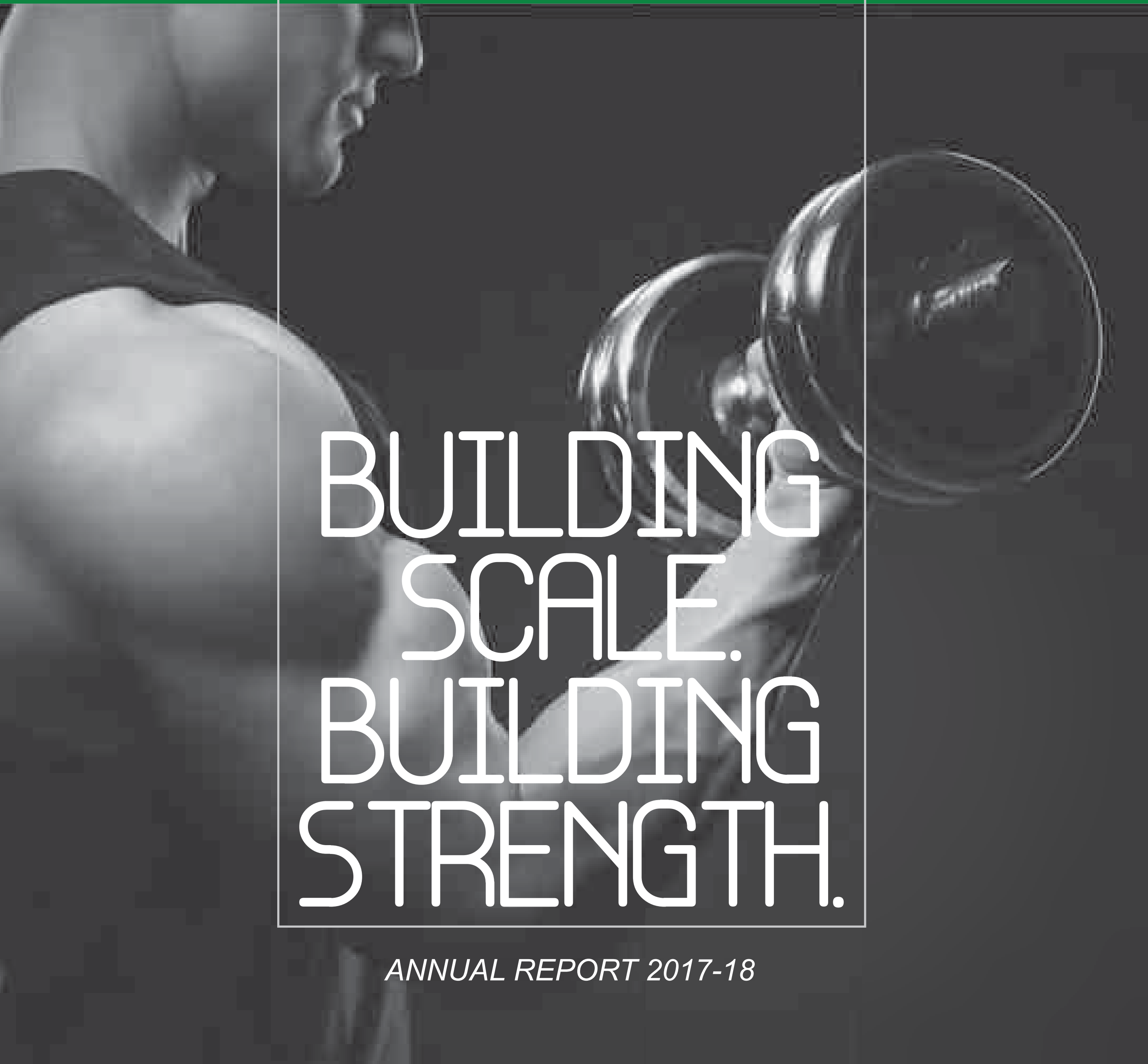
SMARTCHEM
TECHNOLOGIES
LIMITED



BUILDING SCALE. BUILDING STRENGTH.

ANNUAL REPORT 2017-18

Corporate Information

C. K. Mehta
Chairman Emeritus

Board of Directors

S. C. Mehta
Chairman
Yashil Mehta
Executive Director
R. Sriraman
M. P. Shinde
U. P. Jhaveri
S. R. Wadhwa
Smt. Parul S. Mehta
Dr. Tapan Kumar Chatterjee
Dr. S. Rama Iyer
(till 2 June 2017)

Company Secretary and Compliance Officer

Pankaj Gupta
Associate Vice President &
Company Secretary

Management Team

Mahesh Girdhar
President – Crop Nutrition Business

Shyam Narayan Sharma
President – TAN
Amitabh Bhargava
President – Finance & CFO

Bankers

State Bank of India
Bank of Baroda
HDFC Bank
IDFC Bank
Axis Bank
ICICI Bank Limited
Yes Bank Limited
Kotak Mahindra Bank Limited
IDBI Bank Limited
EXIM Bank

Solicitors

Crawford Bayley & Co.
Agarwal Law Associates
Zeus Law Associates

Auditors

B. K. Khare & Co.
Chartered Accountants

Secretarial Auditor

Jog Limaye & Associates

Cost Auditor

Y R Doshi & Company

Internal Auditor

Ernst & Young

Registered Office

Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036.
Phone : +91 - 20 - 6645 8000

Plants

Plot K1, K7-K8,
MIDC Industrial Area,
Taloja, A.V. - 410 208,
District Raigad, Maharashtra.
Phone: +91 - 22 - 6768 4000, 6149 5001
Fax: +91 - 22 - 2741 2413, 6149 5151

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

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

NOTICE

NOTICE is hereby given that Thirty-First Annual General Meeting of the Members of **SMARTCHEM TECHNOLOGIES LIMITED** will be held on Tuesday, 18th September, 2018 at 09:30 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, 2018, and the Board's Report and Report of the Auditors thereon.

2. To appoint a Director in place of Shri S. C. Mehta (DIN No. 00128204) who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Dr. T. K. Chatterjee (DIN No. 00118123) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. 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 Rs. 400,000 (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, 2019, 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."

5. Extension of second term of Shri S R Wadhwa 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 a SPECIAL 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 extension of the second term of Shri S. R. Wadhwa (DIN: 00228201), Independent Director of the Company for further period of 4 years, commencing with effect from 23rd June, 2018 to 22nd June, 2022 or upto the conclusion of Annual General Meeting for the Financial Year 2021-22, 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."

6. Extension of second term of Shri U P Jhaveri 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 a SPECIAL 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 extension of the second term of Shri. U. P. Jhaveri (DIN 00273898), Independent Director of the Company for further period of 4 years, commencing with effect from 23rd June, 2018 to 22nd June, 2022 or upto the conclusion of Annual General Meeting for the Financial Year 2021-22, 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."

7. Raising of the funds through issue of securities and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or re-enactment thereof, for the time being in force), {hereinafter referred to as the Act}, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules notified by the Central Government under the Act, the Foreign Exchange Management Act, 2000 (the "FEMA"), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GoI), the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), the Registrar of Companies, Maharashtra at Pune and/or any other competent authorities, whether in India or abroad, and including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to necessary approvals, permissions, consents and sanctions as may be necessary from MCA, RBI, GoI or of concerned statutory and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (including its Committee thereof) {hereinafter referred to as the Board}, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of equity shares of the Company of face value Rs. 10/- each, Compulsory Convertible Debenture, Cumulative Convertible Debentures, Partly Convertible Debentures and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, by way of private offerings and /or placement document and/ or other permissible/requisite offer document to any person(s) {the "Investor(s)"} as may be decided by the Board in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs. 825,00,00,000/- (Rupees Eight Hundred Twenty Five Crores Only) or equivalent thereof, inclusive of such premium as may be fixed on such Securities by offering the Securities at such time or times, at such price or prices, in such manner and on such terms and conditions including security, rate of interest etc. and any other matters incidental thereto as may be deemed appropriate by the Board at its absolute discretion including the discretion to International Monetary Fund and / or Asian Development Bank , issue and allot considering the prevailing market conditions and other relevant factors and wherever necessary in Indian Rupees as may be determined by the Board, at its absolute discretion may deem fit and appropriate (the Issue).

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution:

(a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(b) the Equity Shares, including any Equity Shares issued upon conversion of any convertible Securities, that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

(a) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of equity shares and the price as aforesaid shall be suitably adjusted; and

(b) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of equity shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances, necessary adjustments will be made.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint depository(ies), custodian(s), registrar(s), banker(s), lawyer(s), advisor(s) and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such Issue, including the finalisation and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalisation of the timing of the Issue, identification of the investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, signing of declarations, creation of mortgage/ charge, utilisation of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to constitute or form a Committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary /Chief Financial Officer or other persons authorised by the Board for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alteration(s) or modification(s) as they may deem fit and proper and give such direction(s) as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities."

8. Reclassification of the Authorised Share Capital of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 {including any statutory modification(s) or re-enactment thereof for the time being in force} and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs. 35,50,00,000/- (Rupees Thirty Five Crores and Fifty Lakhs) divided into 1,75,00,000 (One Crore Seventy Five Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 35,50,00,000/- (Rupees Thirty Five Crores and Fifty Lakhs) divided into 3,55,00,000 (Three Crore Fifty Five Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

V. The Authorised Share Capital of the Company is Rs. 35,50,00,000/- (Rupees Thirty Five Crores and Fifty Lakhs) divided into 3,55,00,000 (Three Crore Fifty Five Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each with power to the Company to increase or decrease such capital, and to issue any part of its capital, original, increased with or without any preference, priority or special privilege, or subject to any postponement of rights or to any conditions or restrictions; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preferential or otherwise, shall be subject to Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution."

9. Conversion of Loan into Equity Share Capital, in case of default, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder {including any modification(s) or re-enactment thereof} , and subject to all such approvals, permissions or sanctions as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), permission(s) or sanction(s) which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any Committee duly constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to the Board in respect of the financial assistance extended / to be extended by the Banks / Financial Institutions / any other Lender(s) (including a Rupee Term Loan Facility availed or to be availed) such that in the event of default by the Company under the lending arrangements and upon exercise of an option provided under the lending arrangements, Bank(s) / Financial Institution(s) / any other Lender(s) at its option may be able to convert the outstanding facility or part thereof to ordinary Equity Shares in the Company upon such terms and conditions of such lending arrangements and or as deemed appropriate by the Board and at a price to be determined in accordance with the applicable provisions of Companies Act, 2013 at the time of conversion.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board be and is hereby authorised to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up ordinary Equity Shares in the Company to such Bank(s) / Financial Institution(s) / any other Lender(s).

RESOLVED FURTHER THAT the ordinary Equity Shares to be so allotted and issued to the lenders pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then Equity Shares in the Company."

10. Providing Guarantee and / or Security to Subsidiaries or other persons and/or making Investment and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, Articles of Association of the Company and subject to necessary approvals, if required, the consent of the members of the Company be and is hereby accorded to the Board of Directors for: (i) giving loans to any person or other body corporate; (ii) giving of guarantee or providing security in connection with a loan to any other body corporate or person; and / or (iii) for acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, upto an amount, the aggregate outstanding of which should not, at any time, exceed Rs. 2000 Crore (Rupees Two Thousand Crore only) which shall be over and above the limits specified in Section 186 i.e. sixty percent of the Company's paid-up share capital, free reserves and securities premium account or one hundred percent of the Company's free reserves and securities premium account, whichever is more.

RESOLVED FURTHER THAT the Board of Directors is hereby authorised to decide, from time to time, the amounts to be invested, loans / guarantees to be given and securities to be provided to any person and / or bodies corporate within the above mentioned limits, finalise terms and conditions, execute necessary documents, delegate all or any of these powers to any Sub-Committee/ Director(s) / Officer(s) of the Company, settle any question, difficulty or doubt that may arise in this regard and do all acts, deeds and things which it considers proper for giving effect to this resolution."

By the order of the Board of Directors

Pankaj Gupta

Company Secretary

(M. No- FCS9219)

Place: Pune

Date: 6th September, 2018

Registered Office:

Sai Hira, Survey No. 93,

Mundhwa, Pune – 411036

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. An Explanatory Statement as required by Section 102 of the Companies Act, 2013 in respect of Special Business as set out above is annexed hereto.

3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 21st September, 2017.

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

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

6. 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.

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

8. 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.

9. Corporate Members intending to send their Authorized 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. 4:

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, 2018 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 Rs. 400,000/- (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, 2019.

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. 5 & 6:

The second term (commenced with effect from 23rd June, 2017) of Shri S R Wadhwa and Shri U P Jhaveri as Independent Directors is going to expire on the date of AGM for the Financial Year 2017-18 i.e. on 18th September, 2018. Considering the expertise and performance of Shri S R Wadhwa and Shri U P Jhaveri, the Board of Directors of the Company at their meeting held on 29th May, 2018 extended their second term of both the

Independent Directors of the Company for further period of 4 years, pursuant to the applicable provision of Companies Act, 2013 subject to the approval of the Members.

The Board recommends the proposed special resolutions 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 their relatives.

Item No. 7:

The Company, in order to meet its growth objectives, project in hand, to augment its long-term resources and to strengthen its financial position, would require funds. While it is expected that the internal generation of funds would partially meet the funding requirement, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

The special resolution contained in the Notice under Item No. 7 relates to a resolution by the Company enabling the Board to create, offer, issue and allot such number of equity shares of the Company of face value Rs. 10/- each, Compulsory Convertible Debenture, Cumulative Convertible Debentures, Partly Convertible Debentures and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, by way of private offerings and /or placement document and/ or other permissible/requisite offer document to any person(s) {the "Investor(s)"}.

This special resolution enables the Board to issue Securities of the Company for an aggregate amount not exceeding Rs. 825,00,00,000/- (Rupees Eight Hundred Twenty Five Crores Only) or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution and utilise the proceeds to finance (wholly or in part) one or more, or any combination, of the following: (a) capital expenditure, (b) the cost of construction and development of ongoing and new projects, (c) investment in subsidiaries, joint ventures and affiliates, (d) repayment of debt, (e) working capital requirement of the Company, and (f) general permissible corporate purposes.

As the Issue may result in the issue of Securities of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Sections 23, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable.

The Board of Directors of the Company has approved raising of funds by issue, offer and allotment of Equity Shares, Compulsory Convertible Debenture, Cumulative Convertible

Debentures, Partly Convertible Debentures and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") at its meeting held on 6th September, 2018.

The material terms of raising such securities as well as the proposed time schedule will be as disclosed in the relevant offer document(s) issued in relation to the issue of Securities.

The securities would be issued on the basis of report of the registered valuer or chartered accountant as per the applicable provisions of Companies Act, 2013 and Rules made thereunder.

The salient features of the issue, including Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, are set out below:

(i) Objects of the Issue

The Company, in order to meet its growth objectives, project in hand, to augment its long-term resources and to strengthen its financial position, would require funds. While it is expected that the internal generation of funds would partially meet the funding requirement, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

(ii) Total number of securities to be issued

The resolution set out in the accompanying notice authorises the Board to issue such number of warrants of the Company for an aggregate amount not exceeding Rs. Rs. 825,00,00,000/- (Rupees Eight Hundred Twenty Five Crores Only) on a preferential basis to the Proposed Allottee(s).

(iii) Issue price

The Company will not issue and allot securities of the Company at a price lower than the minimum price as per the report of the registered valuer or chartered accountant as per the applicable provisions of Companies Act, 2013 and Rules made thereunder.

