SMARTCHEM
TECHNOLOGIES
LIMITED

Products to Solutions.
Commodities to Brands.

Annual Report 2018-19

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Annual Report 2018-19
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Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTICE

NOTICE is hereby given that Thirty-Second Annual General Meeting of the Members of SMARTCHEM TECHNOLOGIES LIMITED will be held on Monday, 12th August, 2019 at 11:30 a.m. at the Registered Office of the Company at Sai Hira, Survey No. 93, Mundhwa, Pune – 411036 to transact the following business:

■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the period ended 31st March, 2019, and the Board's Report and Report of the Auditors thereon.

2. To appoint a Director in place of Shri M. P. Shinde (DIN No. 06533004) who retires by rotation and being eligible, offers himself for re-appointment.

■ SPECIAL BUSINESS

3. To ratify the remuneration to be paid to the Cost Auditors of the Company 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 Section 148 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 {including any statutory modification(s) or re-enactment thereof}, approval of the Board of Directors of the Company for payment of remuneration of ₹ 4 Lakhs (Rupees Four Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31st March, 2020, to Y. R. Doshi & Co., Cost Accountants, for conducting Cost Audit of all applicable products, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorised to do and perform all such other acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Appointment of Shri A. K. Purwaha (DIN: 00165092) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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}, consent of the Members of the Company be and is hereby accorded for appointment of Shri A. K. Purwaha (DIN: 00165092), who was appointed as an Additional Director by the Board of Directors at its meeting held on 31st October, 2018, as an Independent Director of the Company for the first term of 5 consecutive years commencing from 31st October, 2018 and ending on 30th October, 2023 or upto the conclusion of Annual General Meeting for the Financial Year 2022-23 whichever date is earlier and the term shall not be subject to retirement by rotation.

   RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorised to do and perform all such other acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Appointment of Shri Partha Bhattacharyya (DIN: 00329479) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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}, consent of the Members of the Company be and is hereby accorded for appointment of Shri Partha Bhattacharyya (DIN: 00329479), who was appointed as an Additional Director by the Board of Directors at its meeting held on 13th February, 2019, as an Independent Director of the Company for the first term of 5 consecutive years commencing from 1st April, 2019 and ending on 31st March, 2024 and the term shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorised to do and perform all such other acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Date: 29th May, 2019

Registered Office:
Sai Hira, Survey No. 93,
Mundhwa,
Pune – 411036

By the order of the
Board of Directors
Pankaj Gupta
Company Secretary
(M. No- FCS9219)

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. Members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number.

4. All Proxy-holder should carry their identity card at the time of attending the Meeting.

5. Proxies Register is open for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting. Inspection shall be allowed between 11 A.M. and 1 P.M.

6. The Members/Proxies should fill the Attendance Slip for attending the Meeting.

7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11.00 A.M. and 1.00 P.M., upto the date of the AGM.

8. Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 9th August, 2019.

9. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting are requested to send a certified copy of the appropriate resolution, as applicable authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

Annexure to the Notice

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

Item No. 3:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On recommendation of Audit Committee, the Board at their meeting held on 29th May, 2019 has considered and approved appointment of M/s Y. R. Doshi & Co., Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹ 4 Lakhs (Rupees Four Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of pocket expenses for the Financial Year ending 31st March, 2020.

The Board of Directors recommends the proposed resolution for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution.

The Board recommends the resolution for approval.

Item No. 4:

The Company is a material subsidiary of Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL), pursuant to the provisions of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015}.

Pursuant to the provisions of Regulation 24 of SEBI (LODR) Regulations, 2015 at least one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India.

The Board of Directors of DFPCL, at their meeting held on 18th September 2018, have given their approval for appointment of Shri Ashok Kumar Purwaha – Independent Director of DFPCL on the Board of the Company pursuant to the aforesaid provision of SEBI (LODR) Regulations, 2015.

The Board of Directors at its meeting held on 31st October, 2018 has recommended to appoint Shri A. K. Purwaha for a first term of 5 consecutive years commencing from 31st October, 2018 and ending on 30th October, 2023 or upto the conclusion of Annual General Meeting for the Financial Year 2022-23, whichever date is earlier. Pursuant to the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation, subject to the approval of the shareholders.

Further, in the opinion of the Board, the proposed appointment of Independent Director, fulfills the conditions specified in the Act and rules made thereunder and the proposed appointment of Independent Directors is independent of the management.

Copy of the draft letter for appointment of Director as Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days of the Company up to and including the day of the meeting.

The Board recommends the proposed ordinary resolution for the approval of the Members of the Company.

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

Item No. 5:

Section 149 of the Companies Act, 2013 provides that Independent Director shall hold office for a term upto 5 (Five) consecutive years.

The Board of Directors at its meeting held on 13th February, 2019 has recommended to appoint Shri Partha Bhattacharyya for a first term of 5 consecutive years commencing from 1st April, 2019 and ending on 31st March, 2024. Pursuant to the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation, subject to the approval of the shareholders.

The Board is of the opinion that Shri Partha

Bhattacharyya 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.

Further, in the opinion of the Board, the proposed appointment of Independent Director, fulfills the conditions specified in the Act and rules made thereunder and the proposed appointment of Independent Director is independent of the management.

Shri Partha Bhattacharyya is also Independent Director of Holding Company, DFPCL. Appointment of Shri Partha Bhattacharyya in the Board of the Company, may also be considered as Independent Director of DFPCL on the Board of the Company pursuant to the aforesaid provision of SEBI (LODR) Regulations, 2015.

Copy of the draft letter for appointment of Director as Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days of the Company up to and including the day of the meeting.

The Board recommends the proposed ordinary resolution for the approval of the Members of the Company.

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

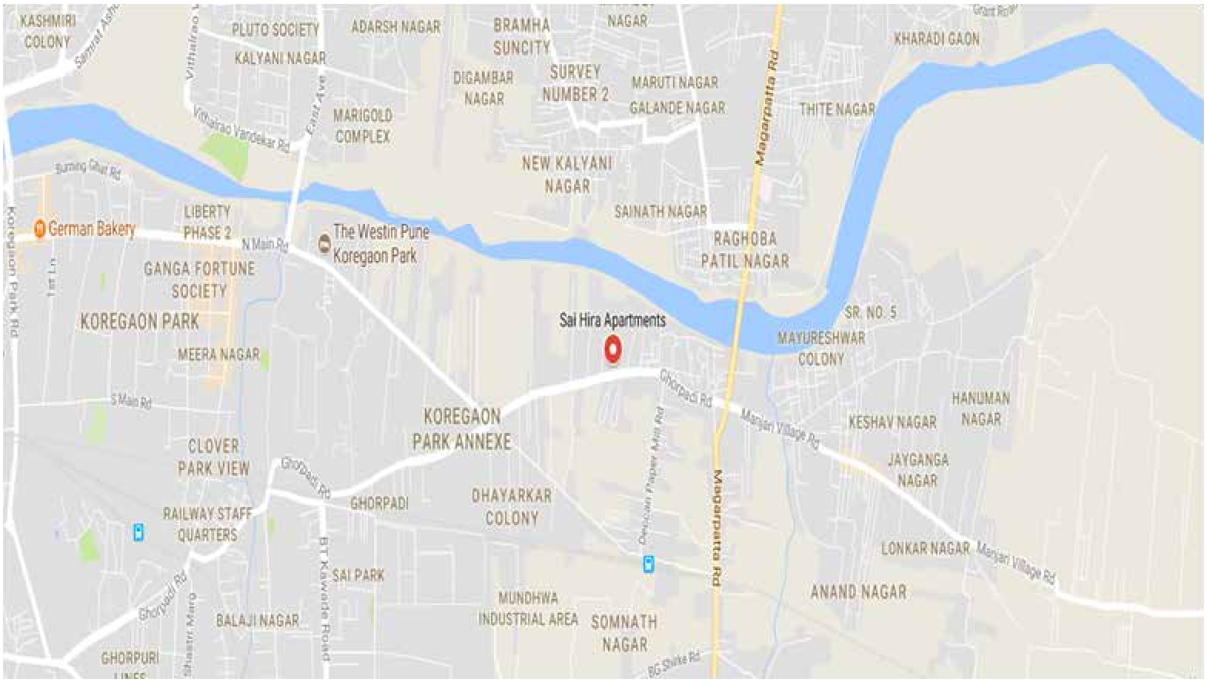
Date: 29th May, 2019

Registered Office:
Sai Hira, Survey No. 93,
Mundhwa,
Pune – 411036

By the order of the
Board of Directors
Pankaj Gupta
Company Secretary
(M. No- FCS9219)

AGM VENUE

Sai Hira, Survey No. 93, Mundhwa, Pune- 411036, Maharashtra, India



BOARD'S REPORT

To the Members,

Your Board of Directors have pleasure in presenting the Thirty Second Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The summarised financial results are as under:

(Rupees in Crore)

Particulars	2018-19	2017-18
Total Income	3783.72	3078.51
Profit /(Loss) Before Tax (PBT)	**23.45**	**81.29**
Less: a) Provision for Income Tax	4.56	17.00
b) Provision for Deferred Tax	3.55	9.70
Profit After Tax (PAT)	**15.34**	**54.59**
Other comprehensive income (net of tax)	0.36	(2.06)
Total Comprehensive Income	**15.70**	**52.53**
Profit / (Loss) for the year attributable to the shareholders of the Company	**15.34**	**54.59**
Add: Balance brought forward	71.05	71.10
Less: Transfer to Capital Redemption Reserve	-	-
Amount available for appropriation	**86.39**	**125.69**
Appropriations:		
- Transfer to General Reserve	-	-
- Proposed Dividend on Pref. Shares	-	-
- Dividend on Equity Shares	-	45.18
- Corporate Dividend Tax	-	9.46
Surplus carried to Balance Sheet	**86.39**	**71.05**

STATE OF COMPANY'S AFFAIRS

Your Company has achieved the top line of ₹ 3783.72 Crore during the year under review as against previous year's level of ₹ 3078.51 Crore. Total Expenses during the financial year 2018-19 increased to ₹ 3760.27 Crore from ₹ 2997.22 Crore in the previous financial year 2017-18. Total Expenses during the financial year 2018-19 increased mainly due to increase in costs of goods sold from ₹ 2102.05 Crores in the financial year 2017-18 to ₹ 2718.70 Crores in the current year, which was at 72% of revenue in the current year as compared to 68% in the financial year 2017-18. There was increase in other expenses by ₹ 76 Crores as compared to financial year 2017-18, mainly in carriage outward due to increase in the volumes, legal and professional charges for new initiatives, repairs to plant and machinery, consumption of stores and spares, donation, demurrage on purchase of raw material etc. There was increase in the Finance Cost by ₹ 47 Crores due to increase in the working capital interest rates due to discontinuance of Commercial paper and buyer's credit and there was increase in the working capital requirement due to increase in the volumes of CNB division.

Profit before Tax (PBT) for the year under review was ₹ 23.45 Crore as against ₹ 81.29 Crore in the previous year. Net Profit for the current year was ₹ 15.34 Crore as against ₹ 54.59 Crore in the previous year.

During the year under review, the Company made an investment of approx. ₹ 300 Crores in the Subsidiary Company, Performance Chemiserve Limited (PCL) by way of Rights Issue.

Your Company has not prepared Consolidated Accounts pursuant to the provisions of Rule 6 of the Companies (Accounts) Rules, 2014.

COMPULSORILY CONVERTIBLE DEBENTURES (CCDS)

The Board at its meeting held on 22nd April, 2019 granted an in-principle approval for offering Compulsorily Convertible Debentures (CCDs) aggregating upto ₹ 210 Crores in two tranches to International Finance Corporation (IFC).

Subsequently, the Security issue agreements have been executed by the Company and IFC. The issue of CCD's would be completed shortly after the Conditions Precedent (CP) are met.

DIVIDEND

With a view to conserve resources for growth, your Directors do not recommend any Dividend for the year under review.

BOARD OF DIRECTORS

Composition and Category of Directors as on 31st March, 2019 is as under:

Sr. No	Name of Director	Category
1.	Shri S. C. Mehta	Chairman
2.	Shri. Yeshil Sailesh Mehta	Executive Director
3.	Shri S. R. Wadhwa	Independent Director
4.	Shri U. P. Jhaveri	Independent Director
5.	Smt. Parul S. Mehta	Non-Executive and Non-Independent
6.	Shri M. P. Shinde	Non-Executive and Non-Independent
7.	Dr. T. K. Chatterjee	Non-Executive and Non-Independent
8.	Shri A. K. Purwaha*	Additional Independent Director
9.	Shri Partha Bhattacharyya**	Additional Independent Director
10.	Shri R Sriraman ***	Non-Executive and Non-Independent

* Shri A. K. Purwaha Appointed as Additional Independent Director with effect from 31st October, 2018.

** Shri Partha Bhattacharyya appointed as additional Independent Director with effect from 1st April, 2019.

*** Shri R Sriraman resigned with effect from 27th March, 2019.

8 Board Meetings were held during the financial year 2018-19. These meetings were held on 29th May 2018, 8th August 2018, 9th August 2018, 6th September 2018, 31st October 2018, 4th January 2019, 13th February 2019 and 27th March, 2019.

