Regd. Office: Sai Hira, Survey No. 93,
Mundhwa, Pune - 411 036, India.
Tel: +91 (20) 6645 8000

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

9th August, 2022

The Secretary	Listing Department
BSE Limited	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	"Exchange Plaza",
Dalal Street, Fort,	Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 001	Mumbai – 400 051
BSE Code: 500645	NSE Code: DEEPAKFERT

Dear Sir/ Madam,

Subject: Annual Report for the FY 2021-22 including notice of the 42nd Annual General Meeting

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we enclose herewith the following documents relating to the 42nd Annual General Meeting of the Company scheduled on **Friday, 2nd September, 2022** at **11.00 a.m.** through Video Conferencing/ Other Audio-Visual Means (e-AGM):

1. Notice of the 42nd Annual General Meeting;
2. Annual Report; and
3. Business Responsibility Report.

The aforesaid documents are also available on the website of the Company, i.e., www.dfpcl.com

You are requested to take the same on your record.

For Deepak Fertilisers
And Petrochemicals Corporation Limited

Ritesh Chaudhry
Company Secretary

Encl.: As above

REDEFINING VALUE REINVENTING BUSINESS

ANNUAL REPORT
2021-22

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Contents

Redefining Value ...
Reinventing Business

Things around us are changing faster than one can imagine. This fast-paced change has been keeping us, at Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), on our toes. From redefining value through our improved and innovative offerings, to reinventing our business to serve our customers better, we have been on a continuous journey of transformation and growth.

We are **Redefining Value... Reinventing Business** to emerge as a customer-led and solutions-driven Company. At DFPCL, we are committed towards developing sustainable solutions for our customers and aligning our offerings to the nation's demand.

Our transformational journey is on the path of redefining value for all our stakeholders and the organisation itself. It is about nurturing the inherent capabilities and reinventing business to innovate and develop products and solutions that cater to every specific requirement of the ever growing and evolving market demands.


महाधन
नजर ठेवा उद्यावर

Sealing customer stickiness. **Redefining the solutions quotient.**

At DFPCL, we are led by the "Voice of Customer". All our offerings across our business segments are developed with the aim to enhance the value and solutions quotient for our customers to realise higher goals.

Our path from 'products' to 'solutions', and from 'commodity' to 'specialty' is driven by the motto to innovate and develop products and solutions that deliver holistic value and improve customer satisfaction. This has led us to cater to specific requirements of our customers, and strengthen their trust and confidence in us.

We believe in evolving business models and opportunities. And this has led us to tap newer opportunities across segments and enter into distinct ones with confidence.

Crop specific nutrient products such as "Croptek" and "Solutek" range of fertilisers and Total Cost of Ownership (TCO) studies in Mines and Infrastructure projects are some of our initiatives that speak loud of our efforts towards redefining value and reinventing our business. These steps have enabled us to further strengthen our bond with our customers to become more consumer and solution oriented.

We are **DFPCL**

Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) is one of India's leading chemicals and fertilisers producer. Headquartered in Pune, Maharashtra, we are engaged in the manufacturing of Industrial Chemicals (Nitric Acid, Iso Propyl Alcohol, Methanol and Carbon Dioxide) Crop Nutrition (Nitro Phosphate, Nitrogen Phosphorous Potassium variants, Water Soluble Fertilisers and Bentonite Sulphur) and Mining Chemicals (Technical Ammonium Nitrate). Our value-added real estate (VARE) business has been growing steadily with India's first–of-its-kind home lifestyle centre called Creaticity in Pune in our portfolio.

At DFPCL, we believe in continuously redefining our business strategies, optimising competencies and innovating to build strong leadership position across our business operations. Over the years, we have strengthened our position to become the preferred and trusted partner for various set of customers in both B2B and B2C segment.

What Sets Us Apart

- More than 40 years of rich legacy
- Diversified chemicals & fertiliser solutions provider
- Serving India's critical sectors such as agriculture, pharmaceuticals, mining and infrastructure aligning well with India's growth story
- Diversified portfolio to meet ever-emerging needs of consumers across the globe
- Sustainable and robust leadership position across all business operations
- Most trusted chemicals and fertilisers manufacturer
- Providing value-added and innovative customer-centric products and solutions

Key Sectors Served

Industrial Chemicals (IC)

- Pharmaceuticals
- Nitro Aromatics
- Paints & Coatings
- Steel & Solar
- Inks & Adhesives
- Explosives
- Dyes
- Agrochemicals
- Cosmetics
- Health & Hygiene

Technical Ammonium Nitrate (TAN)

- Mining
- Infrastructure
- Explosives
- Pharmaceuticals

Crop Nutrition Business (CNB)

- Agriculture
- Horticulture

VARE

- Home Makers
- Interior Solution Seekers
- Architects & Interior Designers
- Food & Entertainment Patrons
- Art & Culture Enthusiasts

SEGMENTAL REVENUE FY2021-22

Core Products and Manufacturing Capacity (MT/yr)

INDUSTRIAL CHEMICALS (IC)

13,62,160 MTPA

Nitric Acid - Weak and Concentrated, IPA, Methanol & Liquid CO_2

- Concentrated Nitric Acid - Installed (Taloja & Dahej) – **2,31,000**
- Weak Nitric Acid - Installed (Taloja, Dahej & Srikakulam) - **8,88,960**
- Iso Propyl Alcohol - Installed (Taloja) – **70,200**
- Methanol - Installed (Taloja) – **1,00,000**
- Liquid CO_2 - Installed (Taloja) - **72,000**

TECHNICAL AMMONIUM NITRATE (TAN)

4,86,900 MTPA

Low Density Ammonium Nitrate, High Density Ammonium Nitrate & Ammonium Nitrate Melt

- Technical Ammonium Nitrate - Installed (Taloja) - **4,44,000**
- Technical Ammonium Nitrate - Installed (Srikakulam) - **42,900**
- Planned Additional Capacity (Odisha) - **3,76,000**

CROP NUTRITION BUSINESS (CNB)

11,85,720 MTPA

NP Fertiliser, NPK Fertiliser & Bentonite Sulphur

- Nitro Phosphate Fertiliser - Installed (Taloja) - **3,25,000**
- Nitrogen Phosphorous Potassium Fertiliser - Installed (Taloja) - **8,00,000**
- Bentonite Sulphur - Installed (Taloja & Panipat) – **60,720**

AMMONIA

- Installed (Taloja) - **1,28,700**
- Planned Additional Capacity (Taloja) - **5,00,000**