(iv) Relevant date

The "Relevant Date" will be the date approved by the Board of Directors as per the applicable provisions of Companies Act, 2013 and Rules made thereunder.

(v) The class or classes of persons to whom the allotment is proposed to be made:

The Company is proposing allotment to International Monetary Fund and / or Asian Development Bank.

(vi) Intention of the promoters / promoter group / directors / key managerial personnel of the Company to subscribe to the offer.

There is no intention of the promoters / promoter group / directors / key managerial personnel of the Company to subscribe to the offer.

(vi) Proposed time within which the allotment shall be completed

The issue and allotment of securities to the Proposed Allottee(s) will be completed within a period of twelve months from the date of passing of this special resolution provided that where the allotment of Securities is pending on account of delay of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of twelve months from the date of receipt of the last of such approvals or other relevant authorities.

(vii) The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them

S. No.	Name of Proposed Allottee(s)	Category	Pre-issue % Holding	No. of Shares proposed to be allotted	Post-issue % Holding	Name of Ultimate Beneficial Owner of the Proposed Allottees
01	International Monetary Fund and / or Asian Development Bank	Equity Shares	-	*	*	*

* The Number of Shares to be issued to the Proposed Allottee(s) and their post-issue holding would depend on the valuation report of the registered valuer or chartered accountant as per the applicable provisions of Companies Act, 2013 and Rules made thereunder.

(viii) Change in control, if any, in the Company that would occur consequent to the preferential issue

There will be no change in control or management of the Company as a consequence of the preferential issue.

(ix) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

The Company has not made any allotment on preferential basis during the year.

(x) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The Company is not proposing allotment for consideration other than cash.

(xi) The pre-issue and post issue shareholding pattern of the company in the following format:

S. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares held	% of share holding	No. of Shares held	% of share Holding
A	**Promoters' holding:**				
1	Indian:				
	Individual	-	-		
	Bodies Corporate	1,70,50,000*	100%	1,70,50,000*	
	Sub Total	1,70,50,000*	100%	1,70,50,000*	
2	Foreign Promoters	-	-		
	Sub Total (A)	1,70,50,000*	100%	1,70,50,000*	
B	**Non-Promoters' holding:**				
1	Institutional Investors	-	-		
	International Monetary Fund and / or Asian Development Bank	-	-	***	***
2	Non-Institution:				
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	Sub Total(B)	-	-	-	-
	GRAND TOTAL	1,70,50,000*	100%	***	***

* 12 Shareholders are holding 13 equity shares on behalf of Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL). DFPCL is the beneficial owner of those 13 equity shares pursuant to the provisions of Section 89 (1) (2) (3) of

Companies Act, 2013 read with Rule 9 (2) Companies (Management and Administration) Rules, 2014.

*** The Number of Shares to be issued to the Proposed Allottee(s) and their post-issue holding would depend on the valuation report of the registered valuer or chartered accountant as per the applicable provisions of Companies Act, 2013 and Rules made thereunder.

None of the Promoter, Director, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said resolution, except to the extent of Equity Shares/ Securities that may be subscribed to by them or by companies/ firms/ institutions in which they are interested as director or member or otherwise.

Your Directors recommend the resolution set out at Item No. 7 to be passed as a special resolution by the members.

Item No. 8:

In order to issue equity shares in the Item No. 7, it is proposed to reclassify the Authorised Share Capital of the Company from Rs. 35,50,00,000/- (Rupees Thirty Five Crores and Fifty Lakhs) divided into 1,75,00,000 (One Crore Seventy Five Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 35,50,00,000/- (Rupees Thirty Five Crores and Fifty Lakhs) divided into 3,55,00,000 (Three Crore Fifty Five

Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each and also to amend Clause V of the Memorandum of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly commends the special resolution as set out in Item No. 8 of this Notice for your approval.

Item No. 9:

Your Company has availed / would avail financial assistance by way of Rupee Term Loans, Non-convertible Debentures, Foreign Currency Loans, FCCB, Corporate Loans etc., from time to time from various lenders i.e. Bank(s) / Financial Institution(s) / any other Lender(s) upon such terms and conditions stipulated by them and approved by the Board, to meet funding requirements towards capital expenditures, operational expenditure and working capital the Company, its Subsidiaries and Associate Companies and for general corporate purposes.

One of the terms of sanction stipulated by all Banks provides that in the event of default by the Company under the lending arrangements or upon exercise of an option provided under the lending arrangements the Bank(s) / Financial Institution(s) / any other Lender(s) may be entitled to exercise the option to convert whole or part of their outstanding facility into fully paid up ordinary Equity Shares of the Company at a price to be determined in accordance with the applicable provisions of Companies Act, 2013 at the time of such conversion. In normal course, in case of loan default, banks have security over and recourse to the fixed assets/ current assets/ other security like assignment of various contractual rights etc. Further, the bank provides opportunity to the borrower to cure these events of defaults through infusion of additional equity and go through a process of rescheduling / restructuring the loans before resorting to more drastic measures of conversion of loans into equity.

The proposed resolution is an enabling resolution under the provisions of the Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that under the lending arrangements, the Bank(s) / Financial Institution(s) / any other Lender(s) insist for inclusion of an option to convert the outstanding facility into Equity in the event of default or upon exercise of an option provided under the lending arrangements in the facility agreements.

Allotment of Equity Shares as above requires prior approval of the Members by way of Special Resolution. Therefore, the Board proposes this enabling resolution.

The Board accordingly commends the special resolution as set out in Item No. 9 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 10:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment in securities up to an amount of 60% of its paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee, provide security or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

Performance Chemiserve Private Limited (PCPL), subsidiary of the Company, is setting up facilities for manufacture of Ammonia in Taloja. PCPL has commenced the work in full swing relating to setting up Ammonia Project at Taloja and therefore, it requires funding by way of Term Loan of Rs. 2044 Crore for its Ammonia Project. PCPL had earlier received sanction of Rs. 1000 Crore from State Bank of India and in addition, it had received in principle sanction of Rs. 500 Crore from Exim Bank. Now, Bank of Baroda has considered underwriting of the entire Rs. 2044 Crore term loan and as per the sanction terms negotiated with them, the bank has proposed a Comfort Letter from the Company, they are not contemplating any credit support from the Company. However, given the sanctioning authorities of banks are currently being more risk averse towards corporate credit and are prone to stipulating stringent credit conditions, it is possible that sanctioning authority of BOB may stipulate credit support from the Company in form of Undertaking or Corporate Guarantee for a period up to the time of issuance of Environment Clearance / Project Completion/ PCPL attaining investment grade rating.

The estimated guarantees to be provided to the lenders of the Company's subsidiaries and other business purposes would exceed the limits provided u/s 186 of the Companies Act, 2013 and needs approval of the Shareholders of the Company by way of a special resolution.

Therefore, the Board accordingly commends the special resolution as set out in Item No. 10 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

By the order of the Board of Directors

Pankaj Gupta
Company Secretary
(M. No- FCS9219)

Place: Pune
Date: 6th September, 2018

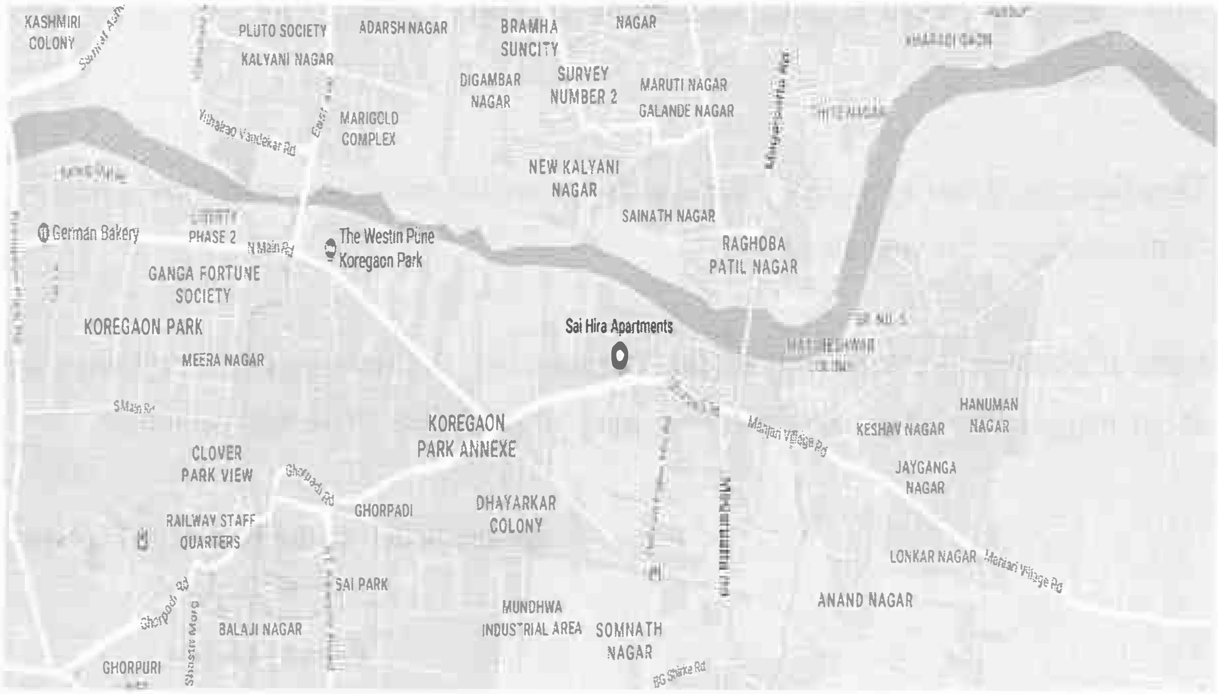
Registered Office:
Sai Hira, Survey No. 93,
Mundhwa, Pune – 411036

SMARTCHEM TECHNOLOGIES LIMITED

ANNUAL REPORT 2017-18

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 First Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2018.

1. FINANCIAL RESULTS

The summarised financial results are as under:

(Rupees in Crore)

Particulars	**2017-18**	**2016-17**
Total Income	3078.51	2348.14
Profit /(Loss) Before Tax (PBT)	**81.29**	**35.46**
Less: a) Provision for Income Tax	-	-
b) Provision for Deferred Tax	26.70	8.45
Profit After Tax (PAT)	**54.59**	**27.01**
Other comprehensive income (net of tax)	(2.06)	(0.43)
Total Comprehensive Income	52.53	26.58
(Add) / Less: Share of profit / (loss) attributable to Minority interest	-	-
Profit / (Loss) for the year attributable to the shareholders of the Company	**54.59**	**27.01**
Add: Balance brought forward	71.10	44.09
Less: Transfer to Capital Redemption Reserve	-	-
Amount available for appropriation	**125.69**	**71.10**
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	**71.05**	**71.10**

2. STATE OF COMPANY'S AFFAIRS

Your Company has achieved the top line of Rs. 3078.51 Crore during the year under review as against previous year's level of Rs. 2348.14 Crore. Profit before Tax (PBT) for the year under review was Rs. 81.29 Crore as against Rs. 35.46 Crore in the previous year. Net Profit for the current year was recorded at Rs. 54.59 Crore as against Rs, 27.01 Crore in the previous year.

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

3. DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company has declared interim dividend at the rate of 250% i.e. Rs. 25/- per equity share, on 1,70,50,000 Equity Shares of Rs. 10/- each, in its meeting held on 19th March, 2018. The Company has made payment of the interim dividend on 22nd March, 2018.

The Board of Directors of the Company has not recommended any final dividend since it had already declared interim dividend in its meeting held on 19th March, 2018.

4. BOARD OF DIRECTORS

Composition and Category of Directors as on 31st March, 2018 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.	Dr. T. K. Chatterjee	Non- Executive Director, Non Independent
6.	Shri R. Sriraman	Non- Executive Director, Non Independent
7.	Shri M. P. Shinde	Non- Executive Director, Non Independent
8.	Smt. Parul S. Mehta	Non- Executive Director, Non-Independent
9.	Dr. Rama Iyer **	Independent Director

* Appointed Executive Director with effect from (w.e.f.) 9th August, 2017.

** Resigned w.e.f. 2nd June, 2017.

9 Board Meetings were held during the financial year 2017-18. These meetings were held on 6th April 2017, 8th May 2017, 29th June 2017, 9th August 2017, 22nd September 2017, 1st November 2017, 7th February 2018, 19th March 2018 and 28th March 2018.

The records of attendance of Directors are as under:

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

* Appointed Executive Director w.e.f. 10th August, 2017.

** Resigned w.e.f. 2nd June, 2017.

During the year under review the Board of Directors has appointed Shri Yeshil S. Mehta (DIN: 07866312) as Executive Director of the Company w.e.f. 9th August, 2017. Members (Shareholders) of the Company have approved appointment of Shri Yeshil S. Mehta as Executive Director of the Company w.e.f. 9th August, 2017 at their Annual General Meeting held on 21st September, 2017.

Dr. Rama Iyer resigned as an Independent Director w.e.f. 2nd June, 2017

Shri S. C. Mehta (DIN: 00128204) and Dr. T. K. Chatterjee (DIN: 00118123) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment pursuant to the provisions of Section 152 of Companies Act, 2013.

The second term (commenced with effect from 23rd June, 2017) of Shri S R Wadhwa and Shri U P Jhaveri as Independent Director is going to expire on the date of forthcoming AGM for the Financial Year 2017-18. Considering the expertise and performance of Shri S R Wadhwa and Shri U P Jhaveri, the Board of Directors at its meeting held on 29th May, 2018 has extended their second term for further period of 4 years as Independent Director, commencing with effect from 23rd June, 2018 to 22nd June, 2022 or upto the conclusion of Annual General Meeting for the Financial Year 2021-22, whichever date is earlier pursuant to the applicable provision of Companies Act, 2013 and subject to the approval of the Members in the forthcoming Annual General Meeting.

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

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2018 and of the profit and loss of the Company for that period;

iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts had been prepared on a going concern basis and;

v) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

6. STATUTORY AUDITORS AND THEIR REPORT

The Members of the Company in their Extra Ordinary General Meeting held on 8th May, 2017 had accorded their approval for appointing M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) in place of Deloitte Haskins &

Sells LLP, Chartered Accountants, Pune (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells., Chartered Accountants, Pune.

Further, 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.

7. COST AUDITOR AND SECRETARIAL AUDITOR

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, 2019 at their meeting held on 29th May, 2018 at a remuneration, of Rs. 4,00,000/- (Rupees Four Lacs 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, 2018 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.

The Secretarial Auditor, M/s. Jog Limaye & Associates, Company Secretaries, has issued Secretarial Audit Report for the Financial Year 2017-18 pursuant to the provisions of Section 204 of the Companies Act, 2013, which is annexed to this Board's Report.

The Observations of the Secretarial Auditor in their report are self-explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

8. 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 Private Limited (PCPL). 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.

9. 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.

10. ANNUAL RETURN

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

11. 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.

12. COMMITTEES OF BOARD OF DIRECTORS

(i) AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

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

* Dr. S. Rama Iyer resigned on 2nd June, 2017

During the year under review, 11 Audit Committee meetings were held on 6th April 2017, 8th May 2017, 29th June 2017, 24th July 2017, 9th August 2017, 22nd September 2017, 1st November 2017, 18th December 2017, 7th February 2018, 19th March 2018 and 27th March 2018. 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 Committee Meeting	No. of Audit Committee Meeting Attended
1	Shri S. R. Wadhwa	11	11
2	Shri U. P. Jhaveri	11	11
3	Dr. T. K. Chatterjee	11	10
4	Dr. S. Rama Iyer*	2	1

* Dr. S. Rama Iyer resigned on 2nd June, 2017.