The records of attendance of Directors are as under:

Sr. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings Attended
1.	Shri S. C. Mehta	8	8
2.	Shri Yeshil S. Mehta	8	7
3.	Shri S. R. Wadhwa	8	8
4.	Shri U. P. Jhaveri	8	8
5.	Smt. Parul S. Mehta	8	8
6.	Shri M. P. Shinde	8	8
7.	Dr. T. K. Chatterjee	8	7
8.	Shri R. Sriraman*	7	7
9.	Shri A. K. Purwaha**	4	4

* Resigned w.e.f. 27th March, 2019.

** Appointed Additional Independent Director with effect from 31st October, 2018.

Shri M. P. Shinde (DIN: 06533004) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself 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.

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, 2019 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.

STATUTORY AUDITORS AND THEIR REPORT

The Members of the Company at the 30th Annual General Meeting held on 21st September, 2017 has accorded their consent to appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) as Statutory Auditors of the Company for a period of four years from the conclusion of 30th Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company.

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

COST AUDITOR AND COST AUDIT REPORT

Your Board of Directors has appointed M/s Y. R. Doshi & Company, Cost Accountants, as the Cost Auditors of the Company for the Financial

Year ended 31st March, 2020 at their meeting held on 29th May, 2019 at a remuneration, of ₹ 4 Lakhs (Rupees Four Lakhs only) plus taxes as applicable and out of pocket expenses at actual, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

M/s Y. R. Doshi & Company, Cost Accountants will submit the cost audit report along with annexure for the Financial Year ended 31st March, 2019 to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

SECRETARIAL AUDIT REPORT AND SECRETARIAL AUDITOR

The Secretarial Auditor, M/s. Jog Limaye & Associates, Company Secretaries, has issued Secretarial Audit Report for the Financial Year 2018-19 pursuant to the provisions of Section 204 of the Companies Act, 2013, which is annexed to this Board's Report.

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

Your Board of Directors has appointed M/s. Jog Limaye & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the Financial Year 2019-20 at their meeting held on 29th May, 2019.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Your Company has three subsidiaries viz, Platinum Blasting Services Pty Ltd. (PBS), Australian Mining Explosives Pty Ltd. (Subsidiary of PBS) and Performance Chemiserve Limited (PCL). Your Company does not have any Associate or Joint Venture Company.

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

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Details of investments made, loans advanced and guarantee issued by the Company have been given in notes to the Financial Statement.

ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

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.

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

During the year under review, 7 Audit Committee meetings were held. These meetings were held on 29th May 2018, 8th August 2018, 6th September 2018, 31st October 2018, 13th December 2018, 13th February 2019 and 27th March 2019.

During the year all the recommendations made by the Audit Committee were accepted by the Board of Directors.

The records of attendance of Directors (Members of Audit Committee) are as under:

Sr. No.	Name of Director	No. of Audit Committees Meeting entitled to attend	No. of Audit Committee Meetings Attended
1	Shri S. R. Wadhwa	7	7
2	Shri U. P. Jhaveri	7	7
3	Dr. T. K. Chatterjee	7	6

The terms of reference of the Audit Committee are as per the provisions of Section 177 and other applicable provisions of the Companies Act, 2013 and inter alia includes 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 (CSR)

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
4.	Smt. Parul S. Mehta	Member

* Resigned w.e.f. 27th March, 2019.

The Board of Directors of the Company has 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.

During the year under review, 1 CSR Committee Meeting was held on 27th March 2019.

The records of attendance of Directors (Members of CSR Committee) are as under:

Sr. No	Name of Director	No. of CSR Meetings entitled to attend	No. of CSR Meetings Attended
1	Shri S. R. Wadhwa	1	1
2	Shri R. Sriraman*	-	-
3	Shri M. P. Shinde	1	1
4	Smt. Parul S. Mehta	1	1

* Resigned w.e.f. 27th March, 2019.

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 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 (NRC)

The Nomination and Remuneration 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

During the year under review, 3 Nomination and Remuneration Committee Meetings were held. These meetings were held on 29th May 2018, 31st October 2018 and 13th February 2019.

The records of attendance of Directors (Members of Nomination and Remuneration Committee) are as under:

Sr. No.	Name of Director	No. of NRC Meetings entitled to attend	No. of NRC Meetings Attended
1	Shri S. R. Wadhwa	3	3
2	Shri U. P. Jhaveri	3	3
3	Dr. T. K. Chatterjee	3	3

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 identifying 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. EVALUATION OF PERFORMANCE OF THE BOARD, MEMBERS OF THE BOARD AND THE COMMITTEES OF THE BOARD OF DIRECTORS

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Directors, Chairperson, Board Committees and the Board as a whole and also the evaluation process for the same.

The Companies Act, 2013 stipulates the performance evaluation of Chairperson, Directors, Board and Committees. Considering the said provisions, the Company has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and discussed by the Board at its meeting.

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

b. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 27th March, 2019, inter-alia, to discuss:

1. The performance of Non-Independent Directors and the Board as a whole.
2. The performance of the Chairperson.
3. 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.

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 (5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are reported.

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.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

INTERNAL AUDITOR

Ernst & Young (EY) LLP and M/s. V. P. Mehta & Co. are the internal auditors of the Company in compliance with Section 138 of the Companies Act, 2013 and rules made thereunder.

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 follow-up actions are reported to the Audit Committee.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details of the employees pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure – V.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under report.

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

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

ACKNOWLEDGMENT

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: Pune
Date: 29th May, 2019

S. C. MEHTA
CHAIRMAN
(DIN. 00128204)

ANNEXURE-I

FORM AOC-1

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

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

Part "A": Subsidiaries

(₹ In Lakhs)

Sr. No.	Particulars	Subsidiaries		
1	Name of the Subsidiary	**Platinum Blasting Services Pty Ltd.**	**Australian Mining Explosives Pty Ltd**	**Performance Chemiserve Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AUD 1 AUD = ₹ 49.03	AUD 1 AUD = ₹ 49.03	Indian Rupees
4	Share Capital	4585	-	7
5	Reserves & Surplus	(685)	429	44595
6	Total Assets	8414	1926	129699
7	Total Liabilities	4514	1498	85097
8	Investments	-	-	24253
9	Turnover	17839	1283	229
10	Profit before taxation	231	325	1728
11	Provision for taxation	13	68	496
12	Profit after taxation	218	256	1232
13	Proposed Dividend	-	-	-
14	% of shareholding	68.06	Refer below note 5	85.64%

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, 2019.
5. Platinum Blasting Services Pty Ltd hold 100% shares i.e. 1 ordinary share of Australian Mining Explosives Pty Ltd.

About Subsidiaries:

Platinum Blasting Services Pty. Limited, Australia

Platinum Blasting Services Pty. Limited is a joint venture (JV) between your Company with local Australian partners having vast experience in providing value-added blasting services and operational expertise to mining and explosives industries in Australia. This is part of your Company's forward integration initiative. The Company supplies Technical Ammonium Nitrate to the JV.

Australian Mining Explosives Pty. Limited

Australian Mining Explosives Pty. Limited (AME), an Australian company, is a wholly owned subsidiary of Platinum Blasting Services Pty. Ltd. (a subsidiary of your Company) and is engaged in the business of storage and handling of Technical Ammonium Nitrate.

Performance Chemiserve Limited (PCL)

Performance Chemiserve Limited is a subsidiary of your Company. Your Company is holding 85.64% of the Equity share capital of PCL. PCL is involved in Chemicals drum filling activities. Further, PCL is setting up Ammonia Project of 1,500 MTPD Capacity. PCL requires 45 Acre Land for the Ammonia Project. PCL has acquired approx. 36 Acre Land and close to complete the remaining land acquisition.

Part "B": Associates and Joint Ventures

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

NOT APPLICABLE

For and on behalf of the Board of Directors,

Place: Pune

Date: 29th May, 2019

S. C. MEHTA

CHAIRMAN

(DIN. 00128204)

ANNEXURE- II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Rear ended on 31st March, 2019

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

I. Registration Details

1.	**CIN**	U67120PN1987PLC166034
2.	**Registration Date**	21st 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**	Sai Hira, Survey No.93, Mundhwa, Pune 411036
6.	**Whether listed company Yes / No**	No
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083 Maharashtra

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.	Technical Ammonium Nitrate	20119	33.87%
2.	Nitrophosphate (Fertilisers)	20123	39.02%
3.	Wholesale of fertilisers and agrochemicals products	46692	21.69%

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.	Performance Chemiserve Ltd.	21009	U24239PN2006PLC022101	Subsidiary	85.64%	2 (87)
3.	Platinum Blasting Services Pty Ltd	---	----	Subsidiary	68.06%	2 (87)
4.	Australian Mining Explosives Pty Ltd#	---	----	Subsidiary	Refer below note *	2 (87)

Subsidiary of Platinum Blasting Services Pty Ltd.

* Platinum Blasting Services Pty Ltd. hold 100% shares i.e. 1 ordinary share of Australian Mining Explosives Pty Ltd.

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(1) Category wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d)Bodies Corp.	9,99,994	1,60,50,006*	1,70,50,000	100%	9,99,994	1,60,50,006*	1,70,50,000	100%	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	9,99,994	1,60,50,006*	1,70,50,000	100%	9,99,994	1,60,50,006*	1,70,50,000	100%	--
(2) **Foreign**	--	--	--	--	--	--	--	--	--
a)NRIs - Individuals	--	--	--	--	--	--	--	--	--
b)Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total share-holding of Promoter (A) = (A)(1)+(A) (2)	9,99,994	1,60,50,006*	1,70,50,000	100%	9,99,994	1,60,50,006*	1,70,50,000	100%	--
B. **Public Share-holding**									
1. **Institutions**									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt		--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies		--	--	--	--	--	--	--	--
g) FII	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds									
i) Other (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. **Non-Institutions**									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual Shareholders holding nominal share capital excess of ₹ 1 lakh	--	--	--	--	--	--	--	--	--
c) Others (Specify	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	--	--	--	--	--	--	--	--
Total Public Share-holding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	9,99,994	1,60,50,006*	1,70,50,000	100%	9,99,994	1,60,50,006*	1,70,50,000	100%	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest of 13 Equity Shares at the beginning of the year and also at the end of the year, as a result, of which Company is wholly owned subsidiary of DFPCL.

(2) Shareholding 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	1,70,50,000*	100%	--	1,70,50,000*	100%	--	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest of 13 Equity Shares at the beginning of the year and also at the end of the year, as a result, of which Company is wholly owned subsidiary of DFPCL.

(3) Change in Promoters' Shareholding (please specify, if there is no change):

NO CHANGE

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

Not Applicable

(5) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director	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.	**Shri S. C. Mehta**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1*	0.000005865%	1*	0.000005865%
	At the end of the year	--	--	1*	0.000005865%

* Deepak Fertilisers And Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) equity share held by Shri S. C. Mehta.

02.	**Shri S. R. Wadhwa**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
03.	**Shri U. P. Jhaveri**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
04.	**Dr. T. K. Chatterjee**				
	At the beginning of the year	1*	0.000005865%	1*	0.000005865%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	1*	0.000005865%

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

Sr. No.	Name of Director	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.	**Shri M. P. Shinde**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
06.	**Shri A. K. Purwaha***				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--

* Appointed Additional Director w.e.f. 31st October, 2018

07.	**Smt. Parul S. Mehta**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1*	0.000005865%	1*	0.000005865%
	At the end of the year	--	--	1*	0.000005865%

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 1 (One) share held by Smt. Parul S Mehta.

08.	**Shri Yeshil Mehta**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding 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.	Name of Director	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
09.	**Shri Partha Bhattacharyya *****				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--

*** Appointed with effect from 1st April, 2019.

10.	**Shri R. Sriraman#**				
	At the beginning of the year	2*	0.00001173%	2*	0.00001173%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	--	--	2*	0.00001173%

\# Resigned w.e.f. 27th March, 2019

* Deepak Fertilisers and Petrochemicals Corporation Limited is Beneficiary Owner for 2 (Shares) share held by Shri R Sriraman.

Sr. No.	Name of Key Managerial Personnel	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
11.	**Shri Debasish Banerjee ***				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
12.	**Shri Amitabh Bhargava****				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding 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.	Name of Key Managerial Personnel	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
13.	**Shri Mandar Velankar#**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
14.	**Shri Pankaj Gupta##**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--

* Chief Financial Officer till 13th April, 2018.

** Chief Financial Officer from 29th May, 2018

\# Company Secretary till 10th May, 2018.

\## Company Secretary from 29th May, 2018.

V. INDEBTEDNESS

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

(₹ In Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,07,985.94	50,000.00	-	1,57,985.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	367.11	-	-	367.11
Total (i+ii+iii)	1,08,353.05	50,000.00	-	1,58,353.05
Change in Indebtedness during the financial year				
• Addition	2,27,962.01	1,75,000.00	-	4,02,962.01
• Reduction	1,79,441.38	2,19,000.00	-	3,98,441.38
Net Change	48,520.63	44,000.00	-	4,520.63
Indebtedness at the end of the financial year				
i) Principal Amount	1,56,358.08	6,000.00	-	1,62,358.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	515.61	-	-	515.61
Total (i+ii+iii)	**1,56,873.69**	**6,000.00**	**-**	**1,62,873.69**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Shri Yeshil S. Mehta Executive Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	80,04,000	80,04,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	64,562	64,562
	(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)	**80,68,562**	**80,68,562**
	Ceiling as per the Act	**88,90,646**	**88,90,646**

* Commission of ₹ 3,37,04,000/- of Financial Year 2017-18 was paid to Shri Yeshil S. Mehta, during the Financial Year 2018-19, is not included in the aforesaid amount.