OUR LEADERSHIP POSITION

- Largest Manufacturer of Nitric Acid in South East Asia
- Leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India
- Only manufacturer of prilled TAN solids in India
- Only manufacturer of medical grade AN in India
- Only Manufacturer of NP prill 24:24:0 fertiliser in India
- Largest manufacturer of Bentonite Sulphur in India
- Market leader in specialty and water soluble fertilisers in India
- India's only manufacturer of crop specific nutrition products with multi micronutrients & nutrient unlock technology

OUR GEOGRAPHICAL FOOTPRINT

IPA based disinfection product range catering to medical & healthcare set-ups

Business Initiatives

INDUSTRIAL CHEMICALS

- IC business has been striving to convert standard grade Iso Propyl Alcohol (IPA) consumers to pharma grade and thus garner higher share of this lucrative market. The business will continue its focus on pharma sector and maximise this conversion to specialty grade.
- To provide a "one stop shop" for Pharma sector, the business has initiated actions to include other key pharma grade solvents and widen the product basket.
- Developing specialised grades of Nitric acid and IPA to meet specific requirements of purity and pack sizes of Steel, Solar & Electronics industry.
- IPA Laboratory Reagent grade and Pharmacopeia grades in smaller pack sizes have been introduced.
- R&D team is developing purification method of crude Di-isopropyl Ether (DIPE) which is produced as a by-product in IPA manufacturing process. This will enable us to meet the high purity product requirements of specific segments.
- The foray into hand sanitisers, disinfectants and wipes segment will be augmented further through launch of new products and SKU's meeting specific end user requirements of healthcare segment.

Best-in-class TAN Technical Services team on field demonstrating productivity benefits to mining customers

TECHNICAL AMMONIUM NITRATE

- TAN plant at Gopalpur, Odisha (East Coast of India) is expected to commission by Q2 FY25 with a capacity of 376 KTPA
- Initiated debottlenecking to increase the TAN capacity at Taloja by 25% with minimum investment.
- Curing project for enhancing the quality of LDAN products to world-class standards is progressing well and will be operational in Q1-FY23
- Executed its first Total Cost of Ownership (TCO) project for a prestigious Infrastructure project of India.
- Foryed into forward integration with production of high energy cartridge explosives which provides superior value compared to the conventional explosives to the end-consumers, Commenced best-in-class Technical Services to drive downstream productivity benefits for the mining end-consumers.
- Organized knowledge sharing seminars with quarry owners & operators who form crucial part of the Infrastructure sector of India.
- Deployed upgraded and advanced GPS (Global Positioning System) tracking system across its manufacturing & distribution units to help continuously track and trace all its product movement.
- 'AN Care' - Customer Engagement Portal for TAN Business, has been upgraded with additional features including Feedback system, Purchase Documents Repository and Technical Data Sheets

A group of farmers using the 'Mahadhan App'

CROP NUTRITION BUSINESS

- Launch of Crop Nutrient Solution brand "Croptek" with three crop specific grades Croptek Onion, Croptek Sugarcane, Croptek Cotton.
- Enhancing R&D organisation with PhD team and field research site near Pune to support early stage Ideation screening and proof of concepts
- Established Smartek product portfolio with sales of over 1 Million MT since product launch
- Launch of Crop Specific and stage specific brand "Solutek" for fertigation
- Capacity enhancement of WSF formulation facility near Pune by 25%
- Established successful manufacturing of Zincated bentonite sulphur at Panipat facility
- Team engaged with 18,000 Saarthie farmer for extension activities and 4.2 lakh farmer through 24,000 plus farmer connect activities
- More than 4.64 lakh followers on Facebook, more than 31.6 K subscribers on YouTube, more than 1,00,000 downloads of Mahadhan app

'Creaticity On Wheels'

VALUE ADDED REAL ESTATE

- Creaticity on Wheels, an innovative reach-out initiative to connect with customer community.
- The "Idea Circle" and "Easy Peasy Home Hacks" , online knowledge sharing initiatives were introduced to provide meaningful information on home interior products and their maintenance.
- A Design Center and Knowledge Hub have been activated to provide value added services on space planning and interior design
- New brand alliances have been initiated with reputed brands from Italy and India to forge a collective of national and international brands that can offer range and depth across home interior solutions
- "Voice of Customer" captured through continuous surveys and followed up with improvements on customer experience.


S. C. Mehta
Chairman & Managing Director

Message from Chairman & Managing Director

Redefining Value, **Reinventing Business**

Dear Shareholders,

Over the last few years, your Company has been consumed in the intense process of transformation from our yesteryears. As a part of the strategic roadmap of this journey, we at DFPCL, committed ourselves to adopt four key mantras:

Get our size right by building upon;

- our 40+ years of deep-rooted knowledge base and proven experience
- strong alignment with the India Growth Story, giving positive tailwinds for all our Business Sectors, namely Crop Nutrition/Fertilisers, Pharma/Industrial Chemicals and Mining Chemicals
- operational excellence through improved plant efficiencies & capacity utilizations besides low cost debottlenecking initiatives

Capturing value-chain: Integrate backward into Raw Material Chain to mitigate risk & leverage cost efficiencies.

Strengthen the backbone of our Systems & Processes to ensure sustenance of best-in-class performance

Redefine & Reinvent our product offerings;

- by moving from commodity products to holistic solutions
- by serving the final end-consumer beyond the channel-customer and
- by innovating and partnering with end users to deliver the customised value.

Over the last few years, we have brainstormed and meditatively focused on these four step mantras to steer through the transformational journey. This has not only enhanced your Company's resilience but also laid a strong foundation for value creation and sustained growth. A few notable milestones and outcomes of this journey so far are:

- We are today close to a million-ton Fertiliser/Crop Nutrition player

> "Get closer than ever to your customers. So close, in fact, that you tell them what they need well before they realize it themselves.
>
> **— Steve Jobs**

> "Remember to celebrate milestones as you prepare for the road ahead."
>
> **—Nelson Mandela**

- With close to a million-ton annual capacity, we are South East Asia's largest Nitric Acid producer – providing a building block for many Specialty Chemicals, and a key raw material for fertilisers & mining chemicals
- With implementation of the new TAN project in Odisha, we will become one of the world's leading TAN players – giving us a unique position of strength in the Mining Chemicals space
- A world scale Ammonia facility of 0.5 million ton per annum capacity, with targeted commissioning by Q1-FY24, will not only help quench the volatility in our key raw material space but also solidify the foundation for all three business sectors
- Appreciating our game plan and its futuristic impact, came the strong resonance from Marquee Global Investors, reflected through success of our QIP capital raise initiative of ₹ 510 Cr.

What is more, the historic best ever results of this year, have validated that the efforts and strategies at play were in the right direction.

- Our topline crossed ₹ 7,500 Cr, a USD 1 Billion mark
- Our PBT crossed the ₹1,000 Cr. mark
- Our Net Debt was reduced by ₹ 400 Cr.
- Our Gross D:E ratio improved to 0.67 from 0.93 last year.