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 RESPOSIBILITY 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

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, 2 CSR Committee Meetings were held on 29th June, 2017 and 27th March, 2018.

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

Sr. No	Name of Director	No. of CSR Meeting	No. of CSR Meeting Attended
1	Shri S. R. Wadhwa	2	2
2	Shri R. Sriraman	2	1
3	Shri M. P. Shinde	2	2
4	Smt. Parul S. Mehta	2	2

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
4.	Dr. S. Rama Iyer*	Member

* Dr. S. Rama Iyer resigned on 2nd June, 2017.

During the year under review, 2 Nomination and Remuneration Committee Meetings were held on 29th June, 2017 and 9th August, 2017.

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

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

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

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

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

a. 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 Level 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 approved by the Board at their meetings.

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.

b. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors met on 27th March, 2018, inter-alia, to discuss:

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

All the Independent Directors were present at the Meeting.

13. FIXED DEPOSITS

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

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

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

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

16. 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.

17. INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under report.

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

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

19. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

S. C. MEHTA
CHAIRMAN
(DIN. 0000128204)

Place: Mumbai
Date: 29th May, 2018

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

(Rs. In Lacs)

Sr. No.	Particulars	Subsidiaries		
1	Name of the Subsidiary	**Platinum Blasting Services Pty Ltd.**	**Australian Mining Explosives Pty Ltd**	**Performance Chemiserve Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2017 to 31st March, 2018	1st April, 2017 to 31st March, 2018	1st April, 2017 to 31st March, 2018
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 = Rs. 50.03	AUD 1 AUD = Rs. 50.03	-
4	Share Capital	4721.66	-	4.47
5	Reserves & Surplus	(855.50)	319.01	13397.10
6	Total Assets	9789.20	1904.35	68021.05
7	Total Liabilities	5923.04	1585.34	68021.05
8	Investments	-	-	9335.57
9	Turnover	7390.95	905.59	285.08
10	Profit before taxation	75.67	139.81	714.35
11	Provision for taxation	2.09	29.64	162.85
12	Profit after taxation	73.58	110.17	551.52
13	Proposed Dividend	-	-	-
14	% of shareholding	71.50%	Refer below note 5	76.02%

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, 2018.
5. Platinum Blasting Services Pty Ltd hold 100% shares i.e. 1 ordinary share of Australian Mining Explosives Pty Ltd.

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: Mumbai

Date: 29th May, 2018

S. C. MEHTA

CHAIRMAN

(DIN. 0000128204)

ANNEXURE- II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2018

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**	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Technical Ammonium Nitrate	20119	32.62%
2.	Nitrophosphate (Fertilisers)	20123	46.83%
3.	Wholesale of fertilisers and agrochemicals products	46692	10.44%

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 Pvt. Ltd.	21009	U24239PN2006PTC022101	Subsidiary	76.02%	2(87)
3.	Platinum Blasting Services Pty Ltd	---	----	Subsidiary	71.50%	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)

i. 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	6*	10,00,000	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	6*	10,00,000	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	6*	10,00,000	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	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual Shareholders holding nominal share capital excess of Rs. 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	6*	10,00,000	100%	9,99,994	1,60,50,006*	1,70,50,000	100%	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest of 6 Equity Shares at the beginning of the year and of 13 Equity Shares at the end of the year, as a result, of which Company is wholly owned subsidiary of DFPCL.

ii. 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	10,00,000*	100%	--	1,70,50,000*	100%	--	--

* Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) holds beneficial interest of 6 Equity Shares at the beginning of the year and of 13 Equity Shares at the end of the year, as a result, of which Company is wholly owned subsidiary of DFPCL.

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

Pursuant to the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), SCM Fertichem Limited (SCM Fertichem) and the Company and their respective shareholders and creditors approved by the Mumbai Bench of the National Company Law Tribunal (NCLT), vide its Order dated 30th March, 2017 the Company allotted 1,60,50,000 Equity Shares on 28th June, 2017. Out of these 1,60,50,000 Equity Shares 1,60,49,993 Equity Shares were allotted to DFPCL and remaining 7 Equity Shares were allotted to 7 Individuals.

DFPCL is Beneficiary Owner for 7 Equity Shares allotted to 7 Individuals.

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

Not Applicable

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
01.	**S. C. Mehta**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in 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%

* 1 Equity Shares was allotted to Shri S C Mehta on 28th June 2017, pursuant to the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), SCM Fertichem Limited (SCM Fertichem) and the Company and their respective shareholders and creditors approved by the Mumbai Bench of the National Company Law Tribunal (NCLT), vide its Order dated 30th March, 2017.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
02.	**S.R. Wadhwa**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in 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.	**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	--	--	--	--

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
04.	**R. Sriraman**				
	At the beginning of the year	1*	0.0001	1*	0.0001
	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%	2*	0.00001173%
	At the end of the year	--	--	2*	0.00001173%

* 1 Equity Shares was allotted to Shri R Sriraman on 28th June 2017, pursuant to the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), SCM Fertichem Limited (SCM Fertichem) and the Company and their respective shareholders and creditors approved by the Mumbai Bench of the National Company Law Tribunal (NCLT), vide its Order dated 30th March, 2017.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
05.	**Dr. T. K. Chatterjee**				
	At the beginning of the year	1*	0.0001	1*	0.0001
	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.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
06.	**M. P. Shinde**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--
07.	**Dr. S. Rama Iyer**				
	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	--	--	--	--
08.	**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%

* 1 Equity Shares was allotted to Smt. Parul S Mehta on 28th June 2017, pursuant to the Scheme of Arrangement amongst Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), SCM Fertichem Limited (SCM Fertichem) and the Company and their respective shareholders and creditors approved by the Mumbai Bench of the National Company Law Tribunal (NCLT), vide its Order dated 30th March, 2017.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
09.	**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	--	--	--	--
10.	**Shri Banerjee Debasish**				
	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	--	--	--	--
11.	**Nandan Shah**				
	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.	**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	--	--	--	--

V. **INDEBTEDNESS**

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

(Rs. In Lacs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	65,767.26	-	-	65,767.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	34.10	-	-	34.10
Total (i+ii+iii)	65,801.36	**-**	-	65,801.36
Change in Indebtedness during the financial year				
• Addition	52,218.71	50,000.00	-	1,02,218.71
• Reduction	9,801.28	-	-	9,801.28
Net Change	42,417.43	50,000.00	-	92,417.43
Indebtedness at the end 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	232.85	-	-	232.85
Total (i+ii+iii)	**1,08,218.79**	**50,000.00**	**-**	**1,58,218.79**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

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	47,87,671	47,87,671
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	31,638	31,638
	(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	3,37,04,000	3,37,04,036
	- others, specify...	-	-
5.	Others, please specify	4,13,655	4,13,655
	Total (A)	**3,89,36,964**	**3,89,36,964**
	Ceiling as per the Act	**3,89,37,000**	**3,89,37,000**

* Commission would be paid only after approval of the Shareholders of the Company at the ensuing Annual General Meeting.

B. Remuneration to other Director:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount
1.	**Independent Director**	**Shri. S. R. Wadhwa**		**Shri. U. P. Jhaveri**	**Dr. S. Rama Iyer**		
	Fee for attending board / committee meetings	3,15,000		2,95,000	10,000		6,20,000
	Commission	--		--	--		--
	Others, please specify	--		--	--		--
	Total (1)	**3,15,000**		**2,95,000**	**10,000**		**6,20,000**
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	1,40,000	1,60,000	2,95,000	1,65,000	1,60,000	9,20,000
	Commission	--	--	--	--	--	
	Others, please specify	--	--	--	--	--	
	Total (2)	**1,40,000**	**1,60,000**	**2,95,000**	**1,65,000**	**1,60,000**	**9,20,000**
	Total (B)=(1+2)						**15,40,000**
	Total Managerial Remuneration ***	**--**	**--**		**--**	**--**	**4,04,76,964**
	Overall Ceiling as per the Act	**--**	**--**		**--**	**--**	**4,67,24,400**

*** 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 Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Banerjee Debasish CFO	**Shri Nandan Shah Company Secretary ***	**Shri Mandar Velankar Company Secretary ****	
1.	Gross salary (a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	43,65,236	2,83,896	16,25,787	62,74,719
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	43,175	-	30,934	74,109
	(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	3,13,915	16,042	89,420	4,19,377
	Total	47,22,326	**2,99,938**	**17,46,141**	**67,68,405**

* Company Secretary till 9th August, 2017.

** Company Secretary from 10th August, 2017.

VII. Penalties / Punishment/ Compounding of Offences: **NIL**

ANNEXURE- III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

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

3. **Average net profit of the Company for last three financial years –** Rs. 49.35 Lacs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above).** - Rs. 98,700/-

5. **Details of CSR spent during the financial year**:

a) Total amount to be spent for the financial year: Rs. 75,000/-.

b) Amount unspent, if any: Rs. 23,700/-.

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

Sr. No	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount outlay (budget) project or program wise	Amount spent on the projects or programs during the FY 2017-18	Cumulative expenditure for upto the reporting period	Amount spent: Direct or through impleme-nting Agency
			Local Area or other	State or District where Project or Programs was undertaken				
1.	Donation to Dist. Collector Vizianagaram for Army rally	Public Health	Other	Vizianagaram, Andhra Pradesh	75,000/-	**75,000/-**	**75,000/-**	Impleme-nting Agency
	TOTAL				**75,000/-**	**75,000/-**	**75,000/-**	

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

During the year under review, the Company made donation of Rs. 75,000/-. The Company made efforts to identify the projects / implementing agency for its CSR activities for the balance amount unspent. However, your Company could not find any suitable agency due to which your Company could not spend balance amount of Rs. 23,700/- on CSR activities during Financial Year 2017-18.

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.

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 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 though out the financial year, 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	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of Employee (Number of Years)	Date of commencement of employment	The age of such employee (Years)	The last employment held by such employee before joining the company
1	Shyam Sharma, President – TAN	1,03,36,030	Permanent	Graduate in Mining Engineering & MBA	20	01-09-2015	49	Indian Explosives Ltd (Orica Mining Services)

(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	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of Employee (Number of Years)	Date of commencement of employment	The age of such employee (Years)	The last employment held by such employee before joining the company
1	Chandrakant Dattatray Kulkarni	36,92,156	Permanent	B. Com	38	15-10-1990	61	Industrial Oxygen Co. Ltd
2	Mahesh Girdhar, President – Crop Nutrition Business	97,67,662	Permanent	PG-Agriculture Science & Advanced Management Program	26	07-12-2017	50	Bayer Crop Science Ltd

The aforesaid employees are not holding any equity share in the Company. Further, these employees are not relative of any director 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:

At K-1 Complex:

1. Installed new ammonia storage compressor (K-40) & ASHU 20/30 in Ammonia unloading section, which has improved ammonia unloading capacity to 1400 MTPD.
2. For improving the reliability and steam production, it is planned to replace the existing boiler in WNA-1. Party is finalized. Order will be placed in month of June-18. Saving of Rs. 4.28 Cr/Annum is expected from proposed modification.
3. 70 TPH coal fired boiler & 10.2 MW STG boiler commissioned in March 2018. Expected savings to be upto Rs 40.10 Cr/Annum.
4. WNA 1 plant process air compressor rotor received at site. It is planned to install in May 2018. This will improve compressor air flow and plant production. It will increase 10 MT/day of WNA production which is equivalent to Rs. 1.65 Crore per Annum.

At K7 and K8 Complex:

1. Installation of GT Import/ Export Mode resulted in energy savings of 247,801 Mcal / Month and increase in Steam production by 7.29 Tons/Day.
2. Replacement of LED Fittings has resulted in energy savings of 126,481 Mcal / Year.
3. Connection of Cooling Tower Blowdown line directly to ETP final polishing tank has resulted in energy savings of 8000 Units/year.
4. Make-up of High Pressure (HP) Boiler Drum by using HRSG BFW pumps has resulted in energy savings of 11,000 Units/year.
5. Provision of Feed water to HP-MP-LP PRDS with HRSG BFW pumps instead of MP Boiler Feed Water (BWF) Pumps has resulted in energy savings of 50,000 Units/year.
6. Provision of Flow Control Valve (FCV) & Flow Transmitter (FT) on K1 Steam Import line has resulted in increase in Steam generation at HRSG by 1.39 Tons/Day.

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

Alternate source of energy project has been taken-up as green initiative to install the solar power generation (panels at roof of NPK bagging plant) of capacity 300 KWp. One Solar Unit of 150 KWp already started and another one expected in August, 2018.

c) **THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT**

At K-1 Complex:

1. K-1 complex-DCS systems of various plants to be Integrated at one common location and integrating with SAP system for getting production Dashboards, Advance soft modules for process analytics, Energy management system.
2. In WNA 4 Cooling tower pump rotor & impeller replacement for higher Capacity.
3. In LDAN plant, Air cooled energy efficient Air conditioning unit with its supply ducts system used for DCS & VFD Panel room.

At K7 and K8 Complex:

1. Insulation & Steam Trap Replacement to Avoid Steam Loss in K7/K8 complex.
2. Application of Thermal Paint on Bare Hot surfaces.
3. Provision of Variable Frequency Drive (VFD) for Treated Water Pump Motors, Boiler Feed Water (BWF) Pump Motor & HDAN Blower Motors.
4. Installation of Single Larger Pump instead of Two pumps for JNPT Cooling Tower.
5. Installation of Screw Compressor in place of Reciprocating Compressor.
6. Use of High Efficiency Motors.
7. Installation of Mist Type Cooling Tower for Bensulf Plant, for Ammonia Stripper in ETP and at JNPT Plot.
8. Replacement of Mid Bay Fittings with LED Fittings.
9. Replacement of Split AC in Main Substation VFD Room with Ductable AC.
10. Solar Roof Top for Raw Water Tank and Main Substation Terrace.
11. Provision of Energy Saver for Plant Lighting.
12. Replacement of Metal Halide High Mast Light Fittings with LED Fittings.

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption

All the plants technologies have been fully absorbed and are being operated efficiently in K1 including the current INCRO technology for NPK production.

At K8 complex, LDAN plant – The designed throughput and quality parameters were achieved by carrying out major modifications based on internal knowhow without any support from process licensor.

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

1. At K1 Complex:

CNS grades: Experimental trails at Agricultural Institutes done and found to be successfully. Introduced in the fields and farmer feedback is positive.

2. At K-7 & K-8 Complex:

a) High Dispersal Rate (Solubility) of Bentonite Sulphur achieved. This has seen effective in dip irrigation and High Customer Satisfaction.
b) MGN Fortified HDAN Product found free flowing for more than 3 months.
c) LDAN Final Product temperature reduced by 2 – 3 Deg C.
d) LDAN Product Quality marginally improved with sustenance of Key Customers at Hot Ambient Regions.

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.

1. At K-1 Plant

a. During the year 2017-18, Trials were taken at NPK Plant in Taloja - K1 to manufacture Customized (CNS) grades for crops of Onion, Sugarcane and Cotton. These grades are formulated with Micro nutrients such as Magnesium, Zinc, Boron, Manganese, Copper and Iron in different proportions, as per the crop's requirement, to enhance the yield of the crop.

b. Similarly, In NPK Plant at Taloja, Coated NPK fertilizer was successfully manufactured. This additive coating improves the effectiveness of the applied NPK fertilizer. Addition trials were done at various locations in the manufacturing process and efficient location and scheme for dosing this additive have been identified.