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount
1.	**Independent Director**		**Shri. S. R. Wadhwa**	**Shri. U. P. Jhaveri**		**Shri A. K. Purwaha***	
	Fee for attending board / committee meetings		4,00,000	3,85,000		1,00,000	8,85,000
	Commission		--	--		--	--
	Others, please specify		--	--		--	--
	Total (1)		**4,00,000**	**3,85,000**		**1,00,000**	**8,85,000**
2.	**Other Non-Executive Directors**	**Shri S. C. Mehta**	**Smt. Parul. S. Mehta**	**Dr. T. K. Chatterjee**	**Shri M. P. Shinde**	**Shri R. Sriraman****	**Total Amount**
	Fee for attending board / Committee meetings	2,00,000	2,15,000	3,40,000	2,15,000	1,75,000	11,45,000
	Commission	--	--	--	--	--	
	Others, please specify	--	--	--	--	--	
	Total (2)	**2,00,000**	**2,15,000**	**3,40,000**	**2,15,000**	**1,75,000**	**11,45,000**
	Total (B)=(1+2)						**20,30,000**
	Total Managerial Remuneration * **	**--**	**--**		**--**	**--**	**1,00,98,562**
	Overall Ceiling as per the Act	**--**	**--**		**--**	**--**	**1,06,68,776**

* Appointed Additional Independent Director w.e.f. 31st October, 2018

** Resigned w.e.f. 27th March, 2019

*** Total remuneration to Executive Director and other Directors (being the total of A and B).

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Shri Banerjee Debasish CFO*	ShriAmitabh Bhargava CFO**	Shri Mandar Velankar Company Secretary#	Shri Pankaj Gupta Company Secretary##	
1.	Gross salary					
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	1,15,13,836	-	2,60,284	37,61,753	1,55,35,873
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,410	-	5,288	86,057	92,755
	(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 ***	39,784	-	35,688	1,38,400	2,13,872
	Total	**1,15,55,030**	**-**	**3,01,260**	**39,86,210**	**1,58,42,500**

* Chief Financial Officer till 13th April, 2018.

** Chief Financial Officer from 29th May, 2018. Shri Amitabh Bhargava is also President and Chief Financial Officer of Holding Company, Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) and drawing remuneration only from DFPCL.

Company Secretary till 10th May, 2018.

Company Secretary from 29th May, 2018.

*** Contribution to Provident Fund and Superannuation Fund

VII. Penalties / Punishment/ Compounding of Offences: NIL

ANNEXURE- III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

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;

c) Education; and

d) Other activities as specified in Schedule VII.

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
4.	Smt. Parul S. Mehta	Member

* Resigned w.e.f. 27th March, 2019

3. Average net profit of the Company for last three financial years:

₹ 2531 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 51 Lakhs.

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 20 Lakhs.

b) Amount unspent, if any: ₹ 31 Lakhs.

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

The Company had approved budget of ₹ 51 Lakhs to be spent through Implementing Agency – Ishanya Foundation, on various CSR Activities, undertaking by Ishanya Foundation. The Company had given ₹ 20 Lakhs during the Financial Year 2018-19 to Ishanya Foundation for CSR Activities, which was spent by Ishanya Foundation on the following CSR Activities.

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount spent on the projects or programs during the FY 2018-19 (₹ in Lakhs)	Cumulative expenditure for upto the reporting period starting from April, 2014 (₹ in Lakhs)	Amount spent: Direct or through implement-ing Agency
			Local Area or other	State or District where Project or Programs was undertaken			
1	Dairy Development (Project)	Livelihood enhancements through Entrepreneurship.	Taloja	Maharashtra	1.60	1.60	Implementing Agency
2	Horticulture Development/ Contribution for environmental protection	Ensuring Environmental sustainability, ecological balance, protection of flora and fauna	Taloja	Maharashtra	5.99	5.99	Implementing Agency
3	Job Oriented Vocational Training & Health	Vocational training Courses For woman/ General health check up	Pune	Maharashtra	5.88	5.88	Implementing Agency
4	Promotion of Art & Culture.	Promotional and developments of Traditional Arts and Handicrafts.	Pune	Maharashtra	1.54	1.54	Implementing Agency
5	Livelihood Generation Activity/Yellow Ribbon NGO Fair/Development of Web Based Compendium	Livelihood enhancements through Entrepreneurship.	Pune	Maharashtra	4.39	4.39	Implementing Agency
6	Community Development	Community Development	Paradeep	Odisha	0.60	0.60	Implementing Agency
7	Donation to Dist. Collector Vizianagaram for Army rally	Public Health	Other	Vizianagaram, Andhra Pradesh	-	0.75	Implementing Agency
8	Construction of Toilet Blocks for Z.P. High School at Kintali village, Srikakulam District	Promoting Education	Srikakulam	Andhra Pradesh	-	3.74	Direct
9	Construction of a compound wall and other works of Primary school & Anganvadi building	Promoting Education	Venkanna-gari Peta Village.	Andhra Pradesh	-	0.86	Direct
10	Arrangement of food packets to the Hud-Hud cyclone affected people	Eradication of Hunger	Etcherla Mandal	Andhra Pradesh	-	0.55	Direct

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount spent on the projects or programs during the FY 2018-19 (₹ in Lakhs)	Cumulative expenditure for upto the reporting period starting from April, 2014 (₹ in Lakhs)	Amount spent: Direct or through implement-ing Agency
			Local Area or other	State or District where Project or Programs was undertaken			
11	Arrangement of Food packets to the Unemployed youth who have attended Army recruitment camps.	Livelihood Enhancing Projects	Srikakulam Town	Andhra Pradesh	-	0.13	Direct
		Total			**20.00**	**26.03**	

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.

Ishanya Foundation was having sufficient funds out of the earlier donations received and hence it did not require a fresh drawal of funds from the Company and hence the funds of the Company towards Corporate Social Responsibility have remained unspent in the year under review. The Company is looking into CSR avenues around its business units where the unspent amount could be utilised.

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

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, if required.

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

Details of Employees

Information relating to particulars of employees under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

(i) Employed throughout the financial year 2018-19, was in receipt of remuneration for that year which, in aggregate, was not less than One Crore Two lakh rupees:

Sr. No.	Name and designation of the employee	emuneration received for financial year 2018-19 (₹)	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of Employee (No. of Years)	Date of commencement of employment (DD-MM-YYYY)	The age of such employee (As on 31st March, 2019)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule 2.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.
1	Yeshil Mehta, Executive Director	80,68,562*	Contractual	MBA	5	22/01/2016	30	Bain & Company **	N/A	Son of Shri S C Mehta - Chairman, and Smt. Parul Mehta - Non-executive Director.
2	Mahesh Girdhar, President - CNB	23,057,442	Employment	PG-Agriculture Science	27	07/12/2017	51	Bayer Crop Science Ltd	N/A	N/A
3	Shyam Sharma, President - TAN	14,268,491	Employment	B.E. - Mining Engineering MBA	21	01/09/2015	50	Indian Explosives Ltd (Orica Mining Services)	N/A	N/A
4	Arvind Kulkarni, Executive Vice President - CNB"	6,489,019	Employment	M.Sc-Agriculture	29	29/07/1991	55	Lupin Laboratories Ltd.	N/A	N/A
5	Naresh Deshmukh, Executive Vice President - Head Strategy	6,054,813	Employment	M.Sc-Agriculture	27	10/10/1990	52	***	N/A	N/A
6	Sanjay Gupta, Executive Vice President - Farm Produce Business	5,560,752	Employment	B. Tech. - Chemical Engineering PGDFA & CFA	19	02/01/2013	48	Garware-Wall Ropes Ltd.	N/A	N/A
7	Saktipada Jana, Associate Vice President - HDAN Sales	4,931,780	Employment	B.E. - Mining Engineering MBA	32	22/05/2017	56	Gulf Oil Corporation Ltd.	N/A	N/A
8	Srikantha Mohare, Head - New Product Development in CNB	4,714,310	Employment	M.Sc-Agriculture Ph.D.	30	12/02/2018	56	Mangalore Chemicals & Fertilizers	N/A	N/A

Sr. No.	Name and designation of the employee	emuneration received for financial year 2018-19 (₹)	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of Employee (No. of Years)	Date of commencement of employment (DD-MM-YYYY)	The age of such employee (As on 31st March, 2019)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule 2.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.
9	Sunil Mondal, Associate Vice President - Manufacturing	4,611,159	Employment	B. Tech. - Chemical Engineering	35	04/12/1990	59	Fertilisers & Chemicals Travancore Ltd.	N/A	N/A
10	Jitender Mishra, Associate Vice President - Finance & Accounts	4,531,480	Employment	ICWA MBA-Finance	27	24/02/2015	48	TATA Chemicals Ltd.	N/A	N/A

* Commission calculated on profit of Financial Year 2017-18, amounting to ₹ 337.04 Lakhs was paid during the Financial Year 2018-19, is not included in the aforesaid amount.

** From 22-01-2016 to 9-8-2017, he was working with Holding Company (Deepak Fertilisers and Petrochemicals Corporation Limited), w.e.f. 10-8-2017 he was appointed as ED of the Company.

*** Naresh Deshmukh has started his career from the Company.

(ii) Employed for part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh Fifty Thousand Rupees per month:

Sr. No.	Name and designation of the employee	Remuneration received for financial year 2018-19 (₹)	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of Employee (No. of Years)	Date of commencement of employment (DD-MM-YYYY)	The age of such employee (As on 31st March, 2019)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule 2.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.
1	**Debasish Banerjee, Executive Vice President - Business Finance & Subsidiaries**	**11,555,030**	**Employment**	**Chartered Accountant**	**29**	**09/08/2017**	**55**	**TRF Limited***	**N/A**	**N/A**

* From 17-01-2000 to 8-8-2017, he was working with Holding Company, Deepak Fertilisers and Petrochemicals Corporation Limited, w.e.f. 9-8-2017 he was appointed as CFO of the Company.

(iii) Employed throughout the financial year or year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Not Applicable

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

Amount in ₹ Lakhs

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
A	B	C	D	E	F
1	Mr Yeshil Mehta, Executive Director (part of the FY 17-18)	80.69*	54.22%	13.51	Net sales increased by 22.43% during FY 2018-19 as compared to FY 2017-18. Net profit decreased by 71.90 % during FY 2018-19 as compared to FY 2017-18
2	Mr Debasish Banerjee, Chief Finance Officer (part of the year in FY 17-18/18-19)	115.55	144.71%	19.35	
4	Mr Mandar Velankar, Company Secretary (part of the year in FY 17-18/18-19)	3.01	-82.76%	0.50	
6	Mr Pankaj Gupta, Company Secretary (part of the year in 18-19)	39.86	NA	6.67	
5	Mr S R Wadhwa Independent Director	4.00	26.98%	0.67	
6	Mr U P Jhaveri Independent Director	3.85	30.51%	0.64	
7	Mr. S C Mehta Non- Executive Chairman	2.00	42.86%	0.33	
8	Smt. Parul S Mehta Non- Executive Director	2.15	34.38%	0.36	
9	Dr. T K Chatterjee Non- Executive Director	3.40	15.25%	0.57	
10	Mr Madhumilan P Shinde Non- Executive Director	5.65	242.42%	0.95	
11	Mr R Sriraman Non-Executive Director	1.75	9.37%	0.29	
12	Mr Ashok Kumar Purwaha Independent Director	1.00	NA	0.17	

* Commission calculated on profit of Financial Year 2017-18, amounting to ₹ 337.04 Lakhs was paid during the Financial Year 2018-19, is not included in the aforesaid amount.

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year (Column E)

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year (Column D)

(iii) In the financial year, there was an increase of 2.74% in the median remuneration of employees.

(iv) Number of permanent employees on the rolls of Company as on 31st March, 2019 were 1119.

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 10.82%. Executive director was for part of the FY 2017-18, hence increase in the managerial remuneration is not comparable.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE-VI

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) The steps taken or impact on conservation of energy:

1. The Company has carried out steam loss audit for total steam system including steam traps and steam line Insulation. All loss points were arrested, resulting in savings of approx. ₹ 100 Lakhs.

2. The Company has changed drive of one Cooling water pump from electric motor to steam turbine, this enabled the Company to stop one Gas turbine and run balance 2 gas turbines on full load with improved efficiency, resulting in savings of approx. ₹ 40 Lakhs.

3. The Company has carried out modification in AN Plant, now weaker acid is being used in Stami Carbon Plant and stronger acid is being used in GP Plant, resulting in increased Ammonium Nitrate Melt production capacity by approx. 70 MT per day.

