,353,251 (223,907,581)
b	Intangible Assets (Other than internally generated)											
	Computer Software (Previous year)	2,682,510 (1,998,000)	- (684,510)	-	2,682,510 (2,682,510)	1,538,743 (1,001,736)	667,890 (537,007)	-	-	2,206,633 (1,538,743)	475,878 (1,143,767)	1,143,767 (996,264)
	Total (Previous year)	2,682,510 (1,998,000)	- (684,510)	-	2,682,510 (2,682,510)	1,538,743 (1,001,736)	667,890 (537,007)	-	-	2,206,633 (1,538,743)	475,878 (1,143,767)	1,143,767 (996,264)
	Grand Total (Previous year)	600,401,088 (594,737,723)	6,166,388 (12,907,414)	- (7,244,049)	606,567,476 (600,401,088)	391,904,070 (369,833,878)	17,060,238 (17,091,111)	11,860,928 (11,860,928)	0 (6,881,847)	420,825,236 (391,904,070)	185,742,240 (208,497,018)	208,497,018 (224,903,845)
c	Capital Work In Progress (Previous year)	4,084,968 (41,193)	10,300,353 (16,862,190)	8,935,918 (12,818,415)	5,449,403 (4,084,968)	-	-	-	-	-	5,449,403 (4,084,968)	4,084,968 (41,193)

Note (i) On 1st April 2001, the company revalued Plant and Machinery at its Srikakulam Plant based on valuation report of Anmol 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 12

Other Non Current Assets/Other Current Assets

Particulars	Non Current		Current	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	Rupees	Rupees	Rupees	Rupees
Statutory Dues paid under Protest	52,19,434	52,19,434	-	-
Interest Accrued on Bank deposits	2,048	2,048	3,616	-
Interest Accrued Others	5,075	5,075	11,60,814	11,69,697
Total	52,26,557	52,26,557	11,64,430	11,69,697

NOTE 13

Inventories (At lower of cost and Net Realisable Value)

Particulars	31-Mar-2015		31-Mar-2014	
	Rupees	Rupees	Rupees	Rupees
a. Raw Materials and components	85,46,441		1,18,00,804	
Goods-in transit	34,51,052		89,76,682	
		1,19,97,493		2,07,77,486
b. Work-in-progress - AN Melt		3,37,675		3,77,123
c. Finished goods		20,12,410		58,81,552
d. Stores and spares		4,17,72,999		3,89,96,057
Grand Total		5,61,20,577		6,60,32,218

NOTE 14

Trade Receivables

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	55,81,534	35,01,752
Unsecured, considered doubtful	20,395	20,395
	56,01,929	35,22,147
Less: Provision for doubtful Trade Receivables	20,395	20,395
	55,81,534	35,01,752
Other Trade Receivables		
Unsecured, considered good	14,19,55,969	18,25,12,041
Total	14,75,37,503	18,60,13,793

NOTE 15

Cash and cash equivalents

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
a. Cash on hand	58,240	18,835
b. Balances with banks*		
i) In current account	10,85,082	76,46,715
ii) In deposit account	3,20,33,546	1,47,57,678
Total	3,31,76,868	2,24,23,228

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



NOTE 16

REVENUE FROM OPERATIONS

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Sale of Finished Goods (Refer Note 16A)	949,956,191	1,097,755,457
Less: Excise duty	(104,766,769)	(120,764,547)
Total	845,189,422	976,990,910

NOTE 16A

DETAILS OF FINISHED GOODS SOLD

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
- Ammonium Nitrate	855,470,633	1,004,528,093
- Weak Nitric Acid	94,485,558	93,227,364
Total	949,956,191	1,097,755,457

NOTE 17

Other Income

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Interest Income – from bank deposit	138,107	188,494
- Others	1,160,369	1,169,697
Dividend Income – Current investments	2,416,137	1,917,895
- Long term investments	-	34,891
Net gain on sale of current investments	303,081	986,712
Net gain on foreign currency transactions & translation	45,982	-
Other non-operating income (Refer Note (i) below)	31,446	1,535,913
Total	4,095,122	5,833,602

(i) Other non operating income comprises:

Particulars	31-Mar-2015	31-Mar-2014
	Rupees	Rupees
Liabilities / provisions no longer required written back	579	21,659
Miscellaneous Income	30,868	1,514,254
Total	31,446	1,535,913

NOTE 18

Cost of Materials consumed

Particulars	31-Mar-15	31-Mar-14
	Rupees	Rupees
Opening stock	20,777,486	26,926,686
Add: Purchases	557,435,289	648,781,413
Less: Closing stock	11,997,493	20,777,486
Cost of Materials Consumed (Refer Note 27)	566,215,282	654,930,613
Details of Principal Raw Materials Consumed		
Ammonia (CY 13,936.99 MTS (PY 17,280.655 MTS)	561,754,034	648,606,164
Other Materials	4,461,248	6,324,449
Total	566,215,282	654,930,613