2. **At K-7 and K-8 Complex:**

a. Trial of Manufacturing Fast Dispersing Bentonite Sulphur at K7, Bensulf Plant and was successful.
b. In-house Development of MGN Fortified HDAN Product at K7 plot done.
c. Trial of Rental Chiller with Dehumdifier in LDAN Plant.
d. Appointment international expert for optimizing the LDAN Product Quality.

Future plan of action

1. **At K1 complex**

a. Phosphoric acid Purification – Process developed in lab scale for manufacturing Technical grade phosphoric acid from chemical grade Phosphoric acid for water soluble fertilisers as an initiative to derisk the RM availability from single supplier source and for enhancing the Margins. Trials to establish process know how, scale up and feasibility is completed.

2. **At K-7 and K-8 Complex:**

a. Rental Chiller Trial in WNA-5 plant for increasing WNA-5 plant capacity.
b. Trial of Additive & Anticaking agent for LDAN product by different vendor.
c. Revamping of AHU in LDAN plant by Introduction of Vertical chiller coils.
d. Study by M/s KBR Weatherly for enhancing WNA-5 plant Capacity.
e. Installation of new design Static Mixer & New Design Perforated plate with CFD simulation for increasing WNA-5 plant capacity.

(C) Foreign exchange earnings and Outgo

Details of Foreign Exchange Earning are as under:

Rs. in Lacs

Particulars	31st March 2018	31st March 2017
Export of goods (on FOB basis)	9,585.03	-
Other Income	-	-
TOTAL	**9,585.03**	**-**

Details of Foreign Exchange Outgo are as under:
Expenditure in Foreign Currency

Rs. in Lacs

Particulars	31st March 2018	31st March 2017
Interest and repayment of Loans.	-	-
Technical fees to Foreign Vendors	0.66	-
Foreign Travels	11.62	-
Others (Net of Reimbursements)	50.85	-
Total	**63.12**	**-**

CIF Value of Imports

Rs. in Lacs

Particulars	31st March 2018	31st March 2017
Raw Materials	37,378.94	-
Capital Goods	182.41	-
Components & Spares	1,062.48	-
Stock-in-trade	-	-
Total	**38,623.82**	**-**

* * * * * * * * * *

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 Smartchem Technologies Limited'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, 2018 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 Smartchem Technologies Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

MANDAR S. JOG
FCS 9552
CP No. 9798

(i) the Companies Act, 2013 (the Act) and the rules made 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, 1944 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 Transboundry Movement) Rules, 2008;
7. Ammonium Nitrate Rules, 2012;
8. Fertilizer 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 Act.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and

MANDAR S. JOG
FCS 9552
CP No. 9798
COMPANY SECRETARY

obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
Generally, decisions in the Board Meeting are being taken with the unanimous approval of the Directors. However, the views of all the dissenting Directors, if any, on important matters have been captured and recorded in the minute.

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:

1. The Mumbai Bench of the National Company Law Tribunal (NCLT), vide its Order dated 30th March, 2017 has approved the Scheme of Arrangement amongst the Company, SCM Fertichem Limited (SCM Fertichem) and Deepak Fertilisers And Petrochemicals Corporation Limited (Deepak) and their respective shareholders and creditors involving the slump exchange of
(a) the Technical Ammonium Nitrate ("TAN") undertaking of the Deepak together with its business and operations including its manufacturing and related facilities ("TAN Undertaking"), and
(b) the Fertiliser undertaking of Deepak together with its business and operations including its manufacturing and related facilities ("Fertiliser Undertaking") (and collectively are hereinafter referred to as the "Transferred Undertakings")
of Deepak to SCM Fertichem, on a going concern basis ("Slump Exchange"); and thereafter, the subsequent demerger of the Transferred Undertakings and vesting of the same from SCM Fertichem in the Company, on a going concern basis, in accordance with Section 2(19AA) of the Income Tax Act, 1961 ("Demerger") with effect from the Appointed Date, 1st January, 2015.

According, to above mentioned order of NCLT, the shareholders of the Company have passed following Special resolutions in the Extra Ordinary General Meeting held on 8th May, 2017-

MANDAR S. JOG
FCS 9552
CP No. 9798
COMPANY SECRETARY

A. Increase in authorised capital to Rs. 35,50,00,000 (Rupees Thirty Five Crores and fifty lacs) divided into

(i) 1,75,00,000 (One crore seventy five lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each,

(ii) 18,00,000 (Eighteen Lakh) 1% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One hundred only) each

And subsequent alteration of memorandum of association of the Company.

B. Alteration of capital clause in the Articles of Association of the Company.

2. During the period under review, pursuant to the Scheme of Arrangement, Company issued its equity shares to the shareholders of SCM Fertichem i.e. Deepak, in accordance with a Share Entitlement ratio of 1:1, whereby upon this Scheme becoming effective, Deepak was entitled to receive 1 fully paid up equity share of the Company of Rs. 10/- each for every 1 equity share of Rs. 10/- each held in SCM Fertichem. Accordingly, the Company has made allotment in following manner-

Date of allotment	**No. of equity shares allotted**	**Face value (Rs.)**	**Premium (Amount)**
28.06.2017	1,60,50,000	10	1,558

3. The Company has appointed M/s B. K. Khare & Co., Chartered Accountants, Mumbai, as statutory auditors of the Company to fill casual vacancy caused by resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Pune in the Extra Ordinary General Meeting held on 8th May, 2017.

Further, /s B. K. Khare & Co., Chartered Accountants, Mumbai have been appointed as a statutory auditor for the period of 4 years in the Annual General Meeting of the Company held on 21st September, 2017.

MANDAR S. JOG
FCS 9552
CP No. 9798
COMPANY SECRETARY

4. The Company has passed following special resolutions under section 180 and 186 of the Companies Act, 2013 at its Extra Ordinary General Meeting held on 6th April, 2017-

   a. For creation of charge over properties of the Company upto Rs. 1500 crore over and above the aggregate of paid up capital and free reserves;

   b. To Borrow money upto Rs. 1500 Crore over and above the aggregate of paid up capital and free reserves.

   c. To increase in limit of loans and investment by the Company upto Rs. 1500 crores over and above the statutory limits prescribed under section 186 of the Companies Act, 2013.

5. New set of Articles of Association has been adopted by the Company containing regulations in conformity with the Companies Act, 2013 and the special resolution has been passed to that effect in the Annual General Meeting held on 21st September, 2017.

For Jog Limaye & Associates
Company Secretaries

MANDAR S. JOG
FCS 9552
CP No. 9798
COMPANY SECRETARY

Mandar Shrikrishna Jog
Partner
FCS No. 9552
CP No.- 9798

Date- 29.05.2018
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 S. JOG
FCS 9552
CP No. 9798
COMPANY SECRETARY

Mandar Shrikrishna Jog
Partner
FCS No. 9552
CP No.- 9798

Date- 29.05.2018
Place – Pune

B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

T + 91 022 62439500
F + 91 022 2200 3476
E info@bkkhareco.com
706/708, Sharda Chambers New Marine
Lines, Mumbai - 400 020, India

Independent Auditors' Report
To the Members of Smartchem Technologies Limited

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying Standalone Ind AS Financial Statements of **Smartchem Technologies Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements")

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements to give a true and fair view of the financial position, financial performance including Other Comprehensive Income, the Statement of Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

4. In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

B. K. Khare & Co. Mumbai Chartered Accountants

5. We conducted our audit of Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the Auditors' Judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018; and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note no. 39 and 40 to the Standalone Ind AS Financial Statements which describe the uncertainties related to the outcome of supply of natural gas, related matters and claims by a vendor. Our opinion is not qualified in this matter.

10. We draw attention to Note no. 41 of the Standalone Ind AS Financial Statements which more fully explains that the comparative information for the year ended 31st March 2017 and as at 1st April 2016 has been restated to give effect to the National Company Law Tribunal ('NCLT') approved scheme of arrangement for acquiring of TAN and fertiliser business by the company and also based on re-examination of Ind AS 10 by the management in view of clarification issued the Ind AS Transition Facilitation Group ('ITFG') 14 issued on 1st February 2018. Our opinion is not qualified in this matter.

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

Report on Other Legal and Regulatory Requirements

11. As required by 'The Companies (Auditor's Report) Order, 2016', issued by the Central Government in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    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, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with Indian Accounting Standards specified under Section 133 of the Act;

    e) In our opinion, in the event of materialization of contingent liability referred in paragraph under the Emphasis of Matter paragraph, the functioning of the Company's may have an adverse impact;

    f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

    g) 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 II;

B. K. Khare & Co. Mumbai Chartered Accountants

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2016 as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, of pending litigations as at 31st March, 2018 on its financial position in its Standalone Ind AS Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts as at 31stMarch, 2018 for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

iv. The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For B.K.Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

Ravi Kapoor
Partner
Membership Number: 040404
Mumbai, May 29, 2018

Annexure I to the Independent Auditors' Report referred to in our report of even date:

The Annexure referred to in the Independent Auditor's Report to the members of the Company on Standalone Ind AS Financial Statements for the year ended March, 31, 2018 we report that:

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

   b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no material discrepancies as compared to book records were noticed on assets verified during the year.

   c) The title deeds of immovable properties, as disclosed in the Standalone Ind AS Financial Statements, are held in the name of the Company.

2. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records been appropriately dealt with in the books of accounts. In our opinion the frequency of verification is reasonable.

3. 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 provisions of Clause 3 (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, provisions of section 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.

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

6. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

7. 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 undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become 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 2018 on account of disputes are as under:

(Rs. In Lacs)

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	17.02	4.25	12.76	Hon'ble HC, Andhra Pradesh	FY 2008-09 to FY 2011-12
Central Sales Tax Act,1956	72.30	12.26	60.04	Appellate Dy. Commissioner (CT)	FY 2012-13 to FY 2014-15
Andhra Pradesh Value added Tax Act, 2005	1340.6	305.56	1,035.04	Hon'ble HC., Andhra Pradesh	FY 2008-09 to 2014-15
Income Tax Act,1961	24.46	-	24.46	Commissioner of Income-tax (Appeals)	AY 2011-12, 2012-13, 2013-14, 2015-16.

8. 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 Balance Sheet date.

9. 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.

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

10. 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.

11. 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.

12. As the Company is not a Nidhi Company and hence the provisions of Clause 3 (xii) of the order are not applicable to the company.

13. 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.

14. 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, the provision Clause 3 (xiv) of the Order is not applicable to the Company.

15. 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, the provision Clause 3 (xv) of the Order is not applicable to the Company.

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

For B. K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

B. K. Khare & Co. Mumbai Chartered Accountants

Ravi Kapoor
Partner
Membership No: 040404
Mumbai, May 29, 2018

Annexure-II to the Independent Auditors' Report referred to in our report of even date:

Referred to in paragraph 11 (g) of the Independent Auditors' Report of even date to the members of Smartchem Technologies Limited on the Standalone Ind AS Financial Statements for the year ended 31st March 2018.

Report on the Internal Financial Controls 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, 2018 in conjunction with our audit of the Standalone 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 ('ICAI').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, including adherence to Company's policies, 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 the risk that 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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.

B. K. Khare & Co. * Chartered Accountants * Mumbai

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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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, 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, 2018 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 ICAI.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration Number 105102W

B. K. Khare & Co. Mumbai Chartered Accountants

Ravi Kapoor
Partner
Membership No.: 040404
Mumbai, May 29, 2018

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Smartchem Technologies Limited
(All Amounts in INR Lacs unless otherwise stated)
Balance Sheet as at 31 March 2018

	Note	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	1,36,197	1,22,974	67,884
Capital work-in-progress	3	25,668	29,249	22,403
Investment property	4	461	461	461
Intangible assets	5	1,58,573	1,64,912	1,69,438
Financial assets				
i. Investments	6(a)	14,736	3,776	3,773
ii. Other financial assets	11	332	340	1,123
Other non - current assets	12	1,077	10,106	5,525
Total non-current assets		**3,37,044**	**3,31,818**	**2,70,607**
Current assets				
Inventories	13	53,020	35,244	42,573
Financial assets				
i. Investments	6(b)	-	1,427	-
ii. Trade receivables	7	92,217	79,617	1,20,898
iii. Cash and cash equivalents	9	1,133	140	174
iv. Other Bank balances	10	86	-	-
iv. Loans	8	197	208	146
v. Other financial assets	11	769	1	632
Current tax assets (net)		410	346	479
Other current assets	14	17,583	3,759	1,753
Total current assets		**1,65,415**	**1,20,742**	**1,66,655**
Total assets		**5,02,459**	**4,52,560**	**4,37,262**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	1,705	100	100
Shares pending allotment	41	-	1,605	1,605
Reserves and surplus	16	2,58,637	2,59,105	2,56,447
Total equity		**2,60,342**	**2,60,810**	**2,58,152**
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	17(a)	40,407	44,545	21,943
Provisions	20	3,252	2,432	2,097
Deferred tax liabilities	21	12,552	11,760	11,631
Total non-current liabilities		**56,211**	**58,737**	**35,671**
Current liabilities				
Financial liabilities				
i. Borrowings	17(b)	1,10,844	66,762	96,981
ii. Trade payables	19	41,280	20,650	24,581
iii. Other financial liabilities	18	31,952	43,576	19,508
Provisions	20	529	460	402
Current tax liabilities	22	56	797	412
Other current liabilities	23	1,245	768	1,555
Total current liabilities		**1,85,906**	**1,33,013**	**1,43,439**
Total liabilities		**2,42,117**	**1,91,750**	**1,79,110**
Total equity and liabilities		**5,02,459**	**4,52,560**	**4,37,262**

Summary of significant accounting policies 1
The accompanying notes are an integral part of these financial statements 2 - 46

As per our report of even date

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

Ravi Kapoor
Partner
Membership No.: 040404

Place: Mumbai
Date: 29th May 2018

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

For and on behalf of Board of Directors

S. C. Mehta
Chairman
DIN:00128204

Amitabh Bhargava
CFO

V. S. Mehta
Director
DIN:07866312

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Mumbai
Date: 29th May 2018

Smartchem Technologies Limited ★

Smartchem Technologies Limited
(All Amounts in INR Lacs unless otherwise stated)
Statement of Profit and Loss for the year ended 31 March 2018

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	24	3,07,070	2,34,496
Other income	25	781	318
Total income		**3,07,851**	**2,34,814**
Expenses			
Cost of materials consumed	26	1,84,235	1,07,247
Purchases of stock-in-trade	27	24,169	35,695
Changes in inventories of work-in-progress, stock-in-trade and finished goods	28	(2,173)	7,627
Excise duty		3,974	12,099
Employee benefit expense	29	15,020	13,033
Finance costs	30	11,014	6,564
Depreciation and amortisation expense	31	16,690	13,698
Other expenses	32	46,793	35,305
Total expenses		**2,99,722**	**2,31,268**
Profit before exceptional items and tax		**8,129**	**3,546**
Exceptional items		-	-
Profit before tax from continuing operations		**8,129**	**3,546**
Income tax expense			
- Current tax		1,700	693
Mat credit		(1,700)	(693)
- Deferred tax	43	2,670	845
Total tax expense		**2,670**	**845**
Profit for the year (A)		**5,459**	**2,701**

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined employee benefit plans		(315)	(65)
Income tax relating to these items		109	22
		(206)	**(43)**
Other comprehensive income for the year, net of tax (B)		**(206)**	**(43)**
Total comprehensive income for the year (A + B)		**5,253**	**2,658**