4. The Company proposed to replace WNA 1 boiler which will increase steam generation by approx. 0.6 MT per hour and acid production by approx. 10 MT per day, resulting in expected savings of approx. ₹ 404 Lakhs per year against investment of ₹ 594 Lakhs.

b) THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

The Company has Installed 300 KWH solar power generation plant which is the Company's first step towards clean and green energy. Total investment was ₹ 130 Lakhs and saving for the FY 2018-19 has been approx. ₹ 21.50 Lakhs.

c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The Company has invested approx. ₹ 1 Crore and replaced hot gas exchanger in Ammonia Plant resulting in production gain of approx. 10 MT per day.

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption

The Company is producing Smartek grade of fertiliser which is more readily absorbed and gives better soil productivity, by utilising special approved additives. The development of Smartek product coating technology has been well absorbed and for the first time your Company has crossed Sales of 100,000 MT in the year Financial Year 2018-19.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company is utilising various grades of phosphoric acid and mono ammonium phosphate in the production of NPK Fertilisers to reduce the Cost of Production.

The Company is producing water soluble fertiliser which is an import substitution and also fetches higher price as compared to normal grade.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Details of Technology imported	The Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefor
INCRO Technology for NPK granulation	2016	Yes	Not applicable

iv. The expenditure incurred on Research and Development

Research and Development Efforts

- During the year under review, further trials were taken at NPK Plant in Taloja - K1 to manufacture Customised Grades Fertilisers {Crop Nutrition Solutions (CNS)} for crops namely tomato, maize, soyabean and cotton. These grades are formulated successfully with Micro-nutrients in different proportions, as per the crop's requirement, to enhance the yield of the crop.
- Ammonia Nitrate (AN) Recovery pilot plant was conceptualised and lined-up for trials to adhere to the environmental norms and recycle the AN solution.
- Necessary Steps are being taken for improving the LDAN Product Quality.

Benefits derived as a result of the above R & D

- Your Company has established the batch production ability and its quality for CNS grades Fertilisers. Further, your Company would take-up the continuous run trials for CNS products in future.
- Based on successful AN recovery pilot plant, your Company has planned to have a full scale AN recovery unit. The work on establishing the same is going on.
- In lieu of alternate source, development for Technical Grade Phosphoric Acid, which will be used as feedstock in water soluble phosphatic fertiliser, is in process.
- Your Company has developed process for purification from Commercial grade phosphoric acid to Technical grade Phosphoric acid.

(C) Foreign exchange earnings and Outgo

Details of Foreign Exchange Earning are as under:

₹ in Lakhs

Particulars	**31st March 2019**	**31st March 2018**
Export of goods (on FOB basis)	8,593.07	9,585.03
Other Income	1,184.29	-
TOTAL	**9,777.36**	**9,585.03**

Details of Foreign Exchange Outgo are as under:

Expenditure in Foreign Currency

₹ in Lakhs

Particulars	**31st March 2019**	**31st March 2018**
Interest and repayment of Loans.	1,347.90	-
Technical fees to Foreign Vendors	76.10	0.66
Foreign Travels	16.32	11.62
Others (Net of Reimbursements)	2,063.23	50.85
Total	**3,503.56**	**63.12**

CIF Value of Imports

₹ in Lakhs

Particulars	**31st March 2019**	**31st March 2018**
Raw Materials	1,50,762.58	37,378.94
Capital Goods	943.70	182.41
Components & Spares	428.27	1,062.48
Stock-in-trade	8,178.91	-
Total	**1,60,313.45**	**38,623.82**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Smartchem Technologies Limited
Sai Hira, Survey No.93, Mundhwa,
Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Smartchem Technologies Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued. thereunder (in so far as they are made applicable) and

(ii) other Laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are-

1. Petroleum Act, 1934 and Rules, 2002;
2. Foreign Trade (Development & Regulation) Act, 1992;
3. The Competition Act, 2002
4. Explosive Act, 1908;
5. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
6. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
7. Ammonium Nitrate Rules, 2012;
8. Fertiliser Control Order, 1985;
9. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Generally, decisions in the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Directors, if any, on important matters have been captured and recorded in the minute book.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that

At the Annual General Meeting of the Company held on 18th September, 2018, following special business were transacted:

(1) The Shareholders passed Ordinary Resolution for ratification of the remuneration to be paid to the Cost Auditors of the Company.

(2) The Shareholders passed Special Resolution for Extension of second term of Shri S R Wadhwa as an Independent Director of the Company.

(3) The Shareholders passed Special Resolution for Extension of second term of Shri U P Jhaveri as an Independent Director of the Company.

(4) The Shareholders passed Special Resolution for raising of fund through issue of securities.

(5) The Shareholders passed Special Resolution for Reclassification the Company's authorised share capital from ₹ 355,000,000 divided into 17,500,000 equity shares of ₹ 10 each and 1,800,000 cumulative redeemable preference shares of ₹ 100 each to ₹ 355,000,000 equity shares divided into 35,500,000 equity shares of ₹ 10 each. The Memorandum of Association of Company has been altered to that effect.

(6) The Shareholders passed Special Resolution for Conversion of Loan into Equity Share Capital, in case of default.

(7) The Shareholders passed Special Resolution under Section 186 of the Companies Act, 2013 for providing Guarantee and/or Securities to subsidiaries or other persons and/or making investment.

For **Jog Limaye & Associates**
Company Secretaries
MANDAR SHRIKRISHNA JOG
Partner
FCS No. 9552
CP No. - 9798
Date – 24th May, 2019
Place - Pune

Note:This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Smartchem Technologies Limited
Sai Hira, Survey No.93,
Mundhwa, Pune 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**
Company Secretaries

MANDAR SHRIKRISHNA JOG
Partner
FCS No. 9552
CP No.- 9798

Date- 24th May, 2019
Place – Pune

INDEPENDENT AUDITORS' REPORT

To the Members of

Smartchem Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Smartchem Technologies Limited** ("the Company"), which comprise the Balance sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2019, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent liabilities and provisions (refer note 42 and 48 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
Revenue recognition Revenue is measured at the fair value of the consideration received or receivable as reduced by dealer discounts and other similar allowances. Subsidy income is booked as revenue when the sale to dealer/retailer is recognised and is subject to the Company ensuring with compliance with relevant regulatory requirements. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership. The application of the new revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Reference: Refer Notes to the Standalone Financial Statements.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: ● Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. ● Analyzing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates. ● Reviewing the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account. ● Performing procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers. ● Performing operations cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods or services actually took place. ● Performing analytical procedures on entries in the ledger related to revenue. ● Selected a sample of contracts and performed the following procedures: a. Analyzed and identified the distinct performance obligations in these contracts. b. Compared such performance obligations with that identified and recorded by the Company. c. Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. ● Reviewed disclosures included in the notes to the accompanying standalone financial statements.

The key audit matter	How the matter was addressed in our audit
Impairment testing of assets The Company has significant intangible assets relating to the acquisition of fertilizer and explosives business. As the fertilisers segment has suffered losses in the last year, an assessment of carrying value of intangible and tangible assets of the fertilisers business is warranted. Reference: Refer Notes to the Standalone Financial Statements.	Our audit approach and procedures included: ● Evaluating the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary financial information, current market conditions and growth rates. ● Assessing the reliability of management's forecast, whilst considering the risk of management bias. ● Where independent professionals are involved, assessing the competence, capabilities, objectivity and evaluating the appropriateness of impairment model prepared by the independent professional. ● Testing the mathematical accuracy of the workings and models.
Contingent Liabilities The Company is faced with risk of litigations and claims which is an inherent part of its business operations. The assessment of the existence of the present legal or constructive obligation, analysis of probability of the related payment and analysis of a reliable estimate, requires management's judgment to ensure appropriate accounting or disclosures. Reference: Refer Notes to the Standalone Financial Statements.	● As part of our audit procedures we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with requirements of Ind AS 37. ● We have analysed significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. ● As part of our audit procedures we have reviewed minutes of board meetings, including the sub-committees to assess status of such litigations. ● Wherever needed, we have held meetings with management and legal counsels to evaluate the likelihood of such litigations devolving on the Company. ● Reviewed disclosures included in the notes to the accompanying standalone financial statements.

Information Other than Ind AS Financial Statement and Auditor's Report thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to Note No.38 the Standalone Ind AS Financial Statements which describe the uncertainties related to the outcome of withholding of subsidy and related matters. Our opinion is not qualified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 2013, we give in the "Annexure A", 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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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 on its financial position in its Indian Accounting Standards financial statements.

ii. The Company has made provision, as required under the applicable law or Indian Accounting Standard for material foreseeable losses, if any, 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 during the year.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404

Place: Pune
Date: 29th May, 2019

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, according to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management and the records examined by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records have been appropriately dealt with in the books of accounts. In our opinion the frequency of verification is reasonable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the reporting under provisions of Clause 3 (iii) (a), (iii) (b) and (iii) (c) of the said Order is not applicable to the Company

(iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Act in respect of loans and advances given, investments made and guarantees and securities given to parties covered under the respective sections have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified. Therefore, reporting under provisions of Clause 3 (v) (a), (v) (b) and (v) (c) of the said Order is not applicable to the Company.

(vi) On the basis of information given to us, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India, under sub section (1) of section 148 of the Companies Act 2013, have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

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

(a) According to the records of the Company examined by us and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Value Added Tax (VAT), Goods & Service Tax, Cess and other applicable statutory dues with the appropriate authorities during the year.

There are no arrears of outstanding disputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date the became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, particulars of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March 2019 on account of disputes are as under:

₹ lakhs

Nature of the Statute	Amount Demanded	Paid under Protest	Unpaid Amount	Forum where dispute is pending	Period to which Amount relates
Central Sales Tax Act, 1956	8.24	4.12	4.12	AP VAT Tribunal	FY 2012 – 13
Central Sales Tax Act, 1956	45.29	5.79	39.50	Dy Commissioner (CT)	FY 2014 – 15
Central Sales Tax Act, 1956	17.02	4.25	12.76	Hon'ble High Court, Andhra Pradesh	FY 2008 - 09 to FY 2011 – 12
Central Sales Tax Act, 1956	18.77	2.35	16.43	Jt Commissioner (Appeals)	FY 2013 – 14
Central Sales Tax Act, 1956	220.99	27.66	193.33	Jt Commissioner (CT)	FY 2015 - 16 to FY 2017 – 18
Andhra Pradesh Value added Tax Act, 2005	159.38	18.68	140.70	Dy Commissioner (CT)	FY 2015 - 16 to FY 2017 - 18
Andhra Pradesh Value added Tax Act, 2005	1340.60	305.56	1035.04	Hon'ble High Court, Andhra Pradesh	FY 2008 - 09 to FY 2014 - 15
Andhra Pradesh Value added Tax Act, 2005	39.84	4.98	34.86	Jt Commissioner (CT)	FY 2015 - 16 to FY 2017 – 18
Income Tax Act,1961	21.09	--	21.09	CIT (Appeals)	AY 2013 – 14 & 2015 – 16

(viii) Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or debenture holders as at the 31st March 2019.

(ix) Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were obtained. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, no instance of fraud by the Company or material fraud on the Company by its officers or employees, was noticed or reported to us by the management during the year.

(xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company reporting under provision of Clause 3 (xii) of the order is not applicable to the company.

(xiii) Based on the records examined by us and according to the information and explanations given to us, the Company is in compliance with the provisions of Section 177 and Section 188 of the Act, where applicable, for all the transactions with related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by applicable Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, reporting under provision of Clause 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on the records examined by us and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Therefore, reporting under provision Clause 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under provision of Clause 3 (xvi) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404

Place: Pune
Date: 29th May, 2019

Annexure B to the Independent Auditors' Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Smartchem Technologies Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404

Place: Pune
Date: 29th May, 2019

Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	134,099	136,197
Capital work-in-progress	4	29,659	25,668
Investment property	5	461	461
Other intangible assets	6	152,519	158,573
Financial assets			
i. Investments	7	44,735	14,736
ii. Other financial assets	12	463	332
Income tax assets (net)		1,207	410
Other non - current assets	13	1,044	1,077
Total non-current assets		**364,187**	**337,454**
Current assets			
Inventories	14	68,647	53,020
Financial assets			
i. Trade receivables	8	112,891	92,155
ii. Cash and cash equivalents	10	2,876	1,133
iii. Other bank balances	11	154	86
iv. Loans	9	74	197
v. Other financial assets	12	429	769
Other current assets	15	17,474	17,583
Total current assets		**202,545**	**164,943**
Total assets		**566,732**	**502,397**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,705	1,705
Other equity	17	260,207	258,638
Total equity		**261,912**	**260,343**

Balance Sheet
as at 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	18	60,164	40,407
Provisions	21	3,002	3,252
Deferred tax liabilities (net)	23	12,926	12,552
Total non-current liabilities		**76,092**	**56,211**
Current liabilities			
Financial liabilities			
i. Borrowings	19	94,336	110,844
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	22	175	27
(b) total outstanding dues of creditors other than micro and small enterprises	22	113,503	41,191
iii. Other financial liabilities	20	17,607	31,952
Other current liabilities	24	2,175	1,245
Provisions	21	834	529
Current tax liabilities (net)		98	56
Total current liabilities		**228,728**	**185,844**
Total liabilities		**304,820**	**242,055**
Total equity and liabilities		**566,732**	**502,398**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements.	3 - 46		