This remarkable performance, despite the challenges of COVID-19 and geo-political turbulences, only went to confirm that our strategic transformative journey comprising of Capex Program, Digitisation Drive, Customer Focus and People Practices, is marching in the right direction.

The final pillar in our four-pronged mantra is yet to fully unfold.... the mantra of:

Redefining Value & Reinventing Business....

Redefining Value:

Value- What we appreciate, treasure, find worthy, desirable, beneficial...

Our journey to move from Commodity to Specialty called upon our deepest inquiry and insights to discover how our products along with adjacent services could enhance true value for our consumers.

This journey of deeper discovery of value creation has triggered deep conversations with end consumers:

- Over 50,000 farmer demo-plot initiatives for the Crop Nutrition Business besides about 50 Crop-Nutrient Research initiatives with Agriculture Universities
- Multiple intense dialogues with steel as well as solar industry players to provide Nitric Acid customised to their needs
- Large scale interactions with hospitals to understand their unique needs for IPA-based wipes and sanitizer systems
- Multi-site third party certification exercises to validate the Total Cost of

Ownership (TCO) of unique TAN-based products and blasting services in Infra Projects

- Multiple teams at work to re-configure the bulk manufacturing facilities to deliver customized needs

Each business is deeply entrenched in dialogue with the end consumers to discover what will provide value and help enrich their lives.

Reinventing Business:

In order to deliver Value to our end consumers and transform ourselves from a Commodity to a Specialty player, there are massive changes underway in the organisation.

- A Sales & Operations Planning tool will help organise an end-to-end virtuous cycle of Demand Generation to Raw Material to Manufacturing Planning to Logistics to Sales to deliver weekly, monthly, and quarterly sustainable operational efficiencies.
- Digitising the customer experience, through customer connect portals and various loyalty schemes, is underway to understand their behaviour, decision patterns, and trends. With machine learning capabilities, the organisation is being readied to pro-actively predict and prepare to delight consumers.
- The traditional Organisation Structure is under active re-orientation to align with end consumer focus, enhanced responsiveness and connect.

> You cannot find new land with an old map.
>
> **— C.K. Prahlad**

- A special New Product Development (NPD) focused group will catalyse constant absorption of customer needs with innovative solutions across R&D, Manufacturing and last mile connectivity.
- Structured interventions/ initiatives are being deployed to drive business efficiencies through IT-enabled single source of truth, cost optimisation across value chain, and establishing value propositions.
- A restructuring exercise is under evaluation to examine focused corporate entities aligned to the Business and Market needs.

With this REINVENTING of all our BUSINESSES, we are geared to deliver compelling and enhanced value propositions that will help us migrate from a commodity oriented company to a branded, specialty solutions enterprise in the near future.

Smehta

S. C. Mehta
Chairman & Managing Director

Investor Relations Q&A with the **Chief Financial Officer**

Amitabh Bhargava
President - Finance & CFO

"We have recently introduced 'Mahadhan Croptek' in crop nutrition solution segment, which has been uniquely developed by deeper understanding of farmer's need to address balance nutrition and use efficiency in the target crops.

Can you help us understand how do you plan to take your journey from commodity to specialty in the next 2 to 3 years for the fertiliser business?

We are looking at transforming product offerings in the crop nutrition business. We have planned our journey in a staged manner and are progressing well as per our plan.

Success story of innovative technology-based product:
In the year 2018, we launched a unique enhanced efficiency NPK product called 'Smartek'. Since its introduction, 'Smartek' has rapidly gained mass acceptance for its superior farm outcomes and has got positioned as a premium brand. We have sold over 1 Million MT of this product, which has benefited nearly three million farmers. Smartek enhances bio nutrient availability, nutrient use efficiency and crop performance

Innovative Croptek-based crop nutrition solution:
We have recently introduced 'Mahadhan Croptek' in the crop nutrition solution segment, which is uniquely developed by a deeper understanding of farmers' need to address balanced nutrition and usage efficiency in the target crops. Each granule of Croptek provides all essential 7-8 nutrients including micronutrients in a balanced formulation.

Croptek is powered by Nutrient Unlock Technology (NUT) which unlocks nutrients and enhances bio-availability thereby enhancing nutrient use efficiency. By adopting these balance nutrition solutions, farmers can minimize wastage and under-dosing of the required nutrients at different stages of crop growth.

This innovative Croptek solution is expected to help farmers immensely in their complex decision-making process while selecting fertilisers and dosages to meet the Recommended Dose of Fertilisers (RDF) in different crops. Croptek solutions provide 10-15% yield gains and an increase in net income for farmers in the target crops. We have launched Croptek grades for Onion, Sugarcane and Cotton. Other 2-3 grades are in the pipeline to be launched soon.

Crop and Stage Specific Solutions: Crop-specific fertigation solutions launched under the brand 'Solutek', for Grapes and Tomato crops were highly accepted by farmers for improving their yield, and produce quality thereby helping them get higher realisations in the market. These products were designed in-house after examining crop-specific requirements across different stages. We have built a strong pipeline of such crop-specific and stage-specific products, which will be launched in the market over the next 1-2 years.

How big a challenge is an increase in raw material prices?
Due to the increase in prices of key raw materials such as Ammonia, Phosphoric acid and Muriate of

> "DFPCL delivered robust consolidated financial performance in FY22 on the back of the unique advantage of its integrated operations and diversified end user segments of core products.

Potash, the cost of production of fertilisers has increased significantly from H2FY22 onwards.

The Government of India has taken cognizance of extraordinary price increases in the global markets and has enhanced subsidy for NPK Fertiliser to ensure affordable costs for the farmers. We continue to focus on value-added Crop specific portfolio helping farmers optimise their costs.

In Nitric Acid, raw material cost increase is passed on in both formula-based contracts and spot segment. In IPA, raw material cost increase pass-through has been challenging since IPA prices are driven by Acetone, whereas DFPCL uses propylene as a raw material for which price dynamics are not in sync with Acetone.

As far as TAN business is concerned, as the raw material prices went up, so, did the prices of finished goods in FY22, supported by a strong demand environment and interruption in FGAN imports from Russia.

Besides price increases, we faced challenges in the availability of RMs. The war situation in Russia and Ukraine also led to a further shortage of RM like Muriate of Potash. We are expanding our raw material procurement sources and optimising our portfolio to ensure the smooth running of our operations.

What is the Company's business outlook for next the 2-3 years?
DFPCL delivered a robust consolidated financial performance in FY22 on the back of its unique advantage of integrated operations and diversified end-user segments of core products. With the topline of ₹ 7,663 Cr. the Company has crossed the milestone of US$ 1 Billion. PBT also crossed ₹ 1,000 Cr. milestone.