Earning per Equity Share: Face value Rs. 10 each (Rs. 10)			
i) Basic (in Rs.)		**32**	**270**
ii) Diluted (in Rs.)		**32**	**16**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of these financial statements	2 - 46		

As per our report of even date

For and on behalf of Board of Directors

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

Ravi Kapoor
Partner
Membership No.: 040404

Place: Mumbai
Date: 29th May 2018

S. C. Mehta
Chairman
DIN:00128204

Amitabh Bhargava
CFO

Y. S. Mehta
Director
DIN:07866312

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Mumbai
Date: 29th May 2018

Smartchem Technologies Limited
(All Amounts in INR Lacs unless otherwise stated)

Statement of Changes in Equity

A. Equity Share Capital

	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	100	100	100
Changes in equity shares capital during the year	1,605	-	-
Balance at the end of the year	**1,705**	**100**	**100**

B. Other Equity

	Reserves and surplus				Other reserves	Total
	Securities premium reserve	Retained earnings	General Reserve	Capital Redemption Reserve	Other Items of Comprehensive Income	
Balance at 1 April 2016	**2,50,064**	**4,409**	**157**	**1,800**	17	**2,56,447**
Profit for the year	-	**2,701**	-	-	-	2,701
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(43)	(43)
Total comprehensive income for the year	-	**2,701**	-	-	**(43)**	**2,658**
Balance at 31 March 2017	**2,50,064**	**7,110**	**157**	**1,800**	**(26)**	**2,59,105**
Profit for the year	-	5,459	-	-		5,253
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(206)	(206)
Total comprehensive income for the year	-	**5,459**			**(206)**	**5,253**
Transactions with owners in their capacity as owners:						
Share Issue Expenses	(257)	-	-	-	-	(257)
Dividends paid (net of Dividend Distribution Tax)	-	(5,464)	-	-	-	(5,464)
Balance at 31 March 2018	**2,49,807**	**7,105**	**157**	**1,800**	**(232)**	**2,58,637**

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Ravi Kapoor
Partner
Membership No.: 040404

B. K. Khare & Co. ★ Mumbai ★ Chartered Accountants

Place: Mumbai
Date: 29th May 2018

For and on behalf of Board of Directors

S. C. Mehta
Chairman
DIN:00128204

Amitabh Bhargava
CFO

Y. S. Mehta
Director
DIN:07866312

Pankaj Gupta
Company Secretary
Membership No: F-9219

Smartchem Technologies Limited ★

Place: Mumbai
Date: 29th May 2018

Smartchem Technologies Limited
(All Amounts in INR Lacs unless otherwise stated)

Statement of Cash Flows for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Net Profit before tax as per statement of profit and loss	**8,129**	**3,546**
Adjustments for		
Depreciation and amortisation expense	16,690	13,698
Gain on disposal of property, plant and equipment	29	258
Gain on sale of investments	(225)	(28)
Dividend and interest income classified as investing cash flows	(95)	(218)
Finance costs	11,014	6,564
Net exchange differences	1,012	722
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of		
(Increase)/Decrease in trade receivables	(12,600)	41,281
(Increase)/decrease in inventories	(17,776)	7,329
Increase/(decrease) in trade payables	20,630	(3,931)
Increase/(decrease) in other financial liabilities	(9,167)	22,123
(Increase)/decrease in other financial assets	(760)	1,414
(Increase)/decrease in other non-current assets	9,029	(4,581)
(Increase)/decrease in other current assets	(13,824)	(2,006)
Increase/(decrease) in provisions	69	58
Increase/(decrease) in employee benefit obligations	614	292
Increase/(decrease) in derivatives not designated as hedges	(1,012)	(722)
Increase/(decrease) in other current liabilities	477	(787)
Cash generated from operations	**12,234**	**85,012**
Income taxes paid (net)	(2,683)	(198)
Net cash inflow from operating activities	**9,551**	**84,814**
Cash flows from investing activities		
Payments for property, plant and equipment	(18,113)	(67,563)
Payments for purchase of investments	(9,308)	(1,402)
Loans to employees and related parties	11	(62)
Proceeds from sale of property, plant and equipment	30	91
Interest received	95	218
Net cash outflow from investing activities	**(27,285)**	**(68,718)**
Cash flows from financing activities		
Proceeds from borrowings current	98,989	-
Proceeds from borrowings non-current	-	38,333
Share issue costs	(257)	-
Repayment of borrowings current	(55,410)	(30,256)
Repayment of borrowings non-current	(6,770)	(13,772)
Change in other bank balances	(86)	-
Interest paid	(12,275)	(10,435)
Dividends paid to company's shareholders	(5,464)	-
Net cash inflow (outflow) from financing activities	**18,727**	**(16,130)**
Net increase (decrease) in cash and cash equivalents	**993**	**(34)**
Cash and cash equivalents at the beginning of the financial year	140	174
Cash and cash equivalents at end of the year	**1,133**	**140**

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

Changes in liability arising from financing activities

	1 April 2017	Cash flow	Foreign Exchange movement	31 March 2018
Borrowing - non current [Refer note 17(a)	53,912	(6,770)	-	47,142
Borrowing - current [Refer note 17(b)	66,762	43,579	503	1,10,844
	1,20,674	**36,809**	**503**	**1,57,986**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

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

Ravi Kapoor
Partner
Membership No.: 040404

Place: Mumbai
Date: 29th May 2018

S. C. Mehta
Chairman
DIN:00128204

Y. S. Mehta
Director
DIN:07866312

Place: Mumbai
Date: 29th May 2018

Amitabh Bhargava
CFO

Pankaj Gupta
Company Secretary
Membership No: F-9219

B.K. Khare & Co. ★ Mumbai ★ Chartered Accountants

Smartchem Technologies Limited ★

Smartchem Technologies Limited

Notes to the standalone financial statements for the year ended 31st March 2018

The Company and Nature of its Operations:

Smartchem Technologies Limited having its corporate office in Pune, Maharashtra, India carries on business in fertilisers, agri services and mining chemicals. The Company is a public limited company.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The standalone financial statements are for the Company consisting of Smartchem Tecnhologies Limited (the 'Company').

(a) Basis of Preparation:

i. Compliance with Ind AS

The 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 financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

ii. Historical cost convention

The 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) Critical accounting estimates, assumptions and judgements.

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

B. K. Khare & Co. Mumbai Chartered Accountants

Smartchem Technologies Limited

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.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

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.

Employee benefit obligations

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.

B. K. Khare & Co. Mumbai Chartered Accountants

Smartchem Technologies Limited

Smartchem Technologies Limited

Notes to the standalone financial statements for the year ended 31st March 2018

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.

(c) Recent Accounting Developments

i. Standard Issued but not yet effective :

IND AS 115: Revenue from Contracts with Customers

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue and Ind AS 11 - Construction Contracts when it becomes effective.

The Company is in the process of evaluating the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018.

(d) Segment reporting

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

(e) Foreign currency translation

The 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.

B. K. Khare & Co. Mumbai Chartered Accountants

Smartchem Technologies Limited

(f) Revenue recognition

- Domestic sales are recognised at the point of dispatch of goods to the customers, which is when substantial risks and rewards of ownership are passed on to the customers, and are stated net of trade discounts, rebates, sales tax, value added tax and Goods and Services Tax (As applicable).
- Export sales are recognised based on the shipped on the board date as per bill of lading when significant risk and rewards of ownership are transferred to the customer.
- Sales include product subsidy and claims, if any, for reimbursement of cost escalation receivable from Ministry of Agriculture/Ministry of Fertilisers.
- Grants and subsidies from the Government are recognised when there is reasonable certainty of realisation thereof the receipt thereof on the fulfillment of the applicable conditions.
- Revenue in respect of Interest (other than on deposits with banks and others/investments, which are accounted on accrual basis), Insurance claims, Subsidy and reimbursement of cost escalation claimed from Ministry of Agriculture/Ministry of Fertilisers beyond the notified retention price and price concession on fertilisers pending acceptance of claims by the concerned parties is recognised to the extent the Company is reasonably certain of their ultimate realisation.
- Credits on account of Duty Drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- Dividend income is accounted for when the right to receive is established.

(g) 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 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.

B. K. Khare & Co. Mumbai Chartered Accountants

Smartchem Technologies Limited

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 profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) 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. 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 operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an

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operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

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.

(i) 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.

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Notes to the standalone financial statements for the year ended 31st March 2018

(j) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(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.

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Notes to the standalone financial statements for the year ended 31st March 2018

(n) Investments and other financial assets

(i) 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 other comprehensive income. 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.

(ii) 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

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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.

(iii) 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.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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(v) Income recognition:

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(o) 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).

(p) 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.

(q) 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

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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 ofsuch 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

(r) 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.

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Notes to the standalone financial statements for the year ended 31st March 2018

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(s) Intangible assets:

(i) 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.

(t) 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.

(u) 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.

(v) 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.

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(w) 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.

(x) Employee benefits

(i) 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.

(ii) 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.

(iii) **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.

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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 other comprehensive income. 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 underthe 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.

(y) 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.

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Note 2: Property, Plant & Equipment

	Freehold land	Lease-hold Land	Buildings	Plant and Equipment	Electric Installation	Furniture & Fixtures	Office Equipments	Laboratory Equipments	Vehicles	Total
Year ended 31 March 2016										
Gross carrying amount										
Deemed cost as at 1 April 2015	2,074	244	5,609	62,632	978	209	158	85	240	72,229
Exchange differences										-
Additions	-	-	6	2,534	4	18	85	-	110	2,757
Disposals	-	-	(72)	(91)	-	(19)	(2)	-	(42)	(226)
Closing gross carrying amount	**2,074**	**244**	**5,543**	**65,075**	**982**	**208**	**241**	**85**	**308**	**74,760**
Accumulated depreciation										
Depreciation charge during the year	-	(3)	(665)	(5,826)	(150)	(51)	(83)	(15)	(119)	(6,912)
Disposals			-	6	-	19	-	-	11	36
Closing accumulated depreciation	-	**(3)**	**(665)**	**(5,820)**	**(150)**	**(32)**	**(83)**	**(15)**	**(108)**	**(6,876)**
Year ended 31 March 2016	**2,074**	**241**	**4,878**	**59,255**	**832**	**176**	**158**	**70**	**200**	**67,884**
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	2,074	244	5,543	65,075	982	208	241	85	308	74,760
Exchange differences										
Additions	-	5	9,177	52,889	458	8	153	33	130	62,853
Disposals	-	-	-	(413)	-	-	(9)	-	(21)	(443)
Closing gross carrying amount	**2,074**	**249**	**14,720**	**1,17,551**	**1,440**	**216**	**385**	**118**	**417**	**1,37,170**
Accumulated depreciation and impairment										
Opening accumulated depreciation	-	(3)	(664)	(5,820)	(150)	(33)	(83)	(15)	(107)	(6,875)
Depreciation charge during the year	-	(3)	(315)	(6,722)	(156)	(34)	(69)	(16)	(98)	(7,413)
Disposals	-	-	-	67	-	-	4	-	21	92
Closing accumulated depreciation and impairment	-	**(6)**	**(979)**	**(12,475)**	**(306)**	**(67)**	**(148)**	**(31)**	**(184)**	**(14,196)**
Net carrying amount	**2,074**	**243**	**13,741**	**1,05,076**	**1,134**	**149**	**237**	**87**	**233**	**1,22,974**
Year ended 31 March 2018										
Gross carrying amount										
Opening gross carrying amount	2,074	249	14,720	1,17,551	1,440	216	385	118	417	1,37,170
Exchange differences										
Additions	519	-	3,696	16,982	1,352	36	195	79	104	22,963
Disposals	-	-	-	(27)	-	-	-	-	(27)	(54)
Closing gross carrying amount	2,593	249	18,416	1,34,506	2,792	252	580	197	494	1,60,079
Accumulated depreciation and impairment										
Opening accumulated depreciation	-	(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	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	(9)	(1,619)	(21,039)	(532)	(102)	(248)	(50)	(283)	(23,882)
Net carrying amount	**2,593**	**240**	**16,797**	**1,13,467**	**2,260**	**150**	**332**	**147**	**211**	**1,36,197**

@ Depreciation amounting to Rs 665 Lacs transferred from holding company Deepak Fertilisers & Petrochemicals Corporation Ltd. as common sharing cost. (31st March 2017 : Rs. 357 lacs)

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Note 3: Capital work-in-progress

	31 March 2018	31 March 2017	1 April 2016
Projects #	24,227	24,400	21,543
Others	1,441	4,849	860
Net carrying amount	**25,668**	**29,249**	**22,403**

Includes borrowing cost of Rs.1,939 Lacs, that was capitalised during the year (31 March 2017 Rs. 3,894 Lacs, 1 April 2016 Rs 1,874)

Note 4: Investment Properties

	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount			
Opening gross carrying amount / Deemed cost	461	461	461
Additions			-
Closing gross carrying amount	**461**	**461**	**461**
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount	**461**	**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 2017	31 March 2016	1 April 2015
Investment properties	590	590	590

Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

a) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

b) discounted cash flow projections based on reliable estimates of future cash flows

c) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by an Independent Valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

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Note : 5 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, 2016	44	332	98	4,031	77,192	93,714	1,75,411
Additions	498	-	903	-	-	-	1,401
Disposals/ Transfers/ Adjustments	-	-	-				-
Gross carrying amount as on March 31, 2017	**542**	**332**	**1,002**	**4,031**	**77,192**	**93,714**	**1,76,813**
Additions	-	-	-	-	-	-	-
Disposals/ Transfers/ Adjustments							
Gross carrying amount as on March 31, 2018	**542**	**332**	**1,002**	**4,031**	**77,192**	**93,714**	**1,76,813**
Accumulated Amortisation							
Amortisation charge for the year	5	32	116	1,075	-	4,745	5,973
Disposals	-	-	-				-
Closing accumulated amortisation as at March 31, 2016	5	32	116	1,075	-	4,745	5,973
Amortisation charge for the year	26	32	50	1,075	-	4,745	5,928
Disposals	-	-	-				-
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 March 31, 2018	85	96	599	3,225	-	14,235	18,240
Net Block as at March 31, 2018	**457**	**236**	**403**	**806**	**77,192**	**79,479**	**1,58,573**
Net Block as at March 31, 2017	**511**	**268**	**836**	**1,881**	**77,192**	**84,224**	**1,64,912**
Net Block as at March 31, 2016	**39**	**300**	**(18)**	**2,956**	**77,192**	**88,969**	**1,69,438**

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Note 6: Financial Assets
6(a): Non - Current Investments

	31 March 2018	31 March 2017	1 April 2016
Investment in equity instruments (fully paid-up) at FVTPL			
Quoted			
4715 (31 March 2017 : 4715, 1 April 2016 : 4715) equity	3	7	4
Investments carried at cost			
Unquoted			
Investments in Subsidiaries (Fully paid up) at amortised cost			
72,800 (31 March 2017 : 72,800, 1 April 2016 : 72,800) equity	3,769	3,769	3,769
33,991 (31 March 2017 : Nil, 1 April 2016 : Nil) equity	10,964	-	-
Total (equity instruments)	**14,736**	**3,776**	**3,773**
Total non-current investments	**14,736**	**3,776**	**3,773**
Aggregate amount of quoted investments and market value thereof	3	7	4
Aggregate amount of unquoted investments	14,733	3,769	3,769
Aggregate amount of impairment in the value of investments	-	-	-