As per our report of even date attached

For B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

For and on behalf of Board of Directors of Smartchem Technologies Limited

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Pune
Date: 29 May 2019

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F-9219

Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
Income			
Revenue from operations	25	375,938	307,070
Other income	26	2,434	781
Total income		**378,372**	**307,851**
Expenses			
Cost of materials consumed	27	219,941	184,235
Purchases of stock-in- trade	28	66,538	24,169
Changes in inventories of finished goods & stock - in - trade	29	(14,609)	(2,173)
Excise duty		-	3,974
Employee benefits expense	30	16,666	15,020
Finance costs	31	15,698	11,014
Depreciation and amortisation expense	32	17,399	16,690
Other expenses	33	54,394	46,793
Total expenses		**376,027**	**299,721**
Profit before tax		**2,345**	**8,129**
Tax expense			
Current tax		456	1,700
Deferred tax (credit)/charge		355	970
Total tax expense		**811**	**2,670**
Profit for the year		**1,534**	**5,459**
Other comprehensive income (OCI)			

Statement of Profit and Loss
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars		Notes	31 March 2019	31 March 2018
(A)	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		55	(315)
	Income tax relating to these items		(19)	109
Other comprehensive income for the year, net of tax liability			**36**	**(206)**
Total comprehensive income for the year			**1,570**	**5,253**
Earnings per equity share of ₹ 10 each				
i)	Basic (in ₹)		9.00	32.02
ii)	Diluted (in ₹)		9.00	32.02
Weighted average number of equity shares of ₹ 10 each				
i)	Basic (in ₹)		17,050,000	17,050,000
ii)	Diluted (in ₹)		17,050,000	17,050,000
Significant accounting policies		1 - 2		
The accompanying notes form an integral part of the financial statements.		3 - 46		

As per our report of even date attached

For and on behalf of Board of Directors of Smartchem Technologies Limited

For B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Pune
Date: 29 May 2019

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F-9219

Statement of Changes in Equity
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2019	31 March 2018
Balance as at the beginning of the year	1,705	100
Changes in equity share capital during the year	-	1,605
Balance as at the end of the year	**1,705**	**1,705**

B. Other Equity

	Reserves and surplus			Other reserves		Total
	Securities premium	Retained earnings	General reserve	Capital redemption reserve	Other Items of Comprehensive Income	
Balance as at 31 March 2017	**250,064**	**7,110**	**157**	**1,800**	**(26)**	**259,105**
Profit for the year	-	5,459	-	-	-	5,459
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(206)	(206)
Total comprehensive income for the year	**-**	**5,459**	**-**	**-**	**(206)**	**5,253**
Share Issue Expenses	(257)	-	-	-	-	(257)
Dividends paid (net of Dividend Distribution Tax)	-	(5,464)	-	-	-	(5,464)
Balance as at 31 March 2018	**249,807**	**7,105**	**157**	**1,800**	**(232)**	**258,637**
Profit for the year	-	1,534	-	-	-	1,534
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	36	36
Total comprehensive income for the year	**-**	**1,534**	**-**	**-**	**36**	**1,570**
Dividends paid (net of Dividend Distribution Tax)	-	-	-	-	-	-
Balance as at 31 March 2019	**249,807**	**8,639**	**157**	**1,800**	**(196)**	**260,207**

Note (1) Refer note 17 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of Board of Directors of Smartchem Technologies Limited

For B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Pune
Date: 29 May 2019

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F-9219

Statement of Cash Flows
for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	2,345	8,129
Adjustments for		
Depreciation and amortisation expense	17,399	16,690
Loss on disposal of property, plant and equipment	41	29
Gain on sale of subsidiary		
Impairment loss recognized/(reversed) under expected credit loss model	28	180
Gain on sale of investments	(613)	(225)
Interest income	(455)	(99)
Finance costs	15,698	11,014
Foreign exchange fluctuations loss (net)	526	(601)
Cash generated from operations before working capital changes		
(Increase) in trade receivables	(20,764)	(12,718)
(Increase)/decrease in inventories	(15,627)	(17,776)
Increase/(decrease) in trade payables	72,460	20,568
Increase/(decrease) in other financial liabilities	(17,208)	2,770
(Increase)/decrease in other financial assets	209	(760)
(Increase)/decrease in other non-current assets	(665)	36
(Increase)/decrease in other current assets	109	(13,824)
Increase/(decrease) in employee benefit obligations	110	574
Increase/(decrease) in derivatives	(526)	601
Increase/(decrease) in other current liabilities	930	477
Cash generated from operations	**53,997**	**15,066**
Income taxes paid (net)	(1,211)	(2,574)
Net cash outflow from operating activities	**52,786**	**12,492**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(10,178)	(21,057)
Purchase of investments	(29,386)	(9,308)
Loans to employees and others / recoveries there against	123	11
Proceeds from sale of property, plant and equipment	7	30
Changes in other bank balances	(68)	(86)
Interest received	455	99
Net cash inflow from investing activities	**(39,047)**	**(30,311)**
Cash flows from financing activities		
Proceeds from borrowings - current	68,466	98,989
Proceeds from borrowings - non current	28,767	-

Statement of Cash Flows
for the year ended 31 Mar 2019

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Repayment of borrowings - non current	(7,887)	(13,505)
Repayment of borrowings - current	(85,119)	(48,675)
Share issue cost	-	(257)
Interest paid	(16,223)	(12,275)
Dividends paid (including dividend distribution tax)	-	(5,464)
Net cash (outflow) from financing activities	**(11,996)**	**18,813**
Net (decrease) in cash and cash equivalents	1,743	993
Cash and cash equivalents at the beginning of the year (refer note 10)	1,133	140
Cash and cash equivalents at end of the year (refer note 10)	**2,876**	**1,133**

The accompanying notes form an integral part of the financial statements.

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, ''Statement of Cash Flows''

As per our report of even date attached

For B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

For and on behalf of Board of Directors of Smartchem Technologies Limited

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Pune
Date: 29 May 2019

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F-9219

Notes

To the standalone financial statements for the year ended 31 March 2019

1. THE COMPANY AND NATURE OF ITS OPERATIONS

Smartchem Technologies Limited ("the Company") is a Company domiciled in India, having its corporate office in Pune, Maharashtra, India. The Company is a public limited company. The Company is primarily engaged in the business of fertilisers, agri services and mining chemicals.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation:

i. Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The standalone financial statements have been prepared on accrual and going concern basis.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

ii. Historical cost convention

a) The standalone Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and

b) The standalone financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construe value less than ₹ 50,000.

(b) Significant accounting estimates, assumptions and judgements.

The preparation of the standalone financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures, and disclosure of contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE') & intangible assets

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period.

The factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Intangible assets, including Goodwill are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, including goodwill, the assessment of indefinite life is reviewed annually based on the expectancy and estimation of future economic benefits arising from it to determine whether it continues. If not, it is impaired or changed prospectively based on revised estimates.

Defined benefit plans

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Litigation

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Foreign currency translation

The standalone financial statements are presented in functional and presentation currency of the Company. On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

(e) Revenue recognition

Effective 01 April 2018, Ind AS 115 -'Revenue from contracts with customers' has replaced Ind AS 18 - 'Revenue' and Ind AS 11 - 'Construction contracts'. The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers. Amounts disclosed as revenue are inclusive of excise duty, in respect of revenue up to 30 June 2017, and net of customer returns, trade allowance, rebates, value added and other indirect taxes and amount collected on behalf of third parties.

Sale of Goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services:

Sale of services is recognised on satisfaction of performance obligation towards rendering of such services.

Interest and dividend income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(f) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income ("OCI") or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the Company general policy on borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(h) Business Combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. The assets and liabilities of combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities.

Consideration for business combination may consist of securities, cash or other assets. Securities are recorded at nominal value. In determination of the value of consideration, assets other than cash are considered at their fair values. The difference between any consideration given and the aggregate carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

(i) Impairment of financial assets

The Company assesses on a forward booking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

(k) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(l) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(m) Inventories

- Raw materials are valued at lower of moving weighted average cost and net realisable value. However these items are written down to realisable value if the costs of the related finished goods is not expected to recover the cost of raw materials.
- Stores, regular spares, oil, chemicals, catalysts and packing material are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable CENVAT/VAT/ GST credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost or net realisable value.
- Stock-in-trade is valued at lower of cost and net realisable value.

- Value of Work-in-Process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

(n) Investments and other financial instruments

(o) Classification

The company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(p) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company initially records at cost all equity investments measues them at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(q) Derecognition

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or

- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Derivatives & Hedging:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the interest expenditure is recorded).

Derivatives that are not designated as hedges:

The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges as in case of such transactions, the underlying is re-stated at closing exchange rates. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(r) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013. As per requirements of the Companies Act, 2013 the Company has also identified significant components of the assets and its useful life based on the internal technical evaluation. Depreciation charge on such components is based on its useful life. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule – II of the Companies Act, 2013.

Name of Assets	Estimated Useful Life
Computers - Servers and Networks	3 Years to 6 Years
End User Devices such as, desktops, laptops etc.	3 Years to 6 Years
Vehicles	4 Years for employees vehicles and 6-7 Years for other vehicles
Buildings other than Factory Buildings RCC Frame Structure.	61 Years
Plant and Machinery	Various estimated life upto 21 years. WNA III plant at the rate of 25.88% on WDV basis

- Depreciation for assets purchased/sold during a period is proportionately charged.
- Depreciation on exchange rate variances capitalised as part of the cost of Fixed Assets, has been provided prospectively over the residual useful life of the assets.
- Capitalised machinery Spares are depreciated over remaining useful life of the related machinery/equipment. Costs of such spares are charged to the Statement of Profit and Loss when issued for actual use at written down value.
- Cost of Leasehold Land is amortised over the lease period

(s) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

The useful life has been determined based on technical evaluation performed by the management's expert.

(t) Intangible assets

Goodwill:

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Companys of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Companys of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(u) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(x) Provisions

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(y) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

- The Company operates the following post-employment schemes: defined benefit plans such as gratuity, pension, post-employment medical plans; and
- defined contribution plans such as provident fund.

Gratuity and retirement benefit obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity and retirement benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees'salary (currently 12% of employees'salary). The contributions asspecified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.

(z) Earning per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(aa) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(bb) Cash Dividend

The Company recognizes a liability to make cash distribution to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

(cc) Recent Accounting Developments

Ind AS - 116: Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact due to this amendment.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Electric Installation	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Gross carrying amount										
As at 1 April 2017	2,074	249	14,720	117,551	1,440	216	385	118	417	137,170
Additions	519	-	3,696	16,982	1,352	36	195	79	104	22,963
Disposals	-	-	-	(27)	-	-	-	-	(27)	(54)
Gross carrying amount as at 31 March 18	**2,593**	**249**	**18,416**	**134,506**	**2,792**	**252**	**580**	**197**	**494**	**160,079**
Accumulated depreciation										
Opening accumulated depreciation as at 1 April 2017	-	(6)	(979)	(12,475)	(306)	(67)	(148)	(31)	(184)	(14,196)
Depreciation charge during the year @	-	(3)	(640)	(8,564)	(226)	(35)	(100)	(19)	(99)	(9,686)
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2018	-	(9)	(1,619)	(21,039)	(532)	(102)	(248)	(50)	(283)	(23,882)
Net carrying amount as at 31 March 2018	**2,593**	**240**	**16,797**	**113,467**	**2,260**	**150**	**332**	**147**	**211**	**136,197**
Gross carrying amount										
As at 1 April 2018	2,593	249	18,416	134,506	2,792	252	580	197	494	160,079
Additions	-	-	565	4,798	36	10	324	161	392	6,286
Disposals	-	-	(7)	(93)	-	(3)	(16)	-	(64)	(183)
Transfers	-	-	1,072	788	-	18	97	-	15	1,990
Gross carrying amount 31 March 2019	2,593	249	20,046	139,999	2,828	277	985	358	837	168,172

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Land	Buildings	Plant and Equipment	Electric Installation	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Accumulated depreciation										
Opening accumulated depreciation as at 1 April 2018	-	(9)	(1,619)	(21,039)	(532)	(102)	(248)	(50)	(283)	(23,882)
Depreciation charge during the year @	-	(3)	(799)	(8,810)	(277)	(38)	(241)	(37)	(125)	(10,330)
Disposals	-	-	6	63	-	3	15	-	52	139
Accumulated depreciation as at 31 March 2019	-	(12)	(2,412)	(29,786)	(809)	(137)	(474)	(87)	(356)	(34,073)
Net carrying amount as at 31 March 2019	**2,593**	**237**	**17,634**	**110,213**	**2,019**	**140**	**511**	**271**	**481**	**134,099**

@ Depreciation amounting to ₹ 1,015 Lacs transferred from holding company Deepak Fertilisers & Petrochemicals Corporation Ltd. as common sharing cost. (31 March 2018 ₹ 665 Lacs)

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2019	31 March 2018
Projects (Mainly comprising of building and plant & machinery) #	26,187	24,227
Others	3,472	1,441
Total	**29,659**	**25,668**

Includes borrowing cost of ₹ 1,730 Lacs (31 March 2018 ₹ 1,939 Lacs)

Note 5: INVESTMENT PROPERTIES

	31 March 2019	31 March 2018
Gross carrying amount		
Opening gross carrying amount	461	461
Additions	-	-
Closing gross carrying amount	**461**	**461**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	**-**	**-**
Net carrying amount	**461**	**461**

(i) Contractual obligations: The Company does not have any contractual obligations in relation to investment properties as the same are not let out.