- Nitric Acid demand and prices are expected to remain strong owing to the diminishing availability of down streams of Nitric Acid from China and resultant higher pricing.
- With the increase in coal, steel and cement production, demand for explosives in

Robust working capital management and strong cashflows are indeed helping us to keep leverage under control, strengthen the Balance Sheet and reduce our dependency on external funding.

the Mining & Infrastructure segments of the Indian economy is expected to grow.

- Strategically directed efforts from Crop Specific products to farmer-focused marketing drives are also expected to benefit DFPCL.

Long-term growth is expected from our continuous endeavour to transform from a Commodity to a Specialty play in each of the product segments. Going forward, the available capacity across our plants provides us headroom for future growth potential. Furthermore, NPK and TAN plant are undergoing debottlenecking, which should also allow us to further increase our production capabilities at the Taloja facility.

Capacity enhancements and backward integration initiatives should also help us with long-term growth. Although, uncertainties around raw material prices and their availability remain a cause of concern considering the current geopolitical situation.

Can you throw some light on the leverage position of the Company?

“

Long term growth is expected from our continuous endeavour to transform from a Commodity to Specialty play in each of the product segment.

The Company continued to generate strong Cash Flows from Operations year on year (FY21: ₹ 1,248 Cr. and FY22: ₹ 1211 Cr.). Robust working capital management and strong cashflows are indeed helping us to keep leverage under control, strengthen the Balance Sheet and reduce our dependency on external funding.

There has been a significant improvement in our leverage profile. Overall, Net Debt has been reduced by ₹ 400 Cr. and Debt / Equity ratio improved from 0.93x (FY21) to 0.67x (FY22).

The Company also successfully raised ₹ 510 Cr. through a QIP in October 2021. Leading institutional investors from India and the globe participated in the issue.

Would you share some insights on high promoters’ pledge?

About 8.5% of total shares were pledged (excluding IFC NDU and negative lien) as of 31st Dec 2021. Promoters’ pledged shares are now restricted to 6.9% of paid-up share capital. NDU obligation (and not ‘pledge’) is 6.24% of paid-up share capital after the release of 20,14,431 (NDU) and 3,40,56,875 (Negative Lien) in April 2022.

Non-Disposal Undertaking (NDU) was provided by the Promoter of DFPCL to IFC for CCDs issued by Smartchem Technologies Ltd. (100% owned). As per the undertaking, the Promoters undertook not to dispose of the shares (as distinct from a ‘pledge’). These shares are prohibited from pledge, transfer or assignment.

Can you provide some insights concerning the Investor Relations strategy being undertaken from a capital market perspective?

DFPCL is committed to building stakeholder's confidence through constantly improving transparency in its shareholder's communication and providing consistent business updates on recent developments to all of its stakeholders.

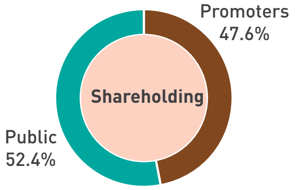
In October 2021, the Company successfully raised ₹ 510 Cr. through a Qualified Institutions Placement ("QIP") of equity shares. Leading investors from India and the globe have participated in the issue which include Smallcap World Fund, Government Pension Fund Global, Axis Mutual Fund, Fidelity, Avendus and Societe Generale among others. This is a significant milestone in DFPCL's history since it represents the Company's first external equity fundraising since its first public offering in 1982.

In January 2022, we arranged our 'First Ever Virtual Investor' meeting where all business heads shared business updates and addressed stakeholders' queries. Virtual Meet was held for about 3.5 hours long session and witnessed participation from about 360 institutional Investors and research analysts.

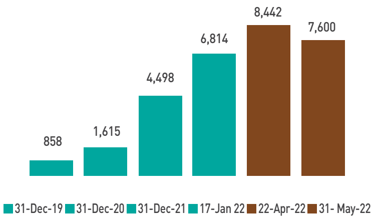
Similarly, we organised the 'First Ever Group Plant Visit' for our Investors to our Taloja complex along with the nearby Ammonia Greenfield Project site in April 2022. The plant visit was attended by about 14 reputable institutional investors following which we received encouraging feedback for continuing such initiatives.

Constant endeavour from our Investor Relations team is indeed helping us to improve our capital market visibility, building stakeholder's confidence and significantly reducing the response time of stakeholder's queries.

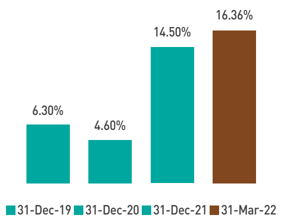
Total Shares Outstanding 120,592,948



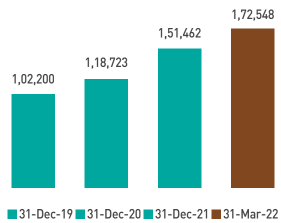
Market Cap (₹ Cr.)



Institutional Ownership (%)



Total No. of Shareholders



Qualified Institutional Placement (QIP) and Rights Issue: Group Corporate Finance Working team

Institutional Investor visit to Taloja plants

Enhancing performance quotient.

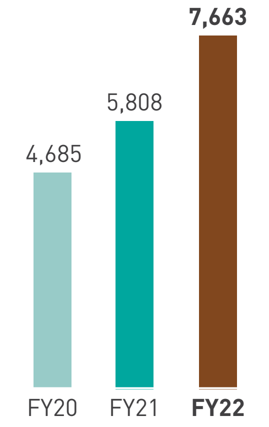
Financial **Highlights-** Consolidated

	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue from Operations (₹ in Cr.)	6,062	6,742	4,685*	5,808	**7,663**
EBITDA (₹ in Cr.)	545	459	464	955	**1,356**
EBITDA margin (%)	8.99	6.81	9.91	16.45	**17.70**
PAT (₹ in Cr.)	164	73	89	406	**687**
PAT margin (%)	2.71	1.09	1.90	7.00	**8.97**
Earning per share (₹)	18.44	8.01	9.58	41.47	**60.44**
Total Assets (₹ in Cr.)	6,991	7,118	6,931	7,161	**8,744**
Net Worth (₹ in Cr.)	2,046	2,098	2,181	2,703	**3,884**
Gross debt to equity (x)	1.73	1.45	1.34	0.93	**0.67**
Book Value Per Share (₹)	232	238	244	263	**322**

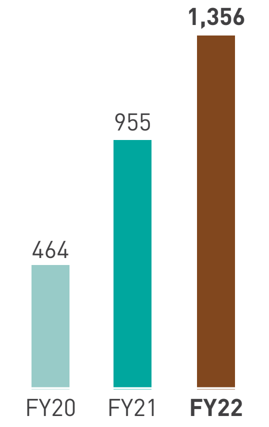
* Cautiously consolidated trading portfolio with focus on high-margin products.