Information about subsidiaries and associates

Name of the Company	Country of Incorporation	Principal Activities	Proportion (%) of equity interest 31 March 2018	31 March 2017	1 April 2016
Subsidiaries					
Platinum Blasting Services Pty Ltd	Australia	Technical grade ammonium nitrate business	72	79	79
Performance Chemiserve Private Limited	India	Chemical Drumming	78	-	-

Note 6 (b): Current Investments

	31 March 2018	31 March 2017	1 April 2016
Investment in mutual funds at FVTPL (refer note (i) below)	-	1,427	-
Total (mutual funds)	-	**1,427**	-
Total current investments	-	**1,427**	-
Aggregate amount of quoted investments and market value thereof	-	1,427	-

Note (i) - Investment in Mututal Funds

Name of Securities	31 March 2017 No of Units	Cost	Market Value
Birla Sun Life Floating Rate Fund	47,629	103	103
Tata Money Market Fund Plan	4,534	115	116
Birla Sun Life Cash Plus	2,163	6	6
HDFC Liquid Fund	3,937	125	126
Axis Liquid Fund	9,297	167	168
SBI Magnum Insta Cash Fund	3,595	129	129
Kotak Floater Short Term	4,735	125	127
UTI Money Market Fund	5,541	100	101
UTI Liquid Cash Plan	4,051	107	108
ICICI Liquid Fund	41,978	100	101
ICICI Pru Money Market Fund	51,595	115	116
LIC MF Liquid Fund	3,906	115	115
Reliance Liquid Fund-Treasury Plan	2,785	110	111
		1,417	**1,427**

Note 7 Trade Receivables

	31 March 2018	31 March 2017	1 April 2016
Trade receivables (Unsecured)	93,322	80,616	1,21,507
Less: Allowance for doubtful debts (refer note 35)	(1,105)	(999)	(609)
Total Receivables	**92,217**	**79,617**	**1,20,898**
Current Portion	92,217	79,617	1,20,898
Non - Current Portion	-	-	-

(i) Trade Receivable Includes Rs. 36,589 Lacs (31st March 2017 Rs. 52,367 Lacs, 1st April 2016 Rs 79,476 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 Rs. 6,686 Lacs (31st March 2017 Rs. 36,150 Lacs, 1st April 2016 Rs 24,250 Lacs) and bill discounted of Rs NIL (31st March 2017 - Rs 4,884 lacs. 1st April 2016 NIL).

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Note 8 Loans

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Unsecured, considered good						
Loan to employees	128	-	21	-	22	-
Loan to Others	69	-	187	-	124	-
Total loans	**197**	**-**	**208**	**-**	**146**	**-**

Note 9 Cash & Cash Equivalents

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- in current accounts	900	124	174
Cheques on hand	228	15	-
Cash on hand	5	1	-
Total cash and cash equivalents	**1,133**	**140**	**174**

Note 10 Other Bank Balances			
	31 March 2018	31 March 2017	1 April 2016
Deposit with original maturity between 3-12 months	86	-	-
Total Other Bank Balances	**86**	-	-

Note 11 Other Financial Assets

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(i) Derivatives not designated as hedge						
Foreign-exchange forward contracts	-	-	-	-	39	-
Foreign currency options	601	-	-	-	583	-
(ii) Others						
Interest receiveable	168	-	1	-	10	-
Deposit with banks	-	8	-	8	-	708
Security deposits	-	318	-	326	-	400
Others	-	6	-	6	-	15
Total other financial assets	**769**	**332**	**1**	**340**	**632**	**1,123**

Note 12: Other Non - Current Assets

	31 March 2018	31 March 2017	1 April 2016
Capital advances	1,077	10,070	5,489
Advances other than capital advances			
Balances with Statutory / Government Authorities	-	36	36
Total other non-current assets	**1,077**	**10,106**	**5,525**

Note 13: Inventories

	31 March 2018	31 March 2017	1 April 2016
Raw materials			
[Includes Rs.2,528 Lacs(31st March 2017 Rs 2,251 Lacs, 1st April 2016 Rs. NIL Lacs) in transit]	19,571	6,074	9,727
Packing Materials			
[Includes Rs. 3 Lacs(31st March 2017 NIL, 1st April 2016 NIL) in transit]	1,573	1,875	1,601
Work-in-progress			
Finished goods	15,715	11,705	4,609
Stock-in-trade	5,654	7,462	21,093
Traded goods			
Stores and spares			
Includes Rs.458 Lacs (31st March 2017 Rs 18 Lacs, 1st April 2016 NIL) in transit	10,507	8,128	5,543
Total Inventories	**53,020**	**35,244**	**42,573**

Note 14: Other Current Assets

	31 March 2018	31 March 2017	1 April 2016
Advances to suppliers	6,223	3,043	851
Balances with Statutory / Government Authorities	8,935	82	24
Prepaid Expenses	1,346	248	654
Other Receivable @	1,079	386	224
Interest income accrued on deposits and others	-	-	-
Total Other Current Assets	**17,583**	**3,759**	**1,753**

@ Other Receivables include Vat/Sales Tax receivable of Rs. 125 Lacs (31st March 2017 Rs Nil, 1 April 2016 Rs.Nil

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Note 15: Share Capital

	31 March 2018	31 March 2017	1 April 2016
Authorised			
1,75,00,000 equity shares of Rs. 10/- each.	1,750	100	100
(March 31, 2017 : 10,00,000 equity shares of Rs 10/- each)			
(April 1, 2016 : 10,00,000 equity shares of Rs 10/- each)			
18,00,000 1% Cumulative redeemable preference shares of Rs.100/- each.	1,800	1,000	1,000
(March 31, 2017 : 10,00,000 Cumulative redeemable preference shares of Rs.100/- each.)			
(April 1, 2016 : 10,00,000 Cumulative redeemable preference shares of Rs. 100/- each.)			
	3,550	**1,100**	**1,100**
Issued, subscribed and fully paid share capital			
1,70,50,000 equity shares of Rs. 10/- each.	1,705	100	100
(March 31, 2017 : 10,00,000 equity shares of Rs 10/- each)			
(April 1, 2016 : 10,00,000 equity shares of Rs 10/- each)			
Increase during the year	-	-	-
Fully Paid Share Capital	**1,705**	**100**	**100**

(i) Reconciliation of the number of Equity Shares

	31 March 2018		31 March 2017	
Equity Shares	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Balance as at the beginning of the year	10,00,000	100	10,00,000	100
Add: Issued during the year	1,60,50,000	1,605	-	-
Closing Balance	**1,70,50,000**	**1,705**	**10,00,000**	**100**

Terms and rights attached to equity shares

The Company has only one class of issue Equity Shares having par value of Rs. 10 per Share. Each holder of Equity Shares 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.

(ii) Shares of the company held by holding/ultimate holding company

	31 March 2018	31 March 2017	1 April 2016
Deepak Fertilisers & Petrochemicals Corporation Limited	1,70,49,994	9,99,994	9,99,994

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

	31 March 2018		31 March 2017		1 April 2016	
	Number of shares (in lakhs)	**% Holding**	**Number of shares (in lakhs)**	**% Holding**	**Number of shares (in lakhs)**	**% Holding**
Deepak Fertilisers & Petrochemicals Corporation Limited	170	100%	10	100%	10	100%

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Note No 16: Reserves & Surplus

	31 March 2018	31 March 2017	1 April 2016
Securities Premium Reserve	2,49,807	2,50,064	2,50,064
Capital Redemption reserve	1,800	1,800	1,800
General Reserve	157	157	157
Retained earnings	7,105	7,110	4,409
Other Comprehensive Income	(232)	(26)	17
Total reserves and surplus	**2,58,637**	**2,59,105**	**2,56,447**

(i) Securities Premium Reserve

	31 March 2018	31 March 2017
Opening Balance	2,50,064	2,50,064
Less:Share issue expenses	257	-
Closing Balance	**2,49,807**	**2,50,064**

(ii) Capital Redemption reserve

	31 March 2018	31 March 2017
Opening Balance	1,800	1,800
Movement (If any)		
Closing Balance	**1,800**	**1,800**

(iii) General Reserve

	31 March 2018	31 March 2017
Opening Balance	157	157
Movement (If any)		
Closing Balance	**157**	**157**

(iv) Retained earnings

	31 March 2018	31 March 2017
Opening balance	7,110	4,409
Net profit for the period	5,459	2,701
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligation, net of tax		
- Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
- Cash Flow hedging reserve	-	-
-- Opening Balance		
-- Addition/(deduction) during the year		
- Transfer from revaluation reserve	-	-
Dividends Paid*	(5,464)	-
Closing Balance	**7,105**	**7,110**

(*) Includes Dividend distribution tax of Rs.945 lacs (31st March 2017 Rs.Nil, 1st April 2016 Rs.5)

(vii) Other comprehensive income

	31 March 2018	31 March 2017
Opening Balance	(26)	17
- Remeasurements of post-employment benefit obligation, net of tax	(206)	(43)
Closing Balance	**(232)**	**(26)**

Nature and purpose of reserves

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

(b) **Capital redemption reserve:** The Company had issued redeemable preference shares and as per the provisions of the Companies Act, 2013 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**: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(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.

(e) **Remeasurement of defined benefit plans**: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

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Note 17: Financial Liabilities
17 (a) Non - Current Borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017	1 April 2016
Secured						
External commercial borrowings (ECBs)						
Bank of Baroda,London	30th June 2017	Repayable in 20 quarterly installments commencing from 30th September, 2012 and last installment is paid on 30th June, 2017	At variable interest rate of LIBOR + 325 bps payable quarterly (average for the year: Nil (31st March 2017 : 4.32%, 1st April 2016 : 3.80%)	-	1,943	6,596
HSBC Bank (Mauritius) Ltd.	29th July 2016	Repayable in 6 equal half yearly installments commencing from 31st January, 2014 and last installment is paid on 29th July, 2016	At variable interest rate of LIBOR + 300 basis points payable half yearly. The Company has taken interest rate swap from floating to fixed rate of 6.09%.	-	-	2,755
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% (31st March 2017 : 9.66%, 1st April 2016 : 9.95%)	38,570	42,516	10,000
Kotak Mahindra Bank				-	-	6,364
Export Import Bank Of India				8,572	9,453	3,636
				47,142	**53,912**	**29,351**
Total non-current borrowings				**47,142**	**53,912**	**29,351**
Less: Current maturities of long-term debt (included in note 18)				6,735	9,367	7,408
Non-current borrowings (as per balance sheet)				40,407	44,545	21,943

Pari Passu first charge created on entire fixed assets pertaining to Nitrophosphate plant (NPK project). All present and future immovable and movable fixed assets pertaining to NPK project lying from plot K1 to K5, MIDC Industrial estate, Taloja, Raigadh.

Note 17 (b) Current Borrowings

	31 March 2018	31 March 2017	1 April 2016
Loans repayable on demand			
Secured			
From banks			
-Buyer's credit (in foreign currency)	39,060	11,855	15,228
-Short term loan from bank	17,500	-	749
	56,560	**11,855**	**15,977**
Unsecured			
-Commercial Paper	50,000	-	-
-Loan from related party	-	54,907	81,004
-Loan against Subsidy	4,284	-	-
Total current borrowings	**54,284**	**54,907**	**81,004**
Current borrowings (as per balance sheet)	**1,10,844**	**66,762**	**96,981**

Buyer's credits are generally due within 180 days and carry variable rate of interest for the year 2.07% (31st March 2017 - 1.11%, 1st April 2016 - 0.73%) 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 Bank of Baroda Rs 10,000 Lacs is repayable on 21st April, 2018 carrying interest rate of 8.10% at 31st March 2018 and Short term loan from HDFC Rs 7,500 Lacs is repayable on 25th April, 2018 carrying rate of interest 8.05% as at 31st March 2018 and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

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

Loan from related party carries avarge interest rate 6.75% (31st March 17 - 6.75%, 1st April 2016 - 6.75%) and it is repayble on demand

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

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Note 18: Other financial liabilities

	31 March 2018	31 March 2017	1 April 2016
Current			
Current maturities of long-term debt	6,735	9,367	7,408
Interest accrued	367	192	206
Security deposits	3,758	2,861	2,320
Capital creditors	1,380	13,317	2,818
Due to directors	337	-	-
Derivatives not designated as hedges			
Foreign-exchange forward contracts	-	341	165
Interest rate swap designated as hedge	-	-	31
Others (*)	19,375	17,498	6,560
Total other current financial liabilities	**31,952**	**43,576**	**19,508**

(*) Others include due to Bank for structured finance where the Company acts as a pass through agent of Rs 18,203 Lacs (31st March 2017 Rs 15,958 Lacs, 1st April 2016 Rs 5,901 lacs)

Note 19: Trade Payables

	31 March 2018	31 March 2017	1 April 2016
Current			
Trade payables			
Due to micro and small enterprises	27	106	30
Due to others	41,253	20,544	24,551
Total trade payables	**41,280**	**20,650**	**24,581**

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	31 March 2018	31 March 2017	1 April 2016
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	27	106	30
- Interest due thereon	-	2	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	19	80	41
Amount of interest due and payable on delayed payments	-	2	3
Amount of interest accrued and remaining unpaid as at year end	5	5	3
The amount of further interest 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 it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

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Note 20: Provision

	31 March 2018		31 March 2017		1 April 2016	
	Current	**Non - Current**	**Current**	**Non - Current**	**Current**	**Non - Current**
Provision for employee benefits						
Leave obligations	156	913	170	666	159	625
Post Retirement Benefits	53	80	32	54	8	126
Gratuity (*)	320	2,259	258	1,712	235	1,346
Total employee benefit obligations (A)	**529**	**3,252**	**460**	**2,432**	**402**	**2,097**

(i) Leave Obligations
The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision of Rs 156 Lacs (31 March 2017 – Rs 170 Lacs, 1 April 2016 – Rs 159 Lacs) is presented as current. Though the Company does not have an unconditional right to defer settlement for any of these obligations based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, amounts that reflect leave that is not expected to be taken or paid within the next 12 months is shown under non current portion.