NOTE 19

Changes in inventories of finished goods	31-Mar-15	31-Mar-14
	Rupees	Rupees
Stocks of Finished Goods as at 31st March 2014/ 2013	5,881,552	2,992,410
Stocks of Finished Goods as at 31st March 2015/ 2014	2,012,410	5,881,552
	3,869,142	(2,889,142)
(Decrease)/increase in Excise Duty on Stock of Finished Goods	(423,392)	317,822
(Increase)/Decrease	3,445,750	(2,571,320)

NOTE 20

Employee Benefits Expense

Particulars	31-Mar-15	31-Mar-14
	Rupees	Rupees
(a) Salaries and wages	32,993,103	33,165,663
(b) Contributions to Provident Fund	1,672,781	1,705,638
(c) Gratuity expense	2,268,212	1,250,826
(d) Staff welfare expenses	2,203,909	2,259,138
Total	39,138,005	38,381,265

NOTE 21

Finance Costs

Particulars	31-Mar-15	31-Mar-14
	Rupees	Rupees
Interest Expense on borrowings	6,259,095	-
Other Finance Cost	623,419	585,120
Total	6,882,514	585,120

NOTE 22

Other Expenses

Particulars	31-Mar-15	31-Mar-14
	Rupees	Rupees
Packing Materials Consumed	10,842,109	11,217,254
Power & Fuel	72,766,075	87,632,232
Stores & Spares Consumed	14,634,096	11,468,049
Catalyst, Oils and Chemicals Consumed	8,421,013	10,200,360
Repairs to building	1,830,208	2,011,703
Repairs to machinery	1,239,416	2,202,289
Repairs to Others	895,815	897,163
Insurance	1,929,526	1,982,093
Rates & taxes	593,984	1,198,394
Legal & Professional Fees	53,744,537	1,767,811
Office Maintenance	49,426	67,436
Telephone & Internet Charges	460,433	425,210
Travelling Expense	1,098,013	1,590,699
Freight and Forwarding	6,039,721	10,568,340
Rent	89,569	83,250
Audit fees (Refer Note 23)	2,485,950	1,500,000
Loss on fixed assets scrapped	-	362,202
Expenditure on Corporate Social Responsibility	154,210	-
Miscellaneous Expenses	4,666,856	5,761,762
Total	181,940,956	150,936,247

Note 23

Particulars	31-Mar-15	31-Mar-14
	Rupees	Rupees
Payments to the auditor as		
a. auditor	800,000	600,000
b. for tax audit	150,000	100,000
c. for taxation matters (includes Rs.200,000/- (P.Y Nil) in respect of previous year)	1,200,000	600,000
d. for other services	327,500	200,000
for reimbursement of expenses	8,450	-
Total	2,485,950	1,500,000



NOTE: 24

Earnings per Share (EPS):

Sr. No.	Particulars	31 March 2015	31 March 2014
a)	Profit after tax (Rs.)	22,832,862	84,432,651
b)	Less: Dividend on preference shares (including corporate dividend tax)	-	-
c)	Profit attributable to Equity Shareholders (Rs.)	22,832,862	84,432,651
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)	22.83	84.43

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
Subsidiary Company	Platinum Blasting Services Pty Limited
Key Management personnel	Mr Bhaskar Pai – Manager (upto 22 March 2014)

Following are the transactions with related parties:

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management personnel	Total
Purchase of material & spares	24,061,111 (92,456,577)	- (-)	- (-)	- (-)	24,061,111 (92,456,577)
Purchase of Fixed Assets	- (2,043,820)				- (2,043,820)
Services received	57,119,219 (-)	- (-)	- (-)	- (-)	57,119,219 (-)
Reimbursement of Expenses	1,354 (122,451)	- (-)	- (-)	- (208,250)	1,354 (330,701)
Remuneration	- (-)	- (-)	- (-)	- (3,411,764)	- (3,411,764)
Receipt of Unsecured Loan	283,000,000 (-)				283,000,000 (-)
Interest on Unsecured Loan	6,259,095 (-)				6,259,095 (-)
Equity Dividend	24,999,850 (9,999,940)	- (-)	- (-)	- (-)	24,999,850 (9,999,940)
Sales of Fixed Assets	1,254,600 (-)	- (-)	- (-)	- (-)	1,254,600 (-)
Equity Contribution	- (-)	285,353,125 (-)	- (-)	- (-)	285,353,125 (-)
Balance receivable at the year end	1,254,600 (-)	- (-)	(2,584,280)	- (-)	1,254,600 (2,584,280)
Balance payable at the year end (Including Unsecured Loan Rs. 238,000,000 (P.Y Nil) and interest on above Rs. 5,533,186 (P.Y Nil))	297,751,146 (2,709,309)	- (-)	- (-)	- (-)	297,751,146 (2,709,309)

Note: The figures in brackets pertain to previous year.