Shielding shareholder returns.

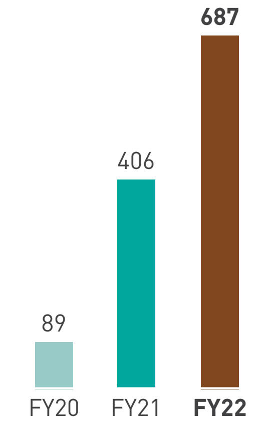
Revenue from Operations
(₹ in Cr.)



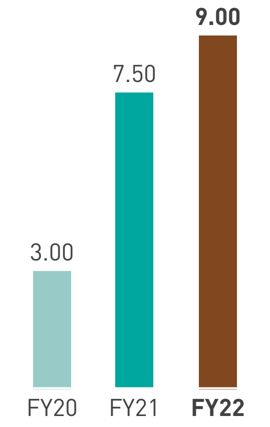
Operating EBITDA
(₹ in Cr.)



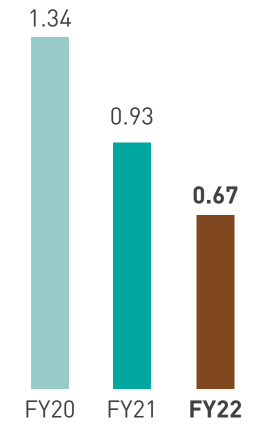
Profit after Tax
(₹ in Cr.)



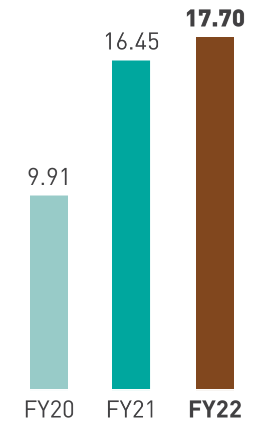
Dividend
(₹/ share)



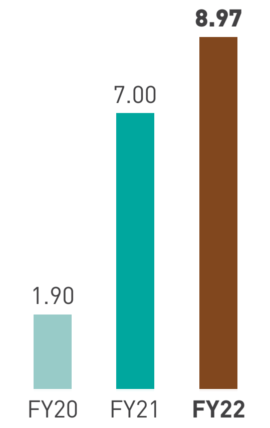
Gross debt to equity
(x)



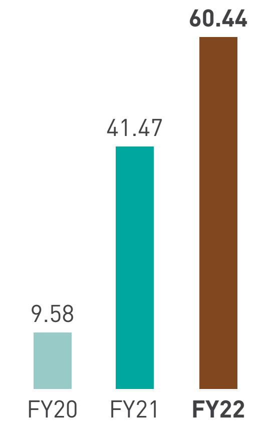
EBITDA Margin
(%)



PAT margin
(%)



EPS
(₹)



5,00,000 MTPA Ammonia Greenfield Project

...Under Fast-Track Execution

Backward integration to solidify the foundation of all our Businesses

- **Import substitution of Ammonia promoting *"Aatmanirbhar Bharat Abhiyaan"***
- **Forex saving of USD 2.5 Billion over 10 years**
- **Employment to more than 2,500 workers during construction phase**
- **More than 200 semi-skilled jobs for O&M services**
- **Risk mitigation for all business segments**

Ammonia is a key raw material across all the Company's major products namely; Technical Ammonium Nitrate, ANP/NPK Fertiliser and Nitric Acid. Based on the existing businesses with expanded capacity, its consolidated captive ammonia requirement at Taloja is estimated to be ~1,600 MTPD This is set to increase to about 2,200 MTPD by FY25.

The Company currently has an ammonia manufacturing capacity of 390 MTPD. Accordingly, majority of its ammonia requirement is being currently met by way of imports at JNPT. Considering its high dependency on imported ammonia, the Company, through its step-down subsidiary Performance Chemiserve Ltd., is setting up an ammonia manufacturing facility of 1,500 MTPD at Taloja, Maharashtra, close to the existing facilities. The ammonia produced from the project shall be mainly used for captive consumption.

Project Highlights

- Capacity : 1.500 MTPD
- Start of Construction : 5th April 2021
- Total Planned Investment : ₹ 4.350 Cr.
- Cost Incurred : ₹ 2,483 Cr. (as of 31st March 2022)
- Debt Incurred : ₹ 1,130 Cr. (as of 31st March 2022)
- Expected Commissioning : Q1 FY 2023-24

Risk Mitigation for existing operations

- Security of Ammonia supply for downstream units
- Zero offtake Risk: 100% Captive Consumption for its existing operations.
- Piped Ammonia as against cumbersome tanker by tanker movement from port to plant.

Economic Value Enhancement

- Capture Ammonia - Gas margins
- Eliminate price volatility of merchant Ammonia
- Eliminate import inefficiencies: Saving of ~USD 80-85 / MT of Ammonia
- ₹ 20,000 Cr. import substitution and forex saving over the next 10 years

Value Creation

- Backward integration of Value Chain
- Economy of Scale
- Opportunity to provide feedstock for both Dahej and Gopalpur locations

Environmental Benefits

- KBR KRES technology - Lowest Energy Consumption 6.772 GCal/ MT Ammonia with lowest emissions
- Zero Liquid Discharge & minimal gaseous discharge during normal operations
- Reduction in carbon footprint to enhance ESG scores
- Reduction in ground level pollution due to avoidance of the movement of 50,000 plus tankers between JNPT port to factory

Project Status

All statutory approvals required for the construction of the project has been obtained. The project has been accorded 'Ultra Mega Project' status by the State Government of Maharashtra

The project execution has been on fast track with an overall progress achievement of 75% as on March 2022. Project has achieved 4.2 Mn safe manhours till March 2022 and overall quality performence index has been 91%. Commissioning activities of the project will comence from August 2022 stage wise.

Awards & **Recognitions**

Empowerment Ambassador Award

Mrs. Parul S Mehta, Managing Trustee, Ishanya Foundation received the "Empowerment Ambassador Award" for exceptional efforts made by her in the field of Social Development sector. The award was given at Y4D Foundation Day at the hands of Hon. Finance Minister of State, Dr. Bhagwat Karad at New Delhi on 25th September 2021.

Empowerment Ambassador is a major award given to those who have done exemplary work by empowering people, thus making significant difference in the society.

Certificate of Appreciation

DFPCL Received Certificate of Appreciation from National Safety Council (NSC) for plot K-7 and plot JNPT in March 22 under the NSCI Safety Awards-2021 (Manufacturing Sector)

Pune Best Employer Brand Award - 2021

DFPCL was awarded Pune Best Employer Award 2021 by World HRD Congress.