Post Retirement Benefits & Gratuity
(i) 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, telephone reimbursement, club membership etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

(ii) The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a Trust and the fund is invested with recognised Insurance Companies under their Group Gratuity scheme. The Company makes annual contributions to Gratuity fund and recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

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The amounts recognised in the balance sheet and the movements in the defined benefit obligation (Gratuity) over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2016	1,581	-	**1,581**
Current service cost	138	-	138
Past service cost	-	-	-
Interest expense/(income)	123	-	123
Total amount recognised in profit or loss	**261**	-	**261**
Remeasurements	140		140
Total amount recognised in other comprehensive income	**140**	-	**140**
Exchange differences			-
Contributions by employer	(12)		(12)
31 March 2017	**1,970**	-	**1,970**
1 April 2017	**1,970**	-	**1,970**
Current service cost	239	-	239
Adjustment to opening fund	(76)	-	(76)
(Gains) and losses on curtailment and settlement	-	-	-
Interest expense/(income)	142	-	142
Total amount recognised in profit or loss	**305**	-	**305**
Remeasurements	304		304
Total amount recognised in other comprehensive income	**304**	-	**304**
Contributions by employer	-		-
31 March 2018	**2,579**	-	**2,579**

i) Sensitivity Analysis

The key assumptions and sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Particulars	**31 March 2018**	**31 March 2017**
Discount rate	7.50%	7.50%
Salary growth rate	5%	5%
Normal retirement age	60	60
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover	5%	5%

Assumption	**Impact on defined benefit obligation**	
	31 March 2018	**31 March 2017**
Discount rate		
1.00% increase	Decrease by 150.30	Decrease by 89.56
1.00% decrease	Increase by 167.10	Increase by 133.41
Future salary increase		
1.00% increase	Increase by 144.05	Increase by 116.31
1.00% decrease	Decrease by 132.18	Decrease by 75.93
Attrition Rate		
1.00% increase	Increase by 21.24	Increase by 30.28
1.00% decrease	Decrease by 23.14	Increase by 1.20

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.In practice, this changes in some of the assumptions may be correlated.When calculating the sensitivity of the defined benefit obligation to significat same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporti as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

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The amounts recognised in the balance sheet and the movements in the defined benefit obligation (Post Retirement Benefit) over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
1 April 2016	134	-	**134**
Current service cost	32		32
Past service cost	(24)		(24)
Interest expense/(income)	11	-	11
Total amount recognised in profit or loss	**19**	-	**19**
Remeasurements	(67)		(67)
Total amount recognised in other comprehensive income	**(67)**	-	**(67)**
Benefit payments	-		-
31 March 2017	**86**	-	**86**
1 April 2017	**86**	-	**86**
Current service cost	37		37
Interest expense/(income)	6	-	6
Total amount recognised in profit or loss	**43**	-	**43**
Remeasurements	11		11
Total amount recognised in other comprehensive income	**11**	-	**11**
Benefit payments	(7)		(7)
31 March 2018	**133**	-	**133**

iv) Assumptions

The key assumptions and sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Particulars	**31-Mar-18**	**31 March 2017**
Discount rate	7.50%	7.50%
Salary growth rate	5%	5%
Normal retirement age	60	60
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover	5%	5%

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Note 21: Deferred Tax Liabilities (Net)
The balance comprises temporary differences attributable to:

	31 March 2018	31 March 2017	1 April 2016
Deferred Tax Liabilities			
Property, plant and equipment and investment property	11,343	10,897	10,469
Intangible assets	32,143	26,302	18,245
Financial assets at fair value through profit or loss	(129)	(399)	(417)
Financial assets at FVOCI (including derivatives)	(72)	37	59
	43,285	**36,837**	**28,356**
Deferred Tax Assets			
MAT credit entitlement	(2,839)	(1,105)	(412)
Brought Forward Losses & Others	(27,001)	(23,932)	(16,282)
43B Disallaowance	(893)	(40)	(31)
	(30,733)	**(25,077)**	**(16,725)**
Total deferred tax liabilities	12,552	11,760	11,631
Net deferred tax liabilities	**12,552**	**11,760**	**11,631**

Movements during the year ended 31st March,2017:

	As at 1 April 2016	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	As at 31st March'2017
Property, plant and equipment and investment property	10,469	428	-	10,897
Intangible assets	18,245	8,057	-	26,302
Financial assets at fair value through profit or loss	(417)	18	-	(399)
Financial assets at FVOCI (including derivatives)	59	-	(22)	37
	-	-	-	-
MAT credit	(412)	(693)	-	(1,105)
43B	(31)	(8)	-	(39)
Brought Forward loss and Others	(16,282)	(7,650)	-	(23,932)
Net deferred tax liabilities (including MAT)	**11,631**	**152**	**(22)**	**11,760**

Movements during the year ended 31st March,2018:

	As at 1st April'2017	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	As at 31st 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 (including MAT)	**11,760**	**900**	**(109)**	**12,552**

Note 22: Current Tax Liabilities

	31 March 2018	31 March 2017	1 April 2016
Opening balance	797	412	75
Add: Current tax payable for the year	1,700	693	337
Less: Taxes paid	2,441	308	-
Closing balance	**56**	**797**	**412**

Note 23: Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Customer advances	399	730	1,534
Statutory tax payables	836	35	10
Other payables*	10	3	11
Total other current liabilities	**1,245**	**768**	**1,555**

(*) Other payables includes Rs.9 Lacs (31st March 2017 Rs. 1 Lacs, 1st April 2016 Rs1 Lacs) related to employee dues.

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Note 24: Revenue from Operations

	31 March 2018	31 March 2017
Sale of products (including excise duty)		
Manufactured Goods	2,30,800	1,59,078
Traded Goods	27,948	45,429
Subsidy on manufactured fertilisers	43,963	17,163
Subsidy on traded fertilisers	4,098	12,220
Other operating revenues	261	606
Total Revenue from Operations	**3,07,070**	**2,34,496**

Note 25: Other Income

	31 March 2018	31 March 2017
Rental income	2	-
Interest income from financial assets mandatorily measured at fair value through profit or loss	95	218
Interest income from financial assets at amortised cost	4	2
Other non-operating income	455	70
Net gain on sale of investments	225	28
Total other income	**781**	**318**

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Note 26: Cost of materials consumed

	31 March 2018	31 March 2017
Raw materials at the beginning of the year	6,074	9,727
Add: Purchases	1,97,732	1,03,594
Less: Raw materials at the end of the year	19,571	6,074
Total cost of materials consumed	1,84,235	1,07,247

Note 27: Purchase of stock-in-trade

	31 March 2018	31 March 2017
Bulk Fertilisers	5,881	21,081
Specialty fertiliser	15,927	12,066
Others	2,361	2,548
Total cost of materials consumed	24,169	35,695

Note 28: Changes in inventories of stock-in-trade and finished goods

	31 March 2018	31 March 2017
Opening balance		
Finished goods	11,705	4,609
Traded goods	7,462	21,093
Total opening balance	**19,167**	**25,702**
Closing balance		
Finished goods	15,715	11,705
Traded goods	5,654	7,462
Total closing balance	**21,369**	**19,167**
(Increase)/ decrease in excise duty on stock of finished goods	(13)	(19)
Cost of Trial Run	42	1,111
Total changes in inventories of stock-in-trade and finished goods	**(2,173)**	**7,627**

Note 29: Employee benefit expense

	31 March 2018	31 March 2017
Salaries, wages and bonus	12,888	10,995
Contribution to provident fund and other funds	1,392	1,317
Staff welfare expenses	740	721
Total employee benefit expense	**15,020**	**13,033**

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Note 30: Finance costs

	31 March 2018	31 March 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss #	12,953	10,458
	12,953	**10,458**
Less: Amount capitalised	1,939	3,894
Finance costs expensed in profit or loss	**11,014**	**6,564**

Exchange difference to the extent considered as an adjustment to borrowing cost Rs.725 lacs (31 March 2017 : Rs.162)

Note 31: Depreciation and amortisation expense

	31 March 2018	31 March 2017
Depreciation of property, plant and equipment	10,351	7,770
Amortisation of intangible assets	6,339	5,928
Total depreciation and amortisation expense	**16,690**	**13,698**

Note 32: Other expenses

	31 March 2018	31 March 2017
Power, Fuel and Water	6,382	1,775
Stores, spares, oils, chemicals and catalysts consumed	4,533	3,503
Repairs to :		
- Building	653	650
- Plant and Machinery	3,864	2,685
- Others	488	421
Insurance	326	576
Rent	1,569	1,727
Rates, taxes and Duties	789	1,187
Directors' Sitting Fees	16	3
Carriage Outward (Net)	18,513	12,102
Foreign exchange Fluctuations(Net)	1,012	722
Commission on Sales	682	690
Legal and Professional Fees	1,911	2,499
Sales and Promotions Expenses	1,246	1,502
Donations	1	1
Travelling and Conveyance	685	724
Utility Services	768	686
Communiation Expenses	191	277
Corporate social responsibility expenditure (refer note 32(b) below)	-	4
Payments to auditors (refer note 32(a) below)	46	4
Miscellaneous expenses	3,118	3,567
Total other expenses	**46,793**	**35,305**

Note 32(a): Details of payments to auditors

	31 March 2018	31 March 2017
Payment to auditors		
As auditor:		
Audit fee	24	4
Tax audit fee	3	-
In other capacities		
Taxation matters	2	-
Certification fees	16	-
Re-imbursement of expenses	1	-
Total payments to auditors	**46**	**4**

Note 32(b): Corporate social responsibility expenditure

	31 March 2018	31 March 2017
Others	-	4
Total	-	**4**
Amount required to be spent as per Section 135 of the Act	-	4
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	4

NOTE 33 : Earning per equity share

	31 March 2018	31 March 2017
Earnings Per Share has been computed as under:		
Profit for the year	5,459	2,701
Weighted average number of equity shares outstanding	1,70,50,000	10,00,000
Earnings Per Share (Rs.) - Basic (Face value of Rs.10 per share)	**32**	**270**
Add: Weighted average number of potential equity shares on account of Scheme of Arrangement	-	1,60,50,000
Weighted average number of Equity shares (including dilutive shares) outstanding	1,70,50,000	1,70,50,000
Earnings Per Share (Rs.) - Diluted (Face value of Rs.10 per share)	**32**	**16**

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Note 34: Fair value measurements

	31 March 2018			31 March 2017			1 April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments at fair value	3	-	-	7	-	-	4	-	-
- Mutual funds	-	-	-	1,427	-	-	-	-	-
Trade receivables	-	-	92,217	-	-	79,617	-	-	1,20,898
Loans	-	-	197	-	-	208	-	-	146
Cash and cash equivalents	-	-	1,133	-	-	140	-	-	174
Derivative financial assets	601	-	168	-	-	1	622	-	10
Security deposits	-	-	326	-	-	334	-	-	1,108
Other financial assets	-	-	92	-	-	6	-	-	15
Total financial assets	**604**	-	**94,133**	**1,434**	-	**80,306**	**626**	-	**1,22,351**
Financial liabilities									
Borrowings	-	-	1,51,251	-	-	1,11,307	-	-	1,18,924
Derivative financial liabilities, not designated as hedges	-	-	-	341	-	-	165	-	-
Trade payables	-	-	41,280	-	-	20,650	-	-	24,581
Capital creditors	-	-	1,380	-	-	13,317	-	-	2,818
Derivative financial liabilities, designated as hedges	-	-	-	-	-	-	-	31	-
Security deposits	-	-	3,758	-	-	2,861	-	-	2,320
Other financial liabilities	-	-	26,814	-	-	27,057	-	-	14,174
Total financial liabilities	-	-	**2,24,483**	**341**	-	**1,75,192**	**165**	**31**	**1,62,817**

(i) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's financials assets and liabilities that are measured at fair value or where fair value disclosure is required:

	31 March 2018				31 March 2017				1 April 2016			
Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL												
Equity shares	3	-	-	3	7	-	-	**7**	4	-	-	**4**
Mutual funds - Growth plan	-	-	-	-	-	1,427	-	**1,427**	-	-	-	-
Derivatives not designated as hedges												
Foreign exchange forward contracts/options	-	601	-	**601**	-	-	-	-	-	622	-	**622**
Total financial assets	3	601	-	604	7	1,427	-	1,434	4	622	-	626
Financial liabilities												
Derivatives												
Foreign exchange forward contracts/option contracts	-	-	-	-	-	341	-	**341**	-	165	-	**165**
Derivatives designated as hedges												
Interest rate swaps	-	-	-	-	-	-	-	-	-	31	-	**31**
Total financial liabilities	-	-	-	-	-	**341**	-	**341**	-	**196**	-	**196**

(ii) Valuation process to determine fair value

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

i) The carrying amounts of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. In the case of the investment measured at fair value and falling under fair value hierarchy Level 3, cost has been considered as an appropriate estimate of fair value. The carrying value of those investments are individually immaterial.

iii) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, interest rate curves and use of appropriate valuation models.

iv) The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company (since the date of inception of the loans).

v) The fair values of the unsecured redeemable non-convertible debenture (included in long term borrowings) are derived from quoted market prices/discounting using current market interest rates. The Company has no other long-term borrowings with fixed-rate of interest.

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Note 35: Financial risk management
Year ended 31 March 2018:

(A) Expected credit loss for trade receivables under simplified approach

Ageing	> 6 months past due	Others	Total
Gross carrying amount	4,966	88,356	93,322
Expected loss rate	upto 25%		
Expected credit losses (Loss allowance provision)	1,105	-	1,105
Carrying amount of trade receivables (net of impairment)	**3,861**	**88,356**	**92,217**

Year ended 31 March 2017:

(a) Expected credit loss for trade receivables under simplified approach

Ageing	> 6 months past due	Others	Total
Gross carrying amount	4,062	76,554	80,616
Expected loss rate	upto 25%		
Expected credit losses (Loss allowance provision)	999		999
Carrying amount of trade receivables (net of impairment)	**3,063**	**76,554**	**79,617**

Year ended 1 April 2016:
(a) Expected credit loss for trade receivables under simplified approach

Ageing	> 6 months past due	Others	Total
Gross carrying amount	3,910	1,17,597	1,21,507
Expected loss rate	upto 25%		
Expected credit losses (Loss allowance provision)	609	-	609
Carrying amount of trade receivables (net of impairment)	**3,301**	1,17,597	**1,20,898**

(i) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on 1 April 2016	**609**
Changes in loss allowance	390
Loss allowance on 31 March 2017	**999**
Changes in loss allowance	106
Loss allowance on 31 March 2018	**1,105**

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(B) Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating compnies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing Arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2018	31 March 2017	1 April 2016
Floating rate			
- Cash Credit Facilities	32,500	-	-
- LC and Bank Guarantee Facilities	5,000	-	-
- Long Term Loans		3,000	35,000

The bank overdraft facilities may be drawn at any time and are repayable on demand. The bank loan facilities may be drawn at any time in Rupees and have an average maturity of 1 year

(ii) Maturities of Financial Liabilities
The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
all non-derivative financial liabilities, and
net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 March 2018	Carrying Amount	Payable within 1 year	More than 1 year	Total
Non-derivatives				
Borrowings	1,18,873	1,17,579	1,294	1,18,873
Trade payables	41,280	41,280	-	41,280
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	**1,85,370**	**1,84,076**	**1,294**	**1,85,370**
Derivatives (net settled)				
Foreign exchange forward contracts				
Borrowings	39,113	39,113	-	-
Total derivative liabilities	**39,113**	**39,113**	**-**	**-**

Contractual maturities of financial liabilities 31 March 2017	Carrying Amount	Payable within 1 year	More than 1 year	Total
Non-derivatives				
Borrowings	1,01,542	76,129	25,413	1,01,542
Trade payables	20,650	20,650	-	20,650
Interest accrued	192	192	-	192
Security deposits	2,861	2,861	-	2,861
Other financial liablities	31,156	31,156	-	31,156
Total non-derivative liabilities	**1,56,401**	**1,30,988**	**25,413**	**1,56,401**
Derivatives (net settled)				
Borrowings	19,132	19,132	-	-
Total derivative liabilities	**19,132**	**19,132**	**-**	**-**

Contractual maturities of financial liabilities 1 April 2016	Carrying Amount	Payable within 1 year	More than 1 year	Total
Non-derivatives				
Borrowings	1,05,011	1,04,389	622	1,05,011
Trade payables	24,581	24,581	-	24,581
Interest accrued	206	206	-	206
Security deposits	2,320	2,320	-	2,320
Other financial liabilities	9,574	9,574	-	9,574
Total non-derivative liabilities	**1,41,692**	**1,41,070**	**622**	**1,41,692**
Derivatives (net settled)				
Borrowings	21,321	21,321	-	-
Total derivative liabilities	**21,321**	**21,321**	**-**	**-**

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Foreign Currency Risk Exposure
The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