(ii) Fair value

	31 March 2019	31 March 2018
Investment properties	590	590

Estimation of fair value

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property consitute agriculture land at Nashik.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 6: INTANGIBLE ASSETS

	Computer Software	Technical Know How/ Engineering Fees	License/ Franchise Fees	Other Intangible Asset	Goodwill	Brand	Total
Gross carrying amount as on March 31, 2017	**542**	**332**	**1,002**	**4,031**	**77,192**	**93,714**	**176,813**
Additions	-	-	-	-	-	-	-
Disposals / Transfers / Adjustments							
Gross carrying amount as on 31 March 2018	**542**	**332**	**1,002**	**4,031**	**77,192**	**93,714**	**176,813**
Additions	-	-	-	-	-	-	-
Disposals / Transfers / Adjustments							
Gross carrying amount as on 31 March 2019	**542**	**332**	**1,002**	**4,031**	**77,192**	**93,714**	**176,813**
Accumulated Amortisation							
Closing accumulated amortisation as at March 31, 2017	**31**	**64**	**166**	**2,150**	**-**	**9,490**	**11,901**
Amortisation charge for the year	54	32	433	1,075		4,745	6,339
Disposals							
Closing accumulated amortisation as at 31 March 2018	**85**	**96**	**599**	**3,225**	**-**	**14,235**	**18,240**
Amortisation charge for the year	**39**	**32**	**432**	**806**	**-**	**4,745**	**6,054**
Disposals							
Closing accumulated amortisation as at 31 March 2019	124	128	1,031	4,031	-	18,980	24,294
Net Block as at March 31, 2019	418	204	(29)	-	77,192	74,734	152,519
Net Block as at March 31, 2018	457	236	403	806	77,192	79,479	158,573

Note 7: INVESTMENT IN SUBSIDIARIES & ASSOCIATES - NON - CURRENT

	31 March 2019	31 March 2018
Investment in equity instruments (fully paid-up) at FVTPL		
Trade investments (Quoted)		
4,715 (31 March 2018 : 4,715) equity shares of Punjab National Bank	3	3
Investments in equity shares (unquoted) of subsidiaries (fully paid up) at amortised cost		
72,800 (31 March 2018 : 72,800) equity shares of of Platinum Blasting Services Pty Ltd of AUD 100 each fully paid up	3,769	3,769
63,956 (31 March 2018 : 33,991) equity shares of Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) of ₹ 10 each	40,963	10,964
Total (equity instruments)	**44,735**	**14,736**
Aggregate amount of quoted investments and market value there of	3	3
Aggregate amount of unquoted investments	44,732	14,733

Note 8 : TRADE RECEIVABLES

	31 March 2019	31 March 2018
Trade Receivables considered good - Unsecured	112,891	92,155
Trade Receivables - credit impaired	1,195	1,167
Less: Allowance for expected credit loss	(1,195)	(1,167)
Total	**112,891**	**92,155**
Current portion of net trade receivables	112,891	92,155
Non - current portion of net trade receivables	-	-

Movement in allowance for expected credit loss:

	31 March 2019	31 March 2018
Balance at beginning of the year	**1,167**	999
Add: Allowance for expected credit loss	**57**	168
Less: Reversed / utilized during the year	**29**	-
Balance as at the end of the year	**1,195**	1,167

(i) Trade Receivable includes ₹ 39,652 Lacs (31st March 2018 ₹ 36,589 Lacs) towards fertiliser subsidy receivable from the Government of India.

(ii) The carrying amounts of the trade receivables is net of receivables de-recognised under structured finance arrangements without recourse NIL (31st March 2018 ₹ 6,686 Lacs)

(All amounts in ₹ Lakhs unless otherwise stated)

Note 9 : LOANS

	31 March 2019	31 March 2018
Unsecured, considered good		
Loan to employees	29	128
Other loans	45	69
Total	**74**	**197**

Note 10: CASH & CASH EQUIVALENTS

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	2,736	900
Cash on hand	6	5
Cheques in hand	134	228
Total	**2,876**	**1,133**

Note 11: OTHER BANK BALANCES

	31 March 2019	31 March 2018
Deposits with maturity upto 12 months from the reporting date	154	86
Total	**154**	**86**

Note 12: OTHER FINANCIAL ASSETS

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
(i) Derivatives				
Foreign currency options	-	-	601	-
(i) Others				
Interest receivable	332	-	168	-
Deposit with banks with maturity after twelve months from the reporting date	-	76	-	8
Security deposits	-	381	-	318
Others	97	6	-	6
Total	**429**	**463**	**769**	**332**

Note 13: OTHER NON-CURRENT ASSETS

	31 March 2019	31 March 2018
Capital advances	379	1,077
Balance with government authorities	665	-
Total	**1,044**	**1,077**

Note 14: INVENTORIES

	31 March 2019	31 March 2018
Raw materials Includes ₹ 1,945 Lacs (31 March 2018 ₹ 2,528 Lacs) in transit	22,497	19,571
Work-in-progress	-	-
Finished goods	28,281	15,715
Stock-in-trade Includes Nil (31 March 2018 ₹ 3 Lacs) in transit	7,697	5,654
Traded goods		
Stores and spares Includes ₹178 Lacs (31 March 2018 ₹ 458 Lacs) in transit	8,536	10,507
Packing material	1,636	1,573
Total	**68,647**	**53,020**

Note 15: OTHER CURRENT ASSETS

	31 March 2019	31 March 2018
Advances for supply of goods and services	3,628	6,223
Balances with government authorities	11,704	8,935
Prepaid expenses	307	1,346
Other receivables	1,835	1,079
Total	**17,474**	**17,583**

Note 16: SHARE CAPITAL

	31 March 2019	31 March 2018
Authorised		
35,50,00,000 equity shares of ₹ 10/- each.	3,550	1,750
(31 March 2018: 17,50,00,000 equity shares of ₹ 10/- each)		
NIl 1% Cumulative redeemable preference shares of ₹100/- each.	-	1,800
(31 March 2018: 18,00,000 Cumulative redeemable preference shares of ₹100/- each.)		
	3,550	**3,550**
Issued, subscribed and fully paid-up share capital		
1,70,50,000 equity shares of ₹ 10/- each.	1,705	1,705
(31 March 2018: 1,70,50,000 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**1,705**	**1,705**

(All amounts in ₹ Lakhs unless otherwise stated)

(i) Reconciliation of the number of Equity Shares

	31 March 2019		31 March 2018	
Equity Shares	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning and at the end of the year	17,050,000	1,705	1,000,000	100
Add: Issued during the year	-	-	16,050,000	1,605
	17,050,000	**1,705**	**17,050,000**	**1,705**

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

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

(ii) Details of shareholders holding more than 5% shares in the Company

	31 March 2019		31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertilisers & Petrochemicals Corporation Limited	17,049,994	100%	17,049,994	100%

Note 17: OTHER EQUITY

Nature and purpose of other equity

(a) Securities premium: The amount received in excess of face value of the equity shares is recognized in Securities Premium

(b) Capital redemption reserve: The Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) General reserve: This represents appropriation of profits by the Company and is available for distribution of dividend.

(d) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 18: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	31 March 2019	31 March 2018
Secured				
Term loans				
State Bank of India	Repayable in 28 quarterly installments starting from Jun 2017 onwards.	At variable average interest rate payable monthly (average for the year: 8.52%)(31 March 2018 : 8.52%)	32,111	38,570
Export Import Bank Of India (Loan 1)			7,144	8,572
Export Import Bank Of India (Loan 2)	Repayable in 28 quarterly installments starting from Jun 2020 onwards.	At variable average interest rate payable monthly (average for the year: 9.55%)	28,767	-
Total non-current borrowings			**68,022**	**47,142**
Less: Current maturities of long-term debt (included in note 20)			7,858	6,735
Total			**60,164**	**40,407**

The term loans from State Bank of India and Export Import Bank of India have been availed for financing NPK project. The term loans are secured by pari passu first charge to be created on the entire fixed assets pertaining to Nitro phosphate plant (NPK project). All present and future immovable and movable fixed assets pertaining to NPK project from Plot K1 to Plot K5., MIDC Industrial Area, Taloja, Dist. Raigad.

The term loan from Export Import Bank of India are secured by hypothecation of movable fixed assets i.e Plant and machinery located at Plot no 7 Haryana Industrial development corporation Panipat and original title deeds of Panipat land having surrendered to Export Import Bank of India. Further term loan are secured by pari passu charge to be created on the fixed assets located at Plot K7, K8 MIDC Taloja.

Note 19: CURRENT BORROWINGS

	31 March 2019	31 March 2018
Loans repayable on demand		
Secured		
-Buyer's credit	483	39,060
-Short term loan	85,500	17,500
-Cash credit facilities (refer note below)	2,353	-
-Loan against subsidy	-	4,284
	88,336	**60,844**
Unsecured		
-Commercial paper	-	50,000
-Loan from related party	6,000	-
Total current borrowings	**6,000**	**50,000**
Total	**94,336**	**110,844**

Buyer's credits are generally due within 180 days and carry variable rate of interest for the year 3.26% (31 March 2018 - 2.07%) and are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

Short term loan from various banks amounting to ₹ 85,500 Lakhs is due within 180 days from the draw down date, carrying interest rate of 8.94% at 31 March 2019 (31 March 2018 – 8.10%) and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

Cash credit amounting to ₹ 2,353 Lakhs is repayable on demand carrying interest rate of 9.36% at 31 March 2019 and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

Loan from related party carries average interest rate 7.35% (31 March 18 - 6.75%) and it is repayable on demand

Commercial paper borrowings carries variable interest rate with matuirty for period upto 3 months. Average rate for the year is 7.42%

Loan against subsidy carries average rate of interest 8.26% repayable in 60 days or receipt of subsidy whichever is earlier.

Note 20: OTHER FINANCIAL LIABILITIES

	31 March 2019	31 March 2018
Current		
Current maturities of non-current borrowings	7,858	6,735
Interest accrued	1,427	367
Security deposits	4,730	3,758
Capital creditors	2,060	1,380
Due to directors	-	337
Derivatives not designated as hedges	526	-
Others (*)	1,006	19,375
Total	**17,607**	**31,952**

(*) Others include due to Bank for structured finance where the Company acts as a pass through agent of NIL (31 March 2018 ₹ 18,203 Lacs)

(All amounts in ₹ Lakhs unless otherwise stated)

Note 21: PROVISIONS

	31 March 2019		31 March 2018	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	558	2,113	320	2,259
Compensated absences	204	860	156	913
Defined pension benefits	72	29	53	80
Total (A)	**834**	**3,002**	**529**	**3,252**

(A) Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	31 March 2019	31 March 2018
Employer's contribution to provident fund	494	427
Employer's contribution to employee's pension scheme	180	168
Employer's contribution to superannuation fund	394	314
Employer's contribution to employee state insurance	12	12

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2018: 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2018: 7.50% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	2,579	1,894
Current service cost	221	241
Interest cost	191	142
Actuarial loss	38	302
Benefits paid	(64)	-
Present value of obligation at the end of the year	2,965	2,579

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the end of the year	2,965	2,579
Fair value of plan assets at the end of the year	293	-
Net (asset)/liabilities recognised in the Balance Sheet	2,672	2,579

Fair value of plan assets:

Particulars	31 March 2019	31 March 2018
Plan assets at the beginning of the year	-	-
Interest Income	10	-
Expected return on plan assets	7	-
Contribution by employer	276	-
Actual benefits paid	-	-
Actuarial gain/(loss)	-	-
Plan assets at the end of the year	293	-

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	221	241
Interest cost	181	142
Expense recognised in the Statement of Profit and Loss	402	383

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements Cost / (Credit)	38	302
Actuarial (gain)/loss on plan assets	(7)	-
Amount recognised in the Other Comprehensive Income	31	-

Sensitivity analysis :

Particulars	31 March 2019		31 March 2019	
Assumptions	Discount rate		Future salary increase	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(139)	151	124	(116)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

ii. Defined pension benefits

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent acturial valuation.