Asia CMO manufacturing Excellence Award

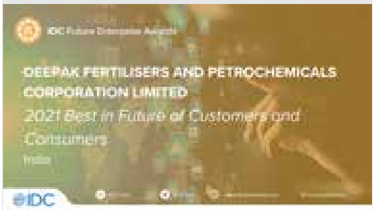
DFPCL K1 plant at Taloja, received the 'Asia CMO Manufacturing Excellence Award 2021' under Category of Best-in-Class Innovation Award in Manufacturing.

Digital Technology Senate Award – 2021

DFPCL received the Digital Technology Senate Award – 2021 organised by Indian Express Group

IDC Future Enterprise Awards - 2021

DFPCL received the prestigious IDC Future Enterprise Awards, 2021 in Digital Transformation (DX) Best in Future of Customers and Consumers.



Rotary Environment Excellence Award - Gold

DFPCL's Dahej unit has been declared winner of "Rotary Environment Excellence Award - Gold" - in large scale chemical sector for outstanding achievement in Environment Management

'Women of Substance Award'

Mrs. Parul S Mehta, Managing Trustee, Ishanya Foundation received the 'Women of Substance Award' for exemplary services rendered towards Women Empowerment. She was felicitated by Inner Wheel Club of Poona Downtown on the eve of International Women's Week.

The award was conferred in appreciation for her unrelenting efforts at empowering women by deploying her knowledge, experience and personal resources for the services of the poorest.

Rotary Safety Excellence Award - Gold

DFPCL's Dahej unit has been declared winner of Rotary Safety Excellence Award - Gold Award - in large scale chemical sector for outstanding achievement in Safety & Health Management

Enhancing care quotient.
Redefining community progress.

KEY HIGHLIGHTS 2021-2022

Name of Project	Rural	Urban	Total Families Covered
Dairy Development Project (DDP)	276	-	276
Wadi	395	-	395
Aarogyam	20,175	932	21,107
Community Development & Social Welfare (CDSW)	1,129	-	1,129
Vocational Skills Development Project (VSDP)	38	282	320
Livelihood Enhancement through Entrepreneurship Development (LEED)	31	1,835	1,866
Gyanam	1,423	-	1,423
TOTAL	**23,467**	**3,049**	**26,516**

Over the years, DFPCL has been engaged in societal upliftment (rural and urban) through the Ishanya Foundation (IsFon). The Foundation has been instrumental in changing lives and livelihoods of marginalised communities in rural and urban parts of Maharashtra and Gujarat.

In 2021-22, IsFon touched lives of 26,516 beneficiaries through a number of rural and urban initiatives for health, education and sustainable livelihoods. Some of the key urban initiatives of IsFon include Vocational Skill Development Project (VSDP), Livelihood Enhancement through Entrepreneurship Development Project (LEED) like Muskaan, Income Generation Project (IGP), Yellow Ribbon NGO & Artisans Fair (YRNF), Entrepreneurship Development and Aarogyam.

Meanwhile, rural initiatives by IsFon such as Wadi, Dairy Development Project (DDP), Aarogyam, Gyanam, Community Development & Social Welfare, Entrepreneurship Development and Vocational Skills Development Project (VSDP) have been positively impacting rural communities including small and marginalised farmers, women and youth. IsFon's dedicated team has helped the rural communities fight poverty, combat health issues and find sustainable livelihoods.

URBAN INITIATIVES

Vocational Skill Development Project (VSDP) – Urban

IsFon conducts a variety of job-oriented vocational and soft skill training courses for underprivileged women and youth from marginalized communities. The aim is to provide them better opportunities for employment, and gradually lead their families out of poverty thus leading sustainable livelihood.

Soft Skills, Mock Interviews, Spoken English and Mentorship are also a part of all our courses that help them to earn an income in the range of **₹ 5,000/- to ₹ 25,000/- per month**.

Job Oriented Courses conducted during 2021-22

- Professional Beautician Course & Art of Mehendi with Spoken English
- Certificate Course in Information Technology with Spoken English
- Post Basic B.Sc. Nursing with Symbiosis College of Nursing
- B.Sc. Nursing with St. Andrews College of Nursing
- Laboratory Technician Course with Suburban College of Paramedical Education
- Basic Plumbing Course with Dnyanada Institute of Flow Piping Technology
- Autotronics Course with Don Bosco Vyawasaik Prashikshan Kendra
- Automobile Technician Course with Don Bosco Vyawasaik Prashikshan Kendra
- Mechanic Motor Vehicle-ITI Course with Don Bosco Vyawasaik Prashikshan Kendra
- Mechanic Auto Body Repair –ITI Course with Don Bosco Vyawasaik Prashikshan Kendra
- Manual Insertion Operator Course with Youth for Development Foundation
- Asst. Operator Course with Youth for Development Foundation
- Turner Fitter Course with Youth for Development Foundation

Vocational Skill Development Project (VSDP) – Rural

IsFon provides various skill enhancement training programs such as Tailoring courses and Optometry courses in the rural areas. These activities have created a positive impact on the aspirants, providing them financial stability and inclusivity within the community. The average income earned by them is in the range of **₹ 3,000/- to ₹ 23,000/- per month.**

Livelihood Enhancement through Entrepreneurship Development (LEED)

LEED provides entrepreneurship opportunities and facilitates livelihood through secondary source of income generation for financially challenged women.

Income Generation Programme (IGP)

The Income Generation Programme supports more than 75 women from the marginalized communities in Pune and two NGOs namely Anubhuti Foundation and Seva Sahayog Foundation. Women who already have basic stitching skills using a sewing machine are trained to make various gifting products such as gifting bags, thali covers, table mats, saree covers, jewellery pouches, etc. The new enhanced skill set help them to earn on an average ₹ **7,000/- per month.**

Muskaan

- Based on the principle of 'Reuse, Recycle & Revenue generation', this is a unique initiative empowering financially challenged women fondly called 'Muskaan Parees'.
- It also benefits the customers since the items are sold at a very nominal price.
- Pre-owned garments are donated by the well wishers, which help the financially challenged women to earn a secondary source of income which range from **₹ 3,000/- to ₹ 5,000/- per month.**

Entrepreneurship Development (Urban & Rural)

Our Entrepreneurship Development initiative supports people who live on the fringes of society and want to start their own business or expand an existing one. The programme seeks to enhance skills and knowledge to empower self-employment and run small businesses through various initiatives which help them to increase their income by **₹ 6,000/- to ₹12,000/- per month.**

Yellow Ribbon NGO & Artisans Fair (YRNF)

The Yellow Ribbon NGO & Artisans Fair is a unique platform that brings the collective work of NGOs, artisans, farmers, social enterprises and SHGs from across India, providing them with a platform to reach out to their stakeholders be it – individuals, corporate and government bodies.