Note: 26

Value of Imports on CIF basis in respect of:

Particulars	31 March 2015 (Rs.)	31 March 2014 (Rs.)
Raw Materials	19,77,753	2,913,946
Spares & Stores	-	4,031,751
Total	19,77,753	6,945,697

Note: 27

Raw materials consumed:

Particulars	31 March 2015		31 March 2014	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	564,764,345	99.75	652,182,520	99.58
Imported	1,450,937	0.25	2,748,093	0.42
Total	566,215,282	100	654,930,613	100

Note: 28

Stores and Spares Consumed:

Particulars	31 March 2015		31 March 2014	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	14,634,096	100	11,300,932	98.54
Imported	-	-	167,117	1.46
Total	14,634,096	100	11,468,049	100

Note: 29

Contingent Liabilities:

Particulars	31 March 2015 Rupees	31 March 2014 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
- Sales Tax	4,721,955	4,721,955
- Income Tax	987,852	890,752
	5,749,807	7,030,430



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, 2006. The Company has recognized, in the Statement of Profit and Loss for the year ended 31.03.2015, an amount of Rs.1,672,781/- (P.Y. Rs.1,705,638) as an expense under defined contribution plans.

Particulars	31 March 2015	31 March 2014
Benefit (contribution to)	Amount Rs.	Amount Rs.
- Provident Fund	812,071	924,109
- Employees' Pension Scheme	860,710	7,81,529
Total	1,672,781	1,705,638

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 2015	31 March 2014
1. Reconciliation of opening and closing balances of Obligation		
a. Present value of obligation as at the beginning of the year	7,142,278	6,304,929
b. Current Service Cost	425,101	481,290
c. Past Service Cost	-	-
d. Interest Cost	477,987	493,953
e. Actuarial (gain)/Loss	1,365,124	275,583
f. Benefits paid	(3,037,805)	(413,477)
g. Present value of obligation as at the end of the year	6,372,685	7,142,278
2. Expenses recognized in the period		
a. Current Service Cost	425,101	481,290
b. Past Service Cost	-	-
c. Interest Cost	477,987	493,953
d. Actuarial (gain)/Loss	1,365,124	275,583
e. Expense recognized in the period	2,268,212	1,250,826
3. Principal Actuarial Assumptions		
a) Discount rate (per annum)	8.00%	8.50%
b) Rate of Increase in Compensation Levels	5%	5%
c) Expected Average remaining working lives of employees (years)	11.43	11.47

4. Experience History	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Experience adjustments on Plan Liabilities	1,128,481	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	6,372,685	7,142,278	6,304,929	5,228,962	4,637,621
d. Plan Assets at the end of the period	-	-	-	-	-
e. Funded/(unfunded) Status	(6,372,685)	(7,142,278)	(6,304,929)	(5,228,962)	(4,637,621)



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	As at
	31 March, 2015	31 March, 2014
	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 2015 is Rs Nil (P.Y. Rs. 3,203,496 /-) (net of advances Rs Nil. (P.Y. Rs. 2,150,390/-)) in respect of tangible fixed assets.

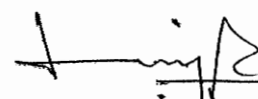
Note: 34

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
Chairman



Dr T K Chatterjee
Director



Nandan Shah
Company Secretary

Place : Mumbai
Date : 20th May, 2015



Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMARTCHEM TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SMARTCHEM TECHNOLOGIES LIMITED** (hereinafter referred to as "the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit

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to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.269,148,307 as at 31st March, 2015, total revenues of Rs.16,706,732 and net cash inflows amounting to Rs.155,013,945 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

The subsidiary company in the group is not incorporated in India; therefore, reporting under the Companies (Auditor's Report) Order, 2015 (the "Order") is not applicable. Accordingly, our report on Other legal and Regulatory Requirements includes reporting to the extent applicable.

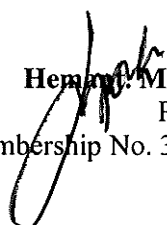
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1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2015 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


Hemant M. Joshi
Partner
(Membership No. 38019)

Pune, May 20, 2015

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Deloitte Haskins & Sells LLP

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Re: Smartchem Technologies Limited (the "Company")

Having regard to the nature of the Company's business / activities / results during the year, clauses (ix) and (xi) of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of the fixed assets of the Company:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of physical verification of fixed assets whereby fixed assets are physically verified once every three years. In accordance with the said program, 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.

- (ii) In respect of the inventories of the Company:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the Company at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Company 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 their inventories and no material discrepancies were noticed on physical verification.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

- (iv) 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

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business for the purchase 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 continued failure to correct major weakness in such internal control system.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Company:
- (a) The Company has generally been regular in depositing, undisputed statutory dues, including Provident Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company for the year ended 31st March 2015.
- (b) There were no undisputed amounts payable by the Company in respect of Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 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, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the Company are given below:

Name of Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Corporate tax	Income tax Appellate Tribunal	F.Y 2001-02	890,752
Income Tax Act, 1961	Corporate tax	The Commissioner of Income Tax (Appeals)	F.Y 2011-12	97,100

- (d) There are no amounts that are due to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.