(All amounts in ₹ Lakhs unless otherwise stated)

In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.50% p.a. (31 March 2018: 7.50% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2018: 60 years) and mortality table is as per IALM (2012-14) (31 March 2018: IALM (2006-08).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	133	86
Current service cost	48	37
Past service cost	-	-
Interest cost	10	6
Actuarial loss	(86)	11
Benefits paid	(4)	(7)
Present value of obligation at the end of the year	101	133

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2019	31 March 2018
Current service cost	48	37
Past service cost	-	-
Interest cost	10	6
Expense recognised in the Statement of Profit and Loss	58	43

Amount recognised in the other comprehensive income:

Particulars	31 March 2019	31 March 2018
Remeasurements Cost / (Credit)	(86)	11
Actuarial (gain)/loss on plan assets	-	-
Amount recognised in the Other Comprehensive Income	(86)	11

Sensitivity analysis :

Particulars	31 March 2019		31 March 2018	
Assumptions	Discount rate		Discount rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(22)	30	(31)	43

Note 22: TRADE PAYABLES

	31 March 2019	31 March 2018
Current		
Trade payables		
Due to micro, small and medium enterprises	**175**	27
Due to others	**113,503**	41,191
Total	**113,678**	**41,218**

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount outstanding (whether due or not) to micro and small enterprises	175	27
- Interest due thereon	3	-
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	1,166	19
Amount of interest due and payable on delayed payments	26	-
Amount of interest accrued and remaining unpaid as at year end	26	5
The amount of further interest remaining due and payable even in the succeeding year	-	-

Details of Micro and Small Enterprises as define under MSMED ACT, 2006

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

Note 23: DEFERRED TAX LIABILITIES (NET)

Movements during the year ended 31 March 2019:

	1 April 2018	Credit/ (charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2019
Property, plant and equipment and investment property	11,343	533		11,876
Intangible assets	32,143	3,952		36,095
Financial assets at fair value through profit or loss	(129)			(129)
Financial assets at FVOCI (including derivatives)	(72)		19	(53)
Deferred tax on entry tax	(2,839)	(456)		(3,295)
Provisions	(893)	(105)		(998)
Others	(27,001)	(3,569)		(30,570)
Net deferred tax liabilities	**12,552**	**355**	**19**	**12,926**

(All amounts in ₹ Lakhs unless otherwise stated)

Movements during the year ended 31 March 2018:

	1 April 2017	Credit/ (charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2018
Property, plant and equipment and investment property	10,897	446	-	11,343
Intangible assets	26,302	5,841	-	32,143
Financial assets at fair value through profit or loss	(399)	270	-	(129)
Financial assets at FVOCI (including derivatives)	37	-	(109)	(72)
MAT credit	(1,105)	(1,734)	-	(2,839)
43B	(39)	(854)	-	(893)
Brought Forward loss and Others	(23,932)	(3,069)	-	(27,001)
Net deferred tax liabilities	**11,761**	**900**	**(109)**	**12,552**

Note 24: OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018
Advances from customers	209	399
Statutory dues payable	1,951	836
Other payables	15	10
Total	**2,175**	**1,245**

Note 25: REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
Sale of products		
Finished goods	258,020	229,684
Traded goods	57,931	27,948
Subsidy on manufactured fertilisers	43,298	45,053
Subsidy on traded fertilisers	16,444	4,124
Other operating revenues	245	261
Total	**375,938**	**307,070**

Note 26: OTHER INCOME

	31 March 2019	31 March 2018
Interest income	455	99
Net gain on sale of investments	613	225
Rental income	-	2
Other non-operating income	1,366	455
Total	**2,434**	**781**

Note 27: COST OF MATERIALS CONSUMED

	31 March 2019	31 March 2018
Raw materials as at the beginning of the year	19,571	6,074
Add: Purchases during the year	222,867	197,732
Less: Raw material as at the end of the year	22,497	19,571
Total	**219,941**	**184,235**

Note 28: PURCHASE OF STOCK-IN-TRADE

	31 March 2019	31 March 2018
Purchases of stock-in- trade	66,538	24,169
Total	**66,538**	**24,169**

Note 29: Changes in inventories of stock-in-trade and finished goods

	31 March 2019	31 March 2018
Opening balance		
Finished goods	15,715	11,705
Stock-in-trade	5,654	7,462
Total opening balance	**21,369**	**19,167**
Closing balance		
Finished goods	28,281	15,715
Stock-in-trade	7,697	5,654
Total closing balance	**35,978**	**21,369**
(Increase)/ decrease in excise duty on stock of finished goods	-	(13)
Cost of Trial Run	**-**	**42**
Total changes in inventories of stock-in-trade and finished goods	**(14,609)**	**(2,173)**

Note 30: EMPLOYEE BENEFIT EXPENSES

	31 March 2019	31 March 2018
Salaries, wages and bonus	14,230	12,888
Contribution to provident fund & other funds	1,637	1,392
Staff welfare expenses	799	740
Total	**16,666**	**15,020**

Note 31: FINANCE COSTS

	31 March 2019	31 March 2018
Interest and finance charges #	17,428	12,953
Less: Amount capitalised	(1,730)	(1,939)
Total	**15,698**	**11,014**

Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ 580 Lacs (₹ 725 Lacs).

Note 32: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
Depreciation on property, plant and equipment	11,345	10,351
Amortisation on intangible assets	6,054	6,339
Total	**17,399**	**16,690**

Depreciation amounting to ₹ 1,015 Lacs transferred from holding company Deepak Fertilisers & Petrochemicals Corporation Ltd. as common sharing cost. (31 March 2018 ₹ 665 Lacs)

Note 33: OTHER EXPENSES

	31 March 2019	31 March 2018
Power, fuel and water	5,212	6,382
Consumption of stores and spares	5,076	4,533
Rent	1,919	1,569
Repairs to :		
- Building	748	653
- Plant and machinery	4,964	3,864
- Others	483	488
Insurance	486	326
Rates, taxes and duties	742	789
Travelling and conveyance	858	685
Legal and professional fees	4,828	1,911
Payments to auditors (note 33(a) below)	35	46
Directors' sitting fees	20	16
Carriage outward (net)	20,385	18,513
Loss on sales of fixed assets	41	-
Commission on sales	493	682
Sales and promotion expenses	1,250	1,246
Donations	250	1
Utility services	770	768
Communication expenses	210	191
Corporate social responsibility expenditure (note 33(b) below)	20	-
Foreign exchange fluctuations loss (net)	1,029	1,012
Miscellaneous expenses	4,575	3,118
Total	**54,394**	**46,793**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 33(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2019	31 March 2018
Payment to auditors		
As auditor:		
Audit fee	27	24
Tax audit fee	3	3
In other capacities		
Taxation matters	1	2
Certification fees/Other Matters	2	16
Re-imbursement of expenses	2	1
Total	**35**	**46**

Note 33(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2019	31 March 2018
Contributions to Ishanya Foundation	20	4
Others	-	-
Total	**20**	**4**
Amount required to be spent as per Section 135 of the Act	51	4
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	20	4

(All amounts in ₹ Lakhs unless otherwise stated)

Note 34: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2019			31 March 2018		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments at fair value	3	-	-	3	-	-
- Bonds and debentures	-	-	-	-	-	-
- Mutual funds	-	-	-	-	-	-
- Government securities	-	-	-	-	-	-
Trade receivables	-	-	112,891	-	-	92,155
Cash and cash equivalents	-	-	2,876	-	-	1,133
Other bank balances	-	-	154	-	-	86
Loans	-	-	74	-	-	197
Other financial assets						
- Security deposits	-	-	381	-	-	318
- Derivative financial assets, not designated as hedges			-	601		
- Interest receivable	-	-	332	-	-	168
- Deposit with banks	-	-	76	-	-	8
- Others	-	-	103	-	-	6
Total financial assets	**3**	**-**	**116,887**	**604**	**-**	**94,071**
Financial liabilities						
Borrowings	-	-	162,358	-	-	157,986
Trade payables	-	-	113,678	-	-	41,218
Other financial liabilities						
- Derivative financial liabilities, not designated as hedges	526	-	-	-	-	-
- Capital creditors	-	-	2,060	-	-	1,380
- Security deposits	-	-	4,730	-	-	3,758
- Interest accrued	-	-	1,427	-	-	367
- Others	-	-	1,006	-	-	19,712
Total financial liabilities	**526**	**-**	**285,259**	**-**	**-**	**224,421**

(All amounts in ₹ Lakhs unless otherwise stated)

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2019				31 March 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Equity shares	3	-	-	3	3	-	-	3
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	-	-	-	-	601	-	601
Total financial assets	**3**	**-**	**-**	**3**	**3**	**601**	**-**	**604**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	-	526	-	526	-	-	-	-
Total financial liabilities	**-**	**526**	**-**	**526**	**-**	**-**	**-**	**-**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018

(iii) Valuation process to determine fair value.

The following methods and assumptions were used to estimate the fair values of financial instruments:

i) The fair values of investments in debt and government securities is based on the current bid price of respective investment as at the Balance Sheet date.

ii) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published staements as at Balance Sheet date, NAV represents the price at which the issues will issue further units of mutual fund and the price at which issuers will redeem such units from investors..

Note 35(a): FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ 1,195 lacs (31 March 2018: ₹1,167 lacs)

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2019	31 March 2018
Balance at the beginning of the year	1,167	999
Add: Provided during the year (net of reversal)	57	168
Less: Amount written off	29	-
Balance at the end of the year	1,195	1,167

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

(All amounts in ₹ Lakhs unless otherwise stated)

ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Comapny's reputation.

The Company's trasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2019	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	161,875	101,711	34,397	25,767	161,875
Obligations under finance lease					-
Trade payables	72,595	72,595	-	-	72,595
Interest accrued	1,427	1,427			1,427
Security deposits	4,730	4,730			4,730
Other financial liabilities	3,066	3,066	-	-	3,066
Total non-derivative liabilities	**243,693**	**183,529**	**34,397**	**25,767**	**243,693**
Derivatives financial liabilities					
Foreign exchange forward contracts	526	526			526
Borrowings	483	483	-	-	483
Trade payables	41,083	41,083	-	-	41,083
Total derivative liabilities	**42,092**	**42,092**	**-**	**-**	**42,092**

31 March 2018	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
Non-derivatives					
Borrowings	118,926	78,519	32,550	7,857	118,926
Trade payables	41,218	41,218	-	-	41,218
Interest accrued	367	367		-	367
Security deposits	3,758	3,758		-	3,758
Other financial liabilities	21,092	21,092	-	-	21,092
Total non-derivative liabilities	**185,361**	**144,954**	**32,550**	**7,857**	**185,361**
Derivatives financial liabilities					
Foreign exchange contract used for hedging					
- Borrowings	39,060	39,060	-	-	39,060
Total derivative liabilities	39,060	39,060	-	-	**39,060**

(All amounts in ₹ Lakhs unless otherwise stated)

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, AED and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 42

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

FOREIGN CURRENCY BALANCES OUTSTANDING

	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
INR/USD -appreciated by 1% (31 March 2018-1%)	417	432
INR/USD -depreciated by 1% (31 March 2018-1%)	(417)	(432)
AED sensitivity		
INR/AED-appreciated by NIL (31 March 2018-1%)	42	16
INR/AED-depreciated by NII (31 March 2018-1%)	(42)	(16)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31 March 2019	31 March 2018
Variable rate borrowings	68,022	47,142
Fixed rate borrowings	94,336	110,844
Total borrowings	162,358	157,986

Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2019 would decrease / increase by ₹ 340 lacs (for the year ended 31 March 2018: decrease / increase by ₹ 236 lacs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 35(b). CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2019	31 March 2018
Net debt	159,328	156,767
Total equity	261,912	260,342
Net debt to equity ratio	0.61	0.60

Note 36 (a) : Names Of The Related Parties And Relationships

A Holding Company

1 Deepak Fertilisers And Petrochemcials Corporation Ltd

B Subsidiaries

1 Platinum Blasting Services Pty Ltd.[PBS] (Subsidiary)

2 Australian Mining Explosives Pty Ltd (100% Subsidiary of PBS)

3 Performance Chemiserve Limited (Formerly Performance Chemiserve Private Limited)

C Fellow Subsidiaries

1 RungePincockMinarco India Pvt. Ltd.

2 Yerrowda Investments Ltd.

3 Deepak Mining Services Pvt.Ltd.

4 Deepak Nitrochem Pty.Ltd.

5 SCM Fertichem Ltd.

D Key management personnel

(a) Executive directors

Mr. Yeshil Mehta

(b) Non-executive directors

Mr Sailesh Chimanlal Mehta

Ms Parul Sailesh Mehta

Dr Tapan Kumar Chatterjee

Mr Raghuraman Sriraman (till 27 March 2019)

Mr Sewak Ram Wadhwa

Mr Urmilkumar Purushottamdas Jhaveri

Mr Madhumilan Parshuram Shinde

Mr Ashok Kumar Purwaha (from 31 Oct 2018)

(c) Company Secretary

Mr. Mandar Velankar (till 10 May 2018)

Mr. Pankaj Gupta (From 29 May 2018)

(d) Chief Finance Officer

Mr. Debasish Banerjee (till 13 Apr 2018)

Mr Amitabh Bhargava (from 29 May 2018)

E Entities over which key management personnel are able to exercise significant influence:

1 Mahadhan Farm Technologies Private Limited

2 Robust Marketing Services Private Limited

3 Nova Synthetic Limited

F Relatives of key management personnel

1 Ms. Rajvee Mehta

G Entities over which relatives of key managerial personnel are able to exercise significant influence:

1 Deepak Nitrite Ltd.

2 Blue Shell Investments Pvt.Ltd.

3 The Lakaki Works Pvt.Ltd.

4 Superpose Credits And Capital Pvt.Ltd.

5 Storewell Credits And Capital Pvt.Ltd.

6 High Tide Investments Pvt.Ltd.

7 Deepak Asset Reconstruction Pvt.Ltd.

8 Mahadhan Investment and Finance Pvt.Ltd.

9 Ishanya Foundation

10 Deepak Foundation

H Associates Of Holding Company

1 Ishanya Brand Services Ltd.

2 Ishanya Realty Corporation Ltd.

3 Mumbai Modern Terminal P. Ltd

4 Desai Fruits and Vegetables Pvt. Ltd.

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in ₹ Lakhs unless otherwise stated)