This year's participants came from across Maharashtra, Himachal Pradesh and Rajasthan. They exhibited and sold products ranging from sweets, gifting articles, diyas, dry fruits, candles, flower vases, organic cereals & pulses, traditional Indian woven sarees & dress material and much more.

Employee/Volunteer Engagement Activity

Individual volunteers, as well as DFPCL and Smartchem Technologies Limited (STL) employees and their spouses voluntarily supported the IsFon activities during the year. They willingly wanted to give back to the community and take part in the philanthropic causes initiated by IsFon. 83 employees and their spouses participated in the orientation programme conducted by IsFon.

RURAL INITIATIVES

Wadi Project

Under this initiative, the small and marginalized farming families are given access to integrated farming tools and techniques for intensive land development. They are also provided expert guidance in new techniques, commercial farming and market linkages. Selected with due diligence based on set criteria, the farmers are given support to establish a half-acre Kesar mango orchard with 30 trees. IsFon assists with almost every aspect of the orchard - from water resource development, lifting devices, farm tools, plant nutrition and protection. This helps to increase the income by **₹ 20,000/- to ₹ 40,000/- per annum** through the sale of vegetables and mango.

Support given on 0.5-acre land:

- Establish mango orchard - Kesar variety
- Fertiliser
- Pesticide
- Farm Tools
- Vegetable seeds
- Water pumps & pipes
- IPM & INM techniques
- Development of eroded wasteland through soil and water conservation
- Cultivation of vegetables
- Development of Model/Trial Plots
- Capacity building

Total no. of mango trees planted	11,460
Survival rate	85.31%
Acres	191.50
Families covered (395 Nos.)	380 Wadi + 10 WRD support + 5 Nursery
Villages & hamlets covered	18
Total income from vegetable sales	71.04 lakh (257 farmers)
Number of farmers cultivating vegetables on their own	380

DAIRY DEVELOPMENT PROJECT (DDP)

For small, marginalized, landless farmers and labourers, the DDP aims to build and enhance dairy farming productivity. Based on set criteria, aspirants are selected with due diligence and provided assistance to start and improve dairy farming. These small dairy farmers can earn ₹ 8000/- to ₹12,000/- per month through the sale of milk and cow dung.

- Eligible women of farmer's households are supported with cross breed cow
- Assistance in the development of fodder plots
- Doorstep services of vaccination, artificial insemination followed by pregnancy diagnosis of cows and buffaloes
- Support of market linkage for selling milk

Total milk produced	4,62,970 Ltr
Milk consumed at home	1,00,005 Ltr
Milk consumed by calf	69,615 Ltr
Milk sold in the market	2,93,350 Ltr
Additional Income through sale of milk	₹ 1,14,92,010/-
Cow dung produced	99.55 MT
Artificial Insemination+ Sorted Semen AI-14	837
Pregnancy Diagnosis (PD) (Jan-20 to Dec-20)	905 Confirm Pregnancy Diagnosis (CPD) - 399, Empty - 76; Repeat - 411; Pending - 19 = 905 Conception Rate - 45.03%
Calving	**281 (Male - 129, Female - 152)**

COMMUNITY DEVELOPMENT & SOCIAL WELFARE (CDSW)

Under this initiative by IsFon, community members come together to resolve common problems by taking collective action. The aim of this initiative is to bring about community development through collective actions of the members of the community by acting as a catalyst to overcome economic, social and environmental difficulties.

Key activities:

ACTIVITY	DETAILS
Distribution of Grocery kit to slums in Andheri: 250 nos.	4 kg rice, 4 kg wheat, 2 kg sugar, 2 kg tur dal & 2 lt soyabean oil
Donation of water purifier in Rahiyad village, Dahej: 450 nos.	Distribution of water purifiers
Installation of children's playing equipment in public gardens at Rahiyad & Suva village	Children from 419 families benefitted
Donation of furniture to Marine Police Station, Dahej	For visitors & staff

AAROGYAM (Urban & Rural)

Aarogyam is a holistic healthcare initiative by IsFon that caters to proactive diagnosis and care of the urban poor and underprivileged marginalized rural and tribal communities. For vulnerable populations in and around Pune city, and in the villages of Taloja MIDC, IsFon provides preventive healthcare services aimed at improving their health and quality of life.

Key activities

IsFon started a collection centre for pathological investigations at its office through a tie-up with N. M. Medicals. It is a convenient collection centre for patients to avail pathological services at very nominal costs. All pathological investigations are covered under this initiative. During the year, the facility was publicized via social media campaigns, and awareness drives were also carried out through doctors and other individuals.

Under Aarogyam, IsFon also went all out to render aid and assistance during the pandemic that paralysed India and negatively impacted so many. Masks for health workers, ambulances for emergencies, hand sanitizers were donated in huge numbers, while our mobile clinic service provided aid to numerous patients in and around villages near Pale, Taloja.

21,107 (URBAN – 932 RURAL – 20,175)
PATIENTS COVERED

ACTIVITIES CARRIED OUT DURING PANDEMIC

Activity	Collaborations
Donation of Ambulance	• Swami Ramanand Teerth Rural Govt. Medical College & Hospital, Ambojogai, Beed • JIIU Indian Institute of Medical Science, Warudi, Badnapur, Jalna
Installation of four Oxygen Generator Plant (15Nm3/Hr Capacity)	• Shree Sardar Patel Jalalpore area, Navsari, Gujarat • Sub District Hospital, Trimbakeshwar, Nashik • Shri Shaneshwar Rural Charitable Hospital Shani Shingnapur, Tal Newasa, Ahmednagar • Meltron Hospital, Aurangabad Municipal Corporation
Donation of five Oxygen Concentrator	• Mumbai Municipal Corporation
Distribution of COVID Kit to 2,800 families from 9 villages around Taloja	• 500 ml sanitizer & 4 masks per kit
Distribution of 1,000 lit. Hand Sanitizer	• Health Department, Police Stations & Other Govt. offices in Taloja, MIDC
360 Vaccinations for COVID	• Sancheti, Jehangir, KEM & Usha Nursing Home
62 Awareness sessions for registration in CoWin App & Pranayam session	• Conducted virtually

GYANAM

The two-pronged goal comprises of:

- Creating a better school learning environment through various interventions
- Improving the overall quality of education

Activity	Reach
Construction of Aanganwadi classroom at Pale Khurd, Panvel	Benefitting 50 children
Setting up of 10 digital class for Raigad Zilla Parishad schools	Benefitting 606 students
Providing Science Lab Equipment & Printer at Madhymic Vidhyalay Chindran	Benefitting 175 student
Provided sports kit to RZP School, Chindran	Benefitting 290 students
Appointment of Special Subject Teacher at Rahiyad Secondary & Higher Secondary school	Benefitting 37 students
Infrastructure development in Rahiyad Primary Schools	Benefitting 265 students
Arranged two Home Safety Training programme at Rahiyad Primary School	class 6 to 8 & class 9 to 12