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- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has incurred cash losses on a consolidated basis during the financial year covered by our audit but have not incurred any cash loss on a consolidated basis during the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (x) To the best of our knowledge and belief 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 Registration No. 117366W/ W-100018)


HEMANT M Joshi
Partner
(Membership No. 38019)

Pune, May 20, 2015



Consolidated Balance Sheet as at

Particulars	Note No.	31-Mar-2015 Rupees
I EQUITY AND LIABILITIES		
(1) SHAREHOLDERS' FUNDS		
(a) Share Capital	2	10,000,000
(b) Reserves and Surplus	3	326,657,088
(c) CRP Conversion Option		9,624
		336,666,712
(2) Minority Interest		
		53,962,585
(3) Non Current Liabilities		
(a) Deferred Tax Liabilities (Net)	4	20,021,127
(b) Long Term Provisions	5	7,405,011
		27,426,138
(4) Current liabilities		
(a) Short Term Borrowings	6	238,000,000
(b) Trade payables	7	96,866,008
(c) Other current liabilities	8	15,754,826
(d) Short term provisions	5	17,642,464
		368,263,298
	TOTAL	786,318,733
II ASSETS		
(1) Non Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	9	185,266,362
(ii) Intangible Assets	9	475,878
(iii) Capital work-in-progress	9	110,181,781
		295,924,021
(b) Non Current Investments	10	367,770
(c) Long Term loans and advances	11	43,030,383
(d) Other Non Current Assets	12	5,226,557
		48,624,710
(2) Current Assets		
(a) Inventories	13	56,120,577
(b) Trade Receivables	14	147,537,504
(c) Cash and cash equivalents	15	188,190,813
(d) Short Term Loans and advances	11	48,756,678
(e) Other Current Assets	12	1,164,430
		441,770,002
	TOTAL	786,318,733
See accompanying notes forming part of the financial statements		
	1	

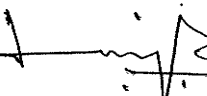
In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Hemant M Joshi
Partner

Pune
Date: 20th May, 2015

For and on behalf of Board of Directors


S C Mehta
Chairman


Dr T K Chatterjee
Director


Nandan Shah
Company Secretary

Mumbai
Date: 20th May, 2015

Consolidated Statement of Profit and Loss for the year ended

<u>Particulars</u>	<u>Note No.</u>	<u>31-Mar-2015</u>
		Rupees
I Revenue from operations	16	861,896,154
II Other Income	17	5,490,513
III Total Revenue (I + II)		867,386,667
IV Expenses :		
Cost of Materials consumed	18	581,595,751
Changes in inventories of finished goods	19	3,445,750
Employee benefits expense	20	93,872,759
Finance costs	21	7,112,780
Depreciation and amortization expense	9	17,060,238
Other expenses	23	197,005,283
Total expenses		900,092,561
V Profit before tax (III- IV)		(32,705,894)
VI Tax expense/(benefit):		
(1) Current tax		13,600,000
(2) Deferred tax		(1,831,063)
Net tax expense / (benefit)		11,768,937
VII Profit after tax and before Minority Interest (V-VI)		(44,474,831)
VIII (Add) / Less: Share of profit / (loss) attributable to Minority interest		(13,953,699)
IX Profit / (Loss) for the year attributable to the shareholders of the Company		(30,521,132)
X Earnings/(Loss) per equity share (Refer Note 24):		
(1) Basic		(30.52)
(2) Diluted		(30.52)
(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

For and on behalf of the Board of Directors


Hemant M. Joshi
Partner


S. C. Mehta
Chairman


Dr T K Chatterjee
Director


Nandan Shah
Company Secretary

Pune
Date : 20th May, 2015

Mumbai
Date: 20th May, 2015

Statement of Cash Flows for the year ended		
Particulars	31 March 2015	
	Rupees	Rupees
A. Cash flow from operating activities		
Profit / (Loss) before tax		(32,705,894)
Depreciation and amortisation		17,060,238
(Profit) / loss on sale of fixed assets		-
Finance costs		7,112,780
Interest income		(2,693,868)
Dividend income		(2,416,137)
Wealth Tax provision		155,000
Net gain on sale of current investments		(303,081)
Liabilities / provisions no longer required written back		(579)
Foreign currency translation reserve movement		(20,296,804)
Operating profit before working capital changes		(34,088,344)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories		9,911,641
Trade receivables		38,476,289
Short-term loans and advances		(37,387,092)
Long-term loans and advances		233,778
Other current assets		-
Other non-current assets		-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables		42,541,969
Other current liabilities		5,846,271
Short-term provisions		2,244,194
Long-term provisions		(811,559)
Cash generated from operations		26,967,147
Net Direct Taxes paid		(30,042,510)
Net cash flow (used in)/from operating activities (A)		(3,075,363)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances		(112,398,877)
Current investments not considered as Cash and cash equivalents		
- Purchase	(917,756,497)	
- Proceeds from sale	918,059,578	303,081
Interest received		2,699,135
Dividend received		2,416,137
Net cash flow (used in)/from investing activities (B)		(106,980,524)
C. Cash flow from financing activities		
Proceeds from Short Term Borrowings	283,000,000	
Repayment of Short Term Borrowings	(45,000,000)	
Finance cost	(853,685)	
Dividend paid	(25,000,000)	
Dividend Distribution Tax Paid	(4,248,750)	
Proceeds from issue of shares to minority shareholders	67,916,284	
Proceeds from option issues	9,624	
Net cash flow used in financing activities (C)		275,823,472
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		165,767,585
Cash and cash equivalents at the beginning of the year		22,417,228
Cash and cash equivalents at the end of the year		188,184,813
		165,767,585
Cash and cash equivalents comprises of :	As at 31 March 2015	As at 31 March 2014
	Rupees	Rupees
(a) Cash on hand	70,174	18,835
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	156,087,092	7,646,715
(ii) In deposit accounts	32,027,546	14,751,678
Sub-total	188,184,813	22,417,228
Add: Deposits Under Lien	6,000	6,000
Cash and Cash Equivalents as per Note 15	188,190,813	22,423,228

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

Hemant M. Joshi
Partner

Pune
Date: 20th May, 2015

For and on behalf of the Board of Directors

S. C. Mehta
Chairman

Dr T K Chatterjee
Director

Nandan Shah
Company Secretary

Mumbai
Date: 20th May, 2015

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.

The Company has formed a subsidiary i.e. Platinum Blasting Services Pty Ltd in Australia which commenced its operations in August 2014. It is engaged in sale of explosives and explosive related raw materials, blasting services and operation expertise to the mining and explosives industries.

II) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company & its subsidiary (together the "Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Smartchem Technologies Limited (the 'Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., 31 March, 2015.
- ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.



- iii) Minority Interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- iv) Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relations hip	Country of Incorporation	% of Holding as at	
			31 March, 2015	31 March, 2014
Platinum Blasting Services Pty Ltd	Subsidiary Company	Australia	79.27%	-

- v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. USE OF ESTIMATES

The preparation of consolidated 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.

4. 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.





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5. DEPRECIATION

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant & Machinery – 19 Years
Furniture and Fixtures – 16 Years
Vehicles – 11Years
Office equipment – 6 Years

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.

6. 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.

7. 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.



8. 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) Long Term Employee Benefits

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.

(iii) Defined benefit plans

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.



9. 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.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates. The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

10. 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.



11. 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 on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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.

12. IMPAIRMENT OF ASSETS:

At the end of each year, the management 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.





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13. 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 attributable to the shareholders of the Company 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.

14. 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.

15. 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.

16. 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.

17. 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, Technical 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. The group has considered geographical segment as its secondary segment.



Note 2

Share Capital

Particulars	31-Mar-2015
	Rupees
Authorised	
7,000,000 Equity Shares of Rs. 10/- each	7,00,00,000
1,800,000 1% Cumulative Redeemable Preference shares of Rs. 100/- each	18,00,00,000
Issued, Subscribed & Paid up	
1,000,000 Equity Shares of Rs. 10/- each fully paid up	1,00,00,000
Total	1,00,00,000

Note 2 A

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

Particulars	31-Mar-2015	
	Number	Rupees
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000

Out of above 1,000,000 Equity Shares 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-2015	
	No. of Shares held	% of Holding
Equity Shares		
Deepak Fertilisers and Petrochemicals Corporation Limited	10,00,000	100.00%



NOTE 3

Reserves & Surplus

Particulars	31-Mar-2015
	Rupees
a. Capital Redemption Reserve	
Opening Balance	18,00,00,000
(+) Transfer from Surplus in Statement of Profit and Loss	-
(-) Utilised during the year	-
Closing Balance	18,00,00,000
b. Revaluation Reserve	
Opening Balance	6,96,12,182
(+) Addition during the year	-
(-) Utilised for set off against depreciation	1,18,60,928
Closing Balance	5,77,51,254
c. General Reserve	
Opening Balance	1,56,92,600
(+) Transfer from Surplus in Statement of Profit and Loss	-
(-) Transfer to Capital Redemption Reserve	-
Closing Balance	1,56,92,600
d. Foreign currency translation reserve	
Opening Balance	-
	(2,02,96,804)
Add / (Less): Effect of foreign exchange rate variations during the year	
Closing Balance	(2,02,96,804)
e. Surplus in Statement of Profit & Loss	
Opening balance	13,61,23,652
(+) Net Profit For the year	(3,05,21,132)
(-) Proposed Dividend on Equity shares (Rs. 10 per share)	1,00,00,000
(-) Tax on Proposed Dividend	20,92,483
(-) Transfer to General Reserve	-
Closing Balance	9,35,10,038
Total	32,66,57,088

NOTE 4

Deferred Tax Liabilities (Net)

Particulars	31-Mar-2015
	Rupees
Difference between book and tax depreciation	2,38,98,762
Deferred Tax Liability	2,38,98,762
Expenditure allowable on payment basis	38,71,018
Provision for Doubtful Debts	6,617
Deferred Tax Asset	38,77,635
Net Deferred Tax Liability	2,00,21,127

Note 5

Provisions

Particulars	Long Term Provisions	Short Term Provisions
	31-Mar-2015	31-Mar-2015
	Rupees	Rupees
(a) Provision for employee benefits		
Gratuity (unfunded) (Refer note 27)	57,00,711	6,71,974
Leave Encashment (unfunded)	17,04,300	28,10,230
	74,05,011	34,82,204
(b) Others		
Provision for Tax (Net of Advance Tax and TDS Rs.159,937,223)	-	20,67,777
Provision for proposed equity dividend	-	1,00,00,000
Provision for tax on proposed dividend	-	20,92,483
	-	1,41,60,260
Total	74,05,011	1,76,42,464



NOTE 6
Short Term Borrowings

Particulars	31-Mar-2015
	Rupees
Loans & Advances From Related Parties (Unsecured) (Refer note 25)	23,80,00,000
Total	23,80,00,000

Note 7

Trade Payables

Particulars	31-Mar-2015
	Rupees
Trade payables (Other than acceptances)	9,68,66,008
Total	9,68,66,008

NOTE 8

Other Current Liabilities

Particulars	31-Mar-2015
	Rupees
Other Payables :	
Advances from customers	23,24,670
Deposits and Earnest Money	9,94,943
Statutory Remittances (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,24,35,213
Payable on purchase of fixed assets	-
Total	1,57,54,826

NOTE 10

Non Current Investments

Particulars	31-Mar-2015
	Rupees
A) Other Investments	
Investment in Equity Shares (Quoted) :-	
4,715 Equity shares of Punjab National Bank Limited of Rs. 2/- each fully paid up Market Value Rs.680,846	3,67,770
Total	3,67,770

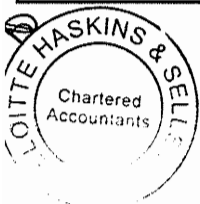


Note 9

Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation					Net Block	
		Balance as at 01 April 2014	Additions	Disposals	Balance as at 31 March 2015	Upto 01 April 2014	Depreciation/ Amortisation charge for the year	Adjustment due to revaluations	On disposals	Upto 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a	Tangible Assets											
	- Freehold Land	8,686,569	-	-	8,686,569	-	-	-	-	-	8,686,569	8,686,569
	- Leasehold Land	314,912	-	-	314,912	-	-	-	-	-	314,912	314,912
	Buildings	35,093,235	1,114,974	-	36,208,209	13,955,273	1,135,963	-	-	15,091,236	21,116,973	21,137,962
	Plant and Equipment (Refer Note (i) below)	548,912,351	4,920,977	-	553,833,328	373,641,955	14,935,336	11,860,928	-	400,438,219	153,395,109	175,270,396
	Furniture and Fixtures	394,864	-	-	394,864	379,825	2,589	-	-	382,414	12,450	15,039
	Vehicles	1,131,393	-	-	1,131,393	459,648	103,572	-	-	563,220	568,173	671,745
	Office equipment	3,185,254	130,437	-	3,315,691	1,928,626	214,889	-	-	2,143,515	1,172,176	1,256,628
	Total	597,718,578	6,166,388	-	603,884,966	390,365,327	16,392,349	11,860,928	-	418,618,604	185,266,362	207,353,251
b	Intangible Assets (Other than internally generated)											
	Computer Software	2,682,510	-	-	2,682,510	1,538,743	667,890	-	-	2,206,633	475,878	1,143,767
	Total	2,682,510	-	-	2,682,510	1,538,743	667,890	-	-	2,206,633	475,878	1,143,767
	Grand Total	600,401,088	6,166,388	-	606,567,476	391,904,070	17,060,238	11,860,928	-	420,825,236	185,742,240	208,497,018
c	Capital Work In Progress	4,084,968	115,032,731	8,935,918	110,181,781	-	-	-	-	-	110,181,781	4,084,968

Note (i) On 1st April 2001, the company revalued Plant and Machinery at its Srikakulam Plant based on valuation report of Anmol 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

Loans and advances

Particulars	Long Term	Short Term
	31-Mar-2015	31-Mar-2015
	Rupees	Rupees
Unsecured, Considered good		
Capital Advances	-	-
Security Deposits	1,47,24,047	97,34,356
Advances to Employees	-	1,94,600
Advances to Suppliers	-	2,49,52,253
Prepayments and Others		37,13,999
	1,47,24,047	3,85,95,209
Balances with Government Authorities		
Cenvat credit receivable	-	75,00,910
Deposit with customs		7,396
Service tax credit receivable	1,031	26,53,163
	1,031	1,01,61,469
Advance Payment of Taxes (Net of provisions Rs.243,739,330)	2,83,05,305	-
Total	4,30,30,383	4,87,56,678

NOTE 12

Other Non Current Assets/Other Current Assets

Particulars	Non Current	Current
	31-Mar-2015	31-Mar-2015
	Rupees	Rupees
Statutory Dues paid under Protest	52,19,434	-
Interest Accrued on Bank deposits	2,048	3,616
Interest Accrued Others	5,075	11,60,814
Total	52,26,557	11,64,430

NOTE 13

Inventories (At lower of cost and Net Realisable Value)

Particulars	31-Mar-2015	
	Rupees	Rupees
a. Raw Materials and components	85,46,441	
Goods-in transit	34,51,052	
		1,19,97,493
b. Work-in-progress - AN Melt		3,37,675
c. Finished goods		20,12,410
d. Stores and spares		4,17,72,999
Grand Total		5,61,20,577

NOTE 14

Trade Receivables

Particulars	31-Mar-2015
	Rupees
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Unsecured, considered good	55,81,534
Unsecured, considered doubtful	20,395
	56,01,929
Less: Provision for doubtful Trade Receivables	20,395
	55,81,534
Other Trade Receivables	
Unsecured, considered good	14,19,55,970
Total	14,75,37,504

NOTE 15

Cash and cash equivalents

Particulars	31-Mar-2015
	Rupees
a. Cash on hand	70,174
b. Balances with banks*	
In current account	15,60,87,092
In deposit account	3,20,33,546
Total	18,81,90,813



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

NOTE 16

REVENUE FROM OPERATIONS

Particulars	31-Mar-2015
	Rupees
Sale of Finished Goods (Refer Note 16A)	966,662,923
Less: Excise duty	(104,766,769)
Total	861,896,154

NOTE 16A

DETAILS OF FINISHED GOODS SOLD

Particulars	31-Mar-2015
	Rupees
- Ammonium Nitrate	855,470,633
- Weak Nitric Acid	94,485,558
- Technical Ammonium Nitrate	16,706,732
Total	966,662,923

NOTE 17

Other Income

Particulars	31-Mar-2015
	Rupees
Interest Income – from bank deposit	1,533,498.51
- Others	1,160,369.00
Dividend Income – Current investments	2,416,137.00
- Long term investments	-
Net gain on sale of current investments	303,081.00
Net gain on foreign currency transactions & translation	45,981.52
Other non-operating income (Refer Note (i) below)	31,446.00
Total	5,490,513

(i) Other non operating income comprises:

Particulars	31-Mar-2015
	Rupees
Liabilities / provisions no longer required written back	579
Miscellaneous Income	30,868
Total	31,446

NOTE 18

Cost of Materials consumed

Particulars	31-Mar-15
	Rupees
Opening stock	20,777,486
Add: Purchases	572,815,758
Less: Closing stock	11,997,493
Cost of Materials Consumed	581,595,751
Total	581,595,751



NOTE 19

Changes in inventories of finished goods	31-Mar-15
	Rupees
Stocks of Finished Goods as at 31st March 2014/ 2013	5,881,552
Stocks of Finished Goods as at 31st March 2015/ 2014	2,012,410
	3,869,142
(Decrease)/increase in Excise Duty on Stock of Finished Goods	(423,392)
(Increase)/Decrease	3,445,750

NOTE 20

Employee Benefits Expense

Particulars	31-Mar-15
	Rupees
(a) Salaries and wages	85,029,656
(b) Contributions to Provident Fund	4,244,731
(c) Gratuity expense	2,268,212
(d) Staff welfare expenses	2,330,160
Total	93,872,759

NOTE 21

Finance Costs

Particulars	31-Mar-15
	Rupees
Interest Expense on borrowings	6,259,095
Other Finance Cost	853,685
Total	7,112,780

NOTE 22

Other Expenses

Particulars	31-Mar-15
	Rupees
Packing Materials Consumed	10,842,109
Power & Fuel	72,777,303
Stores & Spares Consumed	14,634,096
Catalyst, Oils and Chemicals Consumed	8,421,013
Repairs to building	1,830,208
Repairs to machinery	1,239,416
Repairs to Others	1,083,401
Insurance	4,259,419
Rates & taxes	1,629,623
Legal & Professional Fees	56,712,019
Office Maintenance	87,321
Telephone & Internet Charges	977,290
Travelling Expense	5,657,724
Freight and Forwarding	6,039,721
Rent	1,938,525
Audit fees (Refer Note 23)	2,485,950
Loss on fixed assets scrapped	-
Expenditure on Corporate Social Responsibility	154,210
Miscellaneous Expenses	6,235,935
Total	197,005,283

Note 23

Particulars	31-Mar-15
	Rupees
Payments to the auditor as	
a. auditor	800,000
b. for tax audit	150,000
c. for taxation matters (includes Rs.200,000/- in respect of previous year)	1,200,000
d. for other services	327,500
for reimbursement of expenses	8,450
Total	2,485,950



NOTE: 24

Earnings per Share (EPS):

Sr. No.	Particulars	31 March 2015
a)	Profit/(Loss) after tax (Rs.)	(30,521,132)
b)	Less: Dividend on preference shares (including corporate dividend tax)	-
c)	Profit/(Loss) attributable to Equity Shareholders (Rs.)	(30,521,132)
d)	No. of Equity Shares outstanding during the year	1,000,000
e)	Nominal Value of Equity Shares (Rs.)	10/-
	Basic Earnings/(Loss) per Share (Rs.) (c/d)	(30.52)

Note: 25

Related party disclosures:

Name of the related parties and description of relationship:

Holding Company Deepak Fertilisers and Petrochemicals Corporation Limited

Following are the transactions with related parties:

Particulars	Holding Company	Total
Purchase of material & spares	24,061,111	24,061,111
Services received	57,119,219	57,119,219
Reimbursement of Expenses	1,354	1,354
Receipt of Unsecured Loan	283,000,000	283,000,000
Interest on unsecured Loan	6,259,095	6,259,095
Equity Dividend	24,999,850	24,999,850
Sales of Fixed Assets	1,254,600	1,254,600
Balance receivable at the year end	1,254,600	1,254,600
Balance payable at the year end (Including Unsecured Loan Rs. 238,000,000 and interest thereon above Rs.5,633,186)	297,751,146	297,751,146



Note: 26

Contingent Liabilities:

Particulars	31 March 2015 Rupees
(i) Contingent Liabilities	
(a) Claims against the company not acknowledged as debt	40,000
(b) Other money for which the company is contingently liable	
- Excise	-
- Sales Tax	4,721,955
- Income Tax	987,852
	5,749,807

Note: 27

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, 2006. The Company has recognized, in the Statement of Profit and Loss for the year ended 31.03.2015, an amount of Rs.4,244,731/- as an expense under defined contribution plans.

Particulars	31 March 2015
Benefit (contribution to)	Amount Rs.
- Provident Fund	812,071
- Employees' Pension Scheme	860,710
- Employees Superannuation Scheme	2,571,950
Total	4,244,731



Note: 28

Details of Unfunded Plans:

Employee benefits pertaining to overseas subsidiary has been accrued based on their respective local labour laws.

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 2015				
1. Reconciliation of opening and closing balances of Obligation					
a. Present value of obligation as at the beginning of the year	7,142,278				
b. Current Service Cost	425,101				
c. Past Service Cost	-				
d. Interest Cost	477,987				
e. Actuarial (gain)/Loss	1,365,124				
f. Benefits paid	(3,037,805)				
g. Present value of obligation as at the end of the year	6,372,685				
2. Expenses recognized in the period					
a. Current Service Cost	425,101				
b. Past Service Cost	-				
c. Interest Cost	477,987				
d. Actuarial (gain)/Loss	1,365,124				
e. Expense recognized in the period	2,268,212				
3. Principal Actuarial Assumptions					
a) Discount rate (per annum)	8.00%				
b) Rate of Increase in Compensation Levels	5%				
c) Expected Average remaining working lives of employees (years)	11.43				
4. Experience History	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Experience adjustments on Plan Liabilities	1,128,481	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	6,372,685	7,142,278	6,304,929	5,228,962	4,637,621
d. Plan Assets at the end of the period	-	-	-	-	-
e. Funded/(unfunded) Status	(6,372,685)	(7,142,278)	(6,304,929)	(5,228,962)	(4,637,621)



Note: 29

Capital Commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for the year ended 31st March 2015 is Rs. 53,140,828. (net of advances Rs Nil.) in respect of tangible fixed assets.

Note: 30

The information on geographical segment is given below:

Particulars	(Amount in Rupees)	
	31 March 2015	
(i) Segment Revenue by geographical area based on geographical location of Customers		
In India		845,189,422
Outside India		16,706,732
(ii) Total Carrying amount of Segment assets by geographical location		
In India		517,170,424
Outside India		269,148,307
(iii) Cost incurred during the period to acquire Segment fixed assets		
In India		7,666,499
Outside India		104,732,378



Note: 31

Additional Disclosure as per the requirement of Schedule III:

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
Parent:				
Indian				
Smartchem Technologies Limited	24%	83,094,282	(51%)	22,832,862
Subsidiary				
Foreign				
Platinum Blasting Services Pty Ltd	76%	265,664,912	151%	(67,307,693)
Total	100%	348,759,194	100%	(44,474,831)

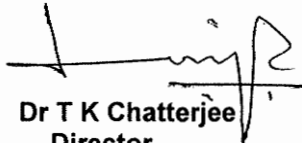
Note: 32

The Company has formed its subsidiary i.e. Platinum Blasting Services Pty Ltd in the current year and accordingly prepared its consolidated financial statements for the first time and hence corresponding (comparative) figures for the previous year have not been given.

For and on behalf of the Board of Directors,

Place : Mumbai
 Date : 20th May, 2015


 S. C. Mehta
 Chairman


 Dr T K Chatterjee
 Director


 Nandan Shah
 Company Secretary