Note 36 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019							31 March 2018						
		Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total	Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total
1	**Sale of goods**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	20,803	-	-	-	-	-	20,803	17,879						17,879
	Deepak Nitrite Limited	-	-	-	-	-	69	69						153	153
	Mahadhan Farm Technologies Limited	-	-	-	-	1,303		1,303						698	698
2.	**Rendering of services/ reimbursement of expenses**														
	Desai Fruits and Vegetables	-	-	-	-	-	-	-	-	-	-	-	--	-	-
3.	**Sales of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	**Purchase of goods and services**														

(All amounts in ₹ Lakhs unless otherwise stated)

Note 36 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019 Holding Company	31 March 2019 Subsidiaries	31 March 2019 Associates	31 March 2019 Key Management Personnel	31 March 2019 Entities over which Key Management Personnel are able to exercise significant Influence (*)	31 March 2019 Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	31 March 2019 Total	31 March 2018 Holding Company	31 March 2018 Subsidiaries	31 March 2018 Associates	31 March 2018 Key Management Personnel	31 March 2018 Entities over which Key Management Personnel are able to exercise significant Influence (*)	31 March 2018 Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	31 March 2018 Total
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(43,388)	-	-	-	-	-	(43,388)	(39,734)	-	-	-	-	-	(39,734)
	Mahadhan Farm Technologies Limited	(1,902)	-	-	-	-	-	(1,578)	(1,578)	-	-	-	-	-	
5	**Receiving of services/ reimbursement of expenses**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(12,889)	-	-	-	-	-	(12,889)		-	-	-	-	-	-
	Platinum Blasting Services Pty Ltd	-	(2)	-	-	-	-	(2)	-	(7)	-	-	-	-	(7)
	M P Shinde	-	-	-	(3)	-	-	(3)	(9,083)	-	-	-	-	-	(9,083)
6	**Interest on loan taken**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(1,013)	-	-	-	-	-	(1,013)	(4,028)	-	-	-	-	-	(4,028)
7	**Dividend Paid**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	-	-	-	-	-	-	-	(4,518)	-	-	-	-	-	(4,518)

(All amounts in ₹ Lakhs unless otherwise stated)

Note 36 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019							31 March 2018						
		Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total	Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total
8	**Remuneration (including perquisites)**														
	Mr Yeshil Mehta	-	-	-	(81)	-	-	(81)	-	-	-	(52)	-	-	(52)
	Mr Debashish Banerjee	-	-	-	(3)	-	-	(3)	-	-	-	(47)	-	-	(47)
	Mr Mandar Velankar	-	-	-	(3)	-	-	(3)	-	-	-	(17)	-	-	(17)
	Mr. Nandan Shah				-			-				(4)			(4)
	Mr Pankaj Gupta	-	-	-	(40)	-	-	(40)	-	-	-		-	-	-
9	**Sitting Fees paid to Non -Executive Directors**	-	-	-	(20)	-	-	(20)	-	-	-	(16)	-	-	(16)
10	**Loan and Advances Taken**														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	25,000	-	-	-	-		25,000	-	-	-	-	-	-	25,000
11	Loan and Advances Repaid														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(19,000)	-	-	-	-		(19,000)	(54,907)	-	-	-	-	-	(54,907)
12	**Amount outstanding**														

(All amounts in ₹ Lakhs unless otherwise stated)

Note 36 (b) Related Party transactions

Sr. No.	Nature of Transactions	31 March 2019 Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total	31 March 2018 Holding Company	Subsidiaries	Associates	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives of Key Management Personnel Are Able To Exercise Significant Influence	Total
	Trade payables/ (Receivables)														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(19,045)	-	-	-	-	-	(19,045)	1,165	-	-	-	-	-	1,165
	Mahadhan Farm Technologies Limited	-	-	-		37	-	37	-	-	-	-	-	(143)	(143)
	Deepak Nitrite Ltd.	-	-	-	-	-	6	6	-	-	-	-	-	45	45
	Interest Payable														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	**(912)**	**-**	**-**	**-**	**-**	**-**	**(912)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Loan repayable														
	Deepak Fertilisers and Petrochemicals Corpporation Limited	(6,000)	-	-	-	-	-	(6,000)	-	-	-	-	-	-	-

Note : Figures in bracket are outflows.
All Transactions are in ordinary course and on an arm's length basis
(*) Includes transaction with enterprises over which relatives are able to exercise significant influence

Note 37: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2019	31 March 2018
A. Contingent liabilities		
Claims by Suppliers	3,480	2,661
Income Tax demands	21	24
Sales Tax/VAT Demands	1,850	1,430
Local body tax	598	-
Total	5,949	4,115

B. Capital Commitments		
Related to Projects	11,435	3,699
Other capital commitment	3,914	-
Total	**15,349**	**3,699**

Note 38

The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy, due to the Company in accordance with applicable Nutrient Based Subsidy (NBS) scheme of GOI, alleging undue gain arising to the Company on account of supply of cheap domestic gas since challenged by the Company before the Honourable High Court of Bombay. Based on the directive of the Honourable Court, DoF agreed to release subsidy withheld except a sum of ₹ 310 Crores pending final decision, which has been released during the month of January 2018 against a Bank Guarantee of equal amount.

Note 39

GAIL has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014, alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the Company and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that the Company; as per the Industrial License, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration. Accepting Company's stand, the Arbitration Tribunal has rejected the claim of GAIL. However, GAIL has preferred an appeal before Honourable Delhi High Court.

Note 40

The Income Tax Department carried out a Search and Seizure operation in Company's Office premises and plants during the period from 15th November 2018 to 21st November 2018 under section 132 and section 133A of the Income Tax Act, 1961.

The Management has provided the requisite information to the income authorities and responded to questions that were posed during the search period and also subsequently. No demand notices have been issued to the Company as of 29 May 2019.

Management is of the view that the search and seizure will not have any significant impact on the Company's financial position and results as at and for the year ended 31 March 2019 and hence no provision has been established in these financial statements.

Note 41: Lease

The Company has taken premises on operating lease for a period of one to five years. The future lease payment of such operating lease is as follows:

Particulars	31 March 2019	31 March 2018
Minimun Lease rental payable		
Not later than 1 year	1,512	63
Later than 1 year and not later than 5 years	1,052	49
Total	**2,564**	**112**

Note 42: Foreign currency balances outstanding

Particulars	**31 March 2019**		31 March 2018	
Minimun Lease rental payable	Amount in FC Lacs	Equivalent Amount in INR Lacs	Amount in FC Lacs	Equivalent Amount in INR Lacs
Hedged Position*				
Creditors (in USD)	594	41,083	73	4,776
Buyers Credit (in USD)	7	483	599	39,060
Total	**601**	**41,566**	**672**	**43,836**
Un-hedged Position				
Creditors (in USD)	16	1,131	3	197
Creditors (in AED)	226	4,246	90	1,596
Exports (in USD)	14	971	13	845
Total	**256**	**6,348**	**106**	**2,638**

*The above transactions are hedged by following derivative contracts

Particulars	**31 March 2019**		31 March 2018	
Minimun Lease rental payable	Amount in FC Lacs	Equivalent Amount in INR Lacs	Amount in FC Lacs	Equivalent Amount in INR Lacs
Forward Contracts - USD	58	4,010	424	27,686
Options Contracts - USD	543	37,556	248	16,150
Total	**601**	**41,566**	**672**	**43,836**

The Company has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109

Unhedged Foreign Currency exposure is as under

Particulars	**31 March 2019**		31 March 2018	
Minimun Lease rental payable	Amount in FC Lacs	Equivalent Amount in INR Lacs	Amount in FC Lacs	Equivalent Amount in INR Lacs
Payables - USD	16	1,131	3	197
Payables - AED	226	4,246	90	1,596
Receivables - USD	14	971	13	845
Total	**256**	**6,348**	**106**	**2,638**

Note 43: Income Taxes

A. Components of Income Tax Expenses	**31 March 2019**	31 March 2018
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	456	1,700
Total (A)	**456**	**1,700**
Deferred tax charge/(credit)	355	970
Total (B)	**355**	**970**
Total (A+B)	**811**	**2,670**

(All amounts in ₹ Lakhs unless otherwise stated)

II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	19	(109)
Total	**19**	(109)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2019 and 31 March 2018

Particulars	**31 March 2019**	31 March 2018
Accounting profit before tax	2,345	8,129
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%) (A)	**819**	**2,813**
Income Tax at higher/(lower) rates	45	(81)
Others	(53)	(62)
Total (B)	**(8)**	**(143)**
Income Tax expense reported in the statement of profit or loss (A+B)	**811**	**2,670**

Note 44: Segment Reporting

Sr No			Particulars	Chemicals	Fertilisers	Others	Common	Total
1	**Revenue**							
	a)	**External Sales**						
		i)	Manufactured	148,714	152,849	-	-	301,563
			Previous Year	126,360	148,664	-	-	275,024
		ii)	**Traded**	**-**	**74,375**	**-**	**-**	**74,375**
			Previous Year	-	32,046	-	-	32,046
	b)	**Other operating income**		**-**	**-**	**2,434**	**-**	**2,434**
		Previous Year		-	-	781	-	781
	c)	**Unallocated Corporate other income**		**-**	**-**	**-**	**-**	**-**
		Previous Year		-	-	-	-	-
		Total Revenue		**148,714**	**227,224**	**2,434**	**-**	**378,372**
		Previous Year		126,360	180,710	781	-	307,851
2	**Segment Result**			**37,498**	**(3,738)**	**-**	**-**	**33,760**
	Previous Year			28,832	3,674	-	-	32,506
3	**Unallocated Corporate expenses**			**-**	**-**	**-**	**31,415**	**31,415**
	Previous Year			-	-	-	24,377	24,377
4	**Net profit**			**-**	**-**	**-**	**-**	**2,345**
	Previous Year			-	-	-	-	8,129
5	**Other Information**							
	a)	Segment Assets		**90,112**	**227,536**	**-**	**249,084**	**566,732**
		Previous Year		88,243	174,726	-	239,428	502,397

(All amounts in ₹ Lakhs unless otherwise stated)

b)	**Segment Liabilities**	**68,219**	**201,111**	**-**	**35,490**	**304,820**
	Previous Year	8,188	136,459	-	97,408	242,055
c)	**Capital Expenditure incurred during the year**	**6,162**	**10,286**	**-**	**-**	**16,448**
	Previous Year	12,208	735	-	-	12,943
d)	**Depreciation/ Amortisation**	**5,883**	**11,516**	**-**	**-**	**17,399**
	Previous Year	7,018	9,672	-	-	16,690

Segment information

1. Primary segment reporting (by business segments) Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, TAN
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits, Vegetables, Pesticides

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

Note 45 Previous year's figure have been re-grouped wherever necessary to confirm to current year's grouping.

Note 46 Previous year figures are given in bracket/itallics.

Notes 3 to 46 form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of Board of Directors of Smartchem Technologies Limited

For B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Pune
Date: 29 May 2019

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F9219

Company Information

C. K. Mehta
Chairman Emeritus

BOARD OF DIRECTORS

S. C. Mehta
Chairman

Yeshil S. Mehta
Executive Director

Parul S. Mehta
Non-Executive
Woman Director

Dr. T. K. Chatterjee
Non-Executive
Non-Independent Director

M. P. Shinde
Non-Executive
Non-Independent Director

S. R. Wadhwa
Independent Director

U P Jhaveri
Independent Director

Ashok Kumar Purwaha
Independent Director

Partha Bhattacharyya
Independent Director

Dr. Amit Biswas
Independent Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

Pankaj Gupta
Associate Vice President &
Company Secretary

MANAGEMENT TEAM

Amitabh Bhargava
Chief Financial Officer

Mahesh Girdhar
President – Crop Nutrition Business

Shyam Narayan Sharma
President – TAN

BANKERS

State Bank of India

Bank of Baroda

HDFC Bank Limited

IDFC Bank Limited

Axis Bank Limited

IndusInd Bank Limited

Yes Bank Limited

Kotak Mahindra Bank Limited

Export Import Bank of India

LEGAL ADVISORS

Crawford Bayley & Co.

Agarwal Law Associates

Zeus Law Associates

Hariani & Co.

Samvad Partners

AUDITORS

B. K. Khare & Co.
Chartered Accountants

SECRETARIAL AUDITOR

Jog Limaye & Associates,
Company Secretaries

COST AUDITOR

Y R Doshi & Company
Cost Accountants

INTERNAL AUDITOR

Ernst & Young
V. P. Mehta & Co.

REGISTERED AND CORPORATE OFFICE

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Mundhwa, Pune - 411 036,
Maharashtra
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E-mail: pankaj.gupta@dfpcl.com
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PLANTS

Plot K1, K7-K8,
MIDC Industrial Area,
Taloja, A.V. – 410 208,
District Raigad,
Maharashtra

Village Ponnada,
Etcherla Mandalam,
Srikakulam – 532 408,
Andhra Pradesh

Plot No. 47,
HSIIDC Industrial Estate,
Refinery Road,
Panipat – 132 140,
Haryana

SMARTCHEM
TECHNOLOGIES
LIMITED

Sai Hira, Survey No. 93,
Mundhwa, Pune – 411 036,
Maharashtra, India.
CIN: U67120PN1987PLC166034

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