Management Discussion & Analysis

ECONOMIC OVERVIEW

Global

According to International Monetary Fund (IMF)'s April 2022 World Economic Outlook Update, the global growth is projected to slow down from 6.1% in 2021 to 3.6% in 2022 and 2023. As per IMF, Advanced Economies (AEs) grew by 5.2% and Emerging Markets and Developing Economies (EMDEs) by 6.8% in 2021 as against negative growth of (4.5%) and (2.0%) respectively in 2020. China, a large global GDP constituent in the EMDE block, grew by 8.1% in 2021 as against 2.2% in 2020. The zero-tolerance COVID-19 policy and long drawn financial stress remain areas of concern for China, while its growth is expected to steam off to 4.4% in 2022, before rebounding to 5.1% in 2023.

GDP Growth Trend (%)

	2020	2021	2022 (P)	2023 (P)
World	(3.1)	6.1	3.6	3.6
AE	(4.5)	5.2	3.3	2.4
EMDE	(2.0)	6.8	3.8	4.4
India	(6.6)	8.9	8.2	6.9

Source: WEO Apr 2022, IMF

AE: Advanced economies, EDME: Emerging markets and developing economies

The inflationary pressure is expected to remain high due to the ongoing pandemic with new variant, impact of war and broadening of the price pressures. As per IMF, inflation is projected at 5.7% in AE and 8.7% in EMDE in 2022, before moderating in 2023 at 2.5% for the AE and 6.5% for EMDE.

In 2022, the impact of Russia-Ukraine war is expected to have significant impact on oil and gas prices. The war setback is also expected to be evident on food prices well into 2023. Between August 2021 and February 2022, the crude oil prices increased by 36% to 97 $/bbl led by strong recovery in oil demand globally, as well as short-lived effect of the Omicron variant in 2021. However, the geopolitical tensions and Russia-Ukraine war has led to steep increase in brent crude oil price which temporarily reached USD 140 per barrel in early March 2022. IEA (International Energy Agency) predicts that global demand for oil in 2022 is projected to increase to 99.7 million barrels a day (mb/d) - up by 2.1 mb/d from

2021. This is directly dependent upon the geo-political situation and its impact on supply chains and economic activities.

India

India, the second largest constituent of EMDE block, grew at a strong 8.9% in 2021 after a sharp contraction of (6.6%) in 2020, according to IMF. The fast-paced vaccination drive, investor friendly government policies and focus on Aatmanirbhar Bharat have enabled the country to bounce back rapidly. IMF expects India to continue its steady growth in 2022 at 8.2% and stabilise at a 6.9% in 2023. The outbreak of the second and third wave led by Delta and Omicron variants respectively did impact the economic activities during FY22, but was short lived.

The overall growth in economic indicators is expected to be backed by strong growth in agriculture and manufacturing sectors.

Positive Impact from Union Budget 2022-23

Agri

- ₹ 2.37 lakh Cr. direct payment to 1.63 Cr. farmers for procurement of wheat and paddy.
- 'Kisan Drones' for crop assessment, digitization of land records, spraying of insecticides and nutrients.
- 9.08 lakh hectares of farmers' lands to receive irrigation benefits by Ken-Betwa link project.

Pharma

- Pradhan Mantri Swasthya Suraksha Yojana budget estimates for 2022-23 at ₹ 10,000 Cr..
- Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical KSMs/ Drug Intermediates and APIs in the country with financial implications of ₹6,940 Cr. for next eight years.
- Decision to develop 3 mega Bulk Drug parks in India in partnership with States with financial implication of ₹ 3,000 Cr. over next five years.

Infra

- ₹ 7.5 Lakh Cr. set-aside for capital expenditure in FY 23, a rise of 35.4 percent over last year.
- ₹ 20,000 Cr. to be mobilised for National Highways Network expansion.
- 100 PM GatiShakti Cargo terminals for multimodal logistics to be developed during the next three years.
- 2000 Km of Railway network to be brought under Kavach, the indigenous world class technology and capacity augmentation in 2022-23.
- One Station One Product concept to help local businesses & supply chains.
- 400 new generation Vande Bharat Trains to be manufactured during the next three years.
- National Ropeways Development Program, Parvatmala to be taken up on PPP mode.

Mining

- Liberalization allowing sale of up to 50% coal produced in a year by captive coal mines -Mineral Concession (Amendment) Rules, 2021; aimed at enhancing the availability of domestic coal in the open market by allowing lessees of captive mines to enhance production from captive mines & sell prescribed quantity of coal
- Launch of Mission Coal Gasification - diversification of coal through Surface Coal Gasification into downstream chemicals
- Increase in auction of Commercial Coal Mines: total of 105 coal blocks having aggregated peak rated capacity of ~512 Million MT/Annum have been notified, out of which 47 have got Mine opening permission and of which 36 have started operations
- To increase availability of iron ore in India, the government took several initiatives, such as 'Mining and Mineral Policy' reforms, to ramp up production and maximum capacity utilization by government mining companies.
- Launch of Production Linked Incentive (PLI) scheme for Specialty Steel
- The National Steel Policy aims to boost per capita steel consumption to 160 kgs by 2030-31.

Chemicals

- More than 350 customs exemption entries proposed to be gradually phased out, like exemption on certain agricultural produce, chemicals, fabrics, medical devices, & drugs and medicines for which sufficient domestic capacity exists.
- Simplifying the customs rate and tariff structure particularly for sectors like chemicals, textiles and metals and minimise disputes; Removal of exemption on items which are or can be manufactured in India and providing concessional duties on raw material that go into manufacturing of intermediate products – in line with the objective of 'Make in India' and '*Aatmanirbhar Bharat Abhiyaan*'.

AS PER THE DATA ON THE INVEST INDIA WEBSITE, THERE IS A STRONG OPPORTUNITY FOR THE SECTOR TO PRODUCE

US$ 111 billion

WORTH OF CHEMICAL PRODUCTS BY 2023 FOR DOMESTIC REQUIREMENTS.

INDIAN INDUSTRY OVERVIEW

Chemicals

The Indian chemicals and petrochemicals industry has been on a continuous growth path backed by rising domestic demand, shift of production and consumption patterns to Asian and Southeast Asian countries, and government's supportive policies such as "*Aatmanirbhar Bharat Abhiyaan*" scheme and "Make in India". The upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks too is expected to boost the sector with state-of-the-art infrastructure.

India is the 6th largest producer of chemicals in the world and overall contributes around 3% to the global chemical