		31 March 2018		31 March 2017	
	Currency	Amount in Foreign Currency	Equivalent Amount in INR	Amount in Foreign Currency	Equivalent Amount in INR
Hedged Position (A)					
Import Creditors	USD	73,26,500	4,776	33,92,023	2,200
Import Creditors	EURO	-	-	6,49,450	450
ECB Loan	USD	-	-	30,35,413	1,969
Buyers Credit	USD	6,00,04,728	39,113	2,54,55,069	16,509
Buyers Credit	EURO	-	-	9,42,900	654
		6,73,31,228	43,889	3,34,74,855	21,782
Unhedged Position (B)					
Import Creditors	USD	3,02,258	197	62,590	41
Import Creditors	AED	89,91,163	1,596	-	-
Import Creditors	EURO	-	-	4,43,925	308
Buyers Credit	USD	5,12,558	334	1,23,676	80
Exports Debtors	USD	12,97,287	845	12,11,569	786
Bank Balance				31,05,881	2,014
TOTAL (A+B)		1,11,03,266	2,972	49,47,641	3,229

The transactions as listed in (A) above are hedged by following derivative contracts (notional values)

	31 March 2018		31 March 2017	
	Amount in Foreign Currency	Equivalent Amount in INR	Amount in Foreign Currency	Equivalent Amount in INR
Forward Contracts - USD	4,25,55,900	27,739	3,18,82,505	20,677
Option Contracts - USD	2,47,75,328	16,150		
Forward Contract - Euro			15,92,350	1,105
Total	6,73,31,228	43,889	3,34,74,855	21,782

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

	31 March 2018	31 March 2017
Payables	2,127	429
Receivables	845	786

(c) Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

	Impact on profit after tax		
	31 March 2018	31 March 2017	1 April 2016
USD sensitivity			
INR/USD -appreciated by 3.74% (31 March 2017-4.94%)	(11.74)	(132.32)	232.35
INR/USD -depreciated by 3.74% (31 March 2017-4.94%)	11.74	132.32	-232.35
AED sensitivity			
INR/AED -appreciated by 3.82%	60.95	-	-
INR/AED -appreciated by 3.82%	(60.95)	-	-
EUR sensitivity			-
INR/EUR-appreciated by 1.14% (31 March 2016-3.51%)	-	3.51	(8.46)
INR/EUR-depriciated by 1.14% (31 March 2016-3.51%)	-	(3.51)	8.46

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(iii) Cash flow and fair value interest rate risk
The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in INR, USD

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the company agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly.

(a) Interest Rate Exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2018	31 March 2017	1st April 2016
Variable rate borrowings	47,142	53,912	29,351
Fixed rate borrowings	1,10,844	66,762	96,981
Total borrowings	**1,57,986**	**1,20,674**	**1,26,332**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2018			31 March 2017			1st April 2016		
	Weighted average interest rate	**Balance**	**% of total loans**	**Weighted average interest rate**	**Balance**	**% of total loans**	**Weighted average interest rate**	**Balance**	**% of total loans**
Term Loan	8.52%	47,142	29.84%	9.66%	51,969	43.07%	9.95%	20,000	15.83%
ECB Loan	-	-	-	4.32%	1,943	1.61%	3.80%	9,351	7.40%
Net exposure to cash flow interest rate risk		**47,142**			**53,912**			**29,351**	

An analysis by maturities is provided in note 29(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(B) Sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit after tax	
	31 March 2018	**31 March 2017**
Interest rates – increase by 50 basis points (50 bps)	(236)	(270)
Interest rates – decrease by 50 basis points (50 bps)	236	270

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Note 36 : Names Of The Related Parties And Relationship

A. Holding Company

1 Deepak Fertilisers And Petrochemcials Corporation Ltd

B. Subsidiary Company

1 Platinum Blasting Services Pty Ltd.[PBS] (Subsidiary)
2 Australian Mining Explosives Pty Ltd (100% Subsidiary of PBS)
3 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
Mr Tapan Kumar Chatterjee
Mr Raghuraman Sriraman
Mr Sewak Ram Wadhwa
Mr Urmilkumar Purushottamdas Jhaveri
Mr Madhumilan Parshuram Shinde
Mr S. Rama Iyer (till 2 June 2017)

(C) **Company Secretary**
Mr. Mandar Velankar

(D) **Chief Finance Officer**
Mr. Debasish Banerjee

E Entities Over Which Key Managerial Personnel Are Able To Exercise Significant Influence:
Yerrowda Investments Ltd.

F Relatives Of Key Management Personnel
Mr Sailesh Chimanlal Mehta
Ms Parul Sailesh Mehta

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

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

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.

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Note 36 A Related Party Transactions

		Year ended 31 March 2018						Year ended 31 March 2017					
Sr. No.	Nature of Transactions	Holding Entity	Subsidiaries Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Entities over which Relatives are able to exercise significant Influence	Total	Holding Entity	Subsidiaries Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Entities over which Relatives are able to exercise significant Influence	Total
1	Sale of Goods	17,879	-	-	-	851	18,730	17,540	-	-	805	-	18,345
2	Purchase of Goods	(39,734)	-	-	-	(1,578)	(41,312)	(23,198)	-	-	(1,807)	-	(25,005)
3	Receiving of Services/Reimbursement of Expenses	(9,083)	(7)	(116)	-	-	(9,206)	(12,835)	-	-	-	-	(12,835)
4	Executive directors Remuneration	-	-	(52)	-	-	(52)	-	-	-	-	-	-
5	Chief Finance Officer Remuneration	-	-	(47)	-	-	(47)	-	-	-	-	-	-
6	Company Secretary Remuneration	-	-	(21)	-	-	(21)	-	-	(9)	-	-	(9)
7	Non Executive directors Sitting Fees	-	-	(16)	-	-	(16)	-	-	(2)	-	-	(2)
8	Loans and Advances	(54,907)	-	-	-	-	(54,907)	(26,098)					(26,098)
9	Interest on Loan/Advances	(4,028)	-	-	-	-	(4,028)	(3,286)	-	-	-	-	(3,286)
10	Dividend Paid	(4,518)	-	-	-	-	(4,518)	(25)					(25)
11	**Balance Receivable/(Payable)**						-						-
	Loans & Advances	-					-	-					-
	Other receivable/(payable)	1,165	-	-	-	(98)	1,067	(54,907)	-	-	(33)	-	(54,940)

Note : Figures in bracket are outflows/Payables.

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Note-36 B : Details Of Transactions Of The Related Parties Exceeding 10% of the transaction value

Sr. No.	Nature of Transactions	Year ended 31 March 2018						Year ended 31 March 2017					
		Holding Entity	Subsidiaries Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which relatives of key management personnel are able to exercise significant influence	Total	Holding Entity	Subsidiaries Entities	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which relatives of key management personnel are able to exercise significant influence	Total
1	**Sale of Goods**												
	Deepak Fertilisers and Petrochemicals Corporation Limited	17,879	-	-	-	-	17,879	17,540	-	-	-	-	17,540
	Mahadhan Farm Technologies Limited	-	-	-	-	698	698	-	-	-	805	-	805
	Deepak Nitrite Ltd.	-	-	-	-	153	153	-	-	-	-	-	-
2	**Purchase of Goods**												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(39,734)	-	-	-	-	(39,734)	(23,198)	-	-	-	-	(23,198)
	Mahadhan Farm Technologies Limited	-	-	-	-	(1,578)	(1,578)	-	-	-	(1,807)	-	(1,807)
3	**Interest on Loan**												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(4,028)	-	-	-	-	(4,028)	(3,286)	-	-	-	-	(3,286)
4	**Loans and Advances**												
	Deepak Fertilisers and Petrochemicals Corporation Limited (Loan given)	(1,16,050)	-	-	-	-	(1,16,050)	(26,098)	-	-	-	-	(26,098)
	Deepak Fertilisers and Petrochemicals Corporation Limited (Loan repayment)	61,143	-	-	-	-	61,143		-	-	-	-	-
5	**Receiving of Services/Reimbursement of Expenses**												
	Platinum Blasting Serv Private Limited	-	(7)	-	-	-	(7)	-	-	-	-	-	-
	Deepak Fertilisers and Petrochemicals Corporation Limited	(9,083)	-	-	-	-	(9,083)	(12,835)	-	-	-	-	(12,835)
6	**Executive directors Remuneration**												
	Mr.Yeshil Mehta (Remuneration+Perks)	-	-	(52)	-	-	(52)	-	-	-	-	-	-
7	**Chief Finance Officer Remuneration**												
	Mr Debashish Banerjee (Remuneration+Perks)	-	-	(47)	-	-	(47)	-	-	-	-	-	-
8	**Company Secretary Remuneration**												
	Mr Mandar Velankar (Remuneration+Perks)	-	-	(17)	-	-	(17)	-	-	-	-	-	-
	Mr Nandan Shah (Remuneration+Perks)	-	-	(4)	-	-	(4)	-	-	(9)	-	-	(9)
9	**Non Executive directors Sitting Fees**												
	Mr Sailesh Chimanlal Mehta	-	-	(1)	-	-	(1)	-	-	-	-	-	-
	Ms Parul Sailesh Mehta	-	-	(2)	-	-	(2)	-	-	-	-	-	-
	Mr Tapan Kumar Chatterjee	-	-	(3)	-	-	(3)	-	-	-	-	-	-
	Mr Raghuraman Sriraman	-	-	(2)	-	-	(2)	-	-	-	-	-	-
	Mr Sewak Ram Wadhwa	-	-	(3)	-	-	(3)	-	-	(1)	-	-	(1)
	Mr Urmikumar Purushottamdas Jhaveri	-	-	(3)	-	-	(3)	-	-	(1)	-	-	(1)
	Mr Madhumilan Parshuram Shinde	-	-	(2)	-	-	(2)	-	-	-	-	-	-
	Mr S. Rama Iyer (till 2 June 2017)	-	-	-	-	-	-	-	-	-	-	-	-
10	**Dividend Paid**												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(4,518)	-	-	-	-	(4,518)	(25)	-	-	-	-	(25)
11	**Balance Receivable / (Payable)**												
	Deepak Fertilisers and Petrochemicals Corporation Limited	1,165	-	-	-	-	1,165	(54,907)	-	-	-	-	(54,907)
	Platinum Blasting Serv Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Mahadhan Farm Technologies Limited	-	-	-	-	(143)	(143)	-	-	-	(33)	(143)	(176)
	Deepak Nitrate Limited	-	-	-	-	45	45	-	-	-	-	45	45

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Note 37: Capital Commitments

	31 March 2018	31 March 2017	1 April 2016
Related to Projects	3,699	731	26,888
Other Capital Commitment	-	-	811
Total	**3,699**	**731**	**27,699**

Note 38 Contingent Liability

Particulars	31 March 2018	31 March 2017	1 April 2016
Claims by Suppliers	2,661	2,411	1,803
Income Tax demands	24	14	48
Sales Tax/VAT Demands	1,430	1,385	1,405
Bank Guarantees	846	894	5,076
Letter of Credit issued in favour of Suppliers	11,073	5,356	14
Total	**16,034**	**10,060**	**8,346**

Note 39

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 Rs. 310 Crores pending final decision, which has been released during the month of January 2018 against a Bank Guarantee of equal amount.

Note 40

GAIL has claimed a sum of Rs. 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 41

In an endeavour to sharpen the strategic future of each of its business verticals and focus on shareholders' wealth enhancement, the holding company of Smartchem Technologies Limited had proposed a Scheme of Arrangement for demerger of fertilisers and technical ammonium nitrate business into the Company. The National Company Law Tribunal (NCLT) on 30 March 2017 granted approval to the Scheme and the Order of NCLT was received by the Company on 13 April 2017. Post compliance of further requirements of the Order, the Company filed the same with Registrar of Companies on 1 May 2017, being the date from which the Order became operational. The Scheme as approved by NCLT, provides that the demerger will be effective retrospectively from 1 January, 2015.

For the finanancial year FY 2016-17, above event was considered as non-adjusting event and consequently no impact was considered in the financial statements.

The comparative information for the year ended 31 March 2017 and opening retained earnings as at 1 April 2016 have been restated in relation to the standalone financial statements to give effect of the scheme of arrangement of demerger of TAN and Fertilisers business as an 'adjusting event' with an effective date of 1 January 2015 based on a re-examination of Ind AS 10 by Management in view of clarifications issued by Ind AS Transition Facilitation Group ("ITFG") 14 issue no 4 issued on 1 February 2018.

The Company issued equity shares as part of the consideration payable to Deepak Fertilisers & Petrochemicals Corproation Limited in FY 2017-18. Therefore, the consideration payable is disclosed as "Shares pending allottment" in FY 2015-16 and FY 2016-17 in the restated financial statements.

Note 42

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:

	31 March 2018	31 March 2017	1 April 2016
Minimun Lease rental payable			
Not later than 1 year	63	6	45
Later than 1 year and not later than 5 years	49	-	11
Total	**112**	**6**	**56**

Note 43 : Income Taxes

The major components of income tax expense for the year ended 31st March 2018 and 31st March 2017 are :

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

Partuculars	31 March 2018	31 March 2017
Accounting profit before tax	8,129	3,546
At India's statutory income tax rate of 34.608%	**2,813**	**1,227**
Income Tax at higher/(lower) rates	(81)	(57)
Others	(62)	(325)
Tax expense recognised in P&L	**2,670**	**845**

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Note 44 :SEGMENT REPORTING

Sr No	PARTICULARS	CHEMICALS	FERTILISERS	OTHERS	COMMON	TOTAL
1	**Revenue**					
	a) **External Sales**					
	I) **Manufactured**	**1,26,360**	**1,48,664**	-	-	**2,75,024**
	Previous Year	*1,16,605*	*60,360*	-	-	*1,76,965*
	ii) **Traded**	-	**32,046**	-	-	**32,046**
	Previous Year	-	*57,628*	-	-	*57,628*
	b) **Other operating income**	-	-	**781**	-	**781**
	Previous Year	-	-	*221*	-	*221*
	c) **Unallocated Corporate other income**	-	-	-	-	-
	Previous Year	-	-	-	-	-
	Total Revenue	**1,26,360**	**1,80,710**	**781**	-	**3,07,851**
	Previous Year	*1,16,605*	*1,17,988*	*221*	-	*2,34,814*
2	**Segment Result**	**28,832**	**3,674**	-	-	**32,506**
	Previous Year	*27,341*	*(792)*	-	-	*26,549*
3	**Unallocated Corporate expenses**	-	-	-	**24,377**	**24,377**
	Previous Year	-	-	-	*23,003*	*23,003*
4	**Net profit**	-	-	-	-	**8,129**
	Previous Year	-	-	-	-	*3,546*
5	**Other Information**					
	a) **Segment Assets**	**88,243**	**1,74,726**	-	**2,39,490**	**5,02,459**
	Previous Year	*86,367*	*1,70,137*	-	*1,96,056*	*4,52,560*
	b) **Segment Liabilities**	**8,188**	**1,36,459**	-	**97,470**	**2,42,117**
	Previous Year	*5,989*	*59,965*	-	*1,25,796*	*1,91,750*
	c) **Capital Expenditure incurred during the year**	**12,208**	**735**	-	-	**12,943**
	Previous Year	*4,114*	*32,984*	-	-	*37,098*
	d) **Depreciation/ Amortisation**	**7,018**	**9,672**	-	-	**16,690**
	Previous Year	*8,638*	*5,060*	-	-	*13,698*

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.

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Smartchem Technologies Limited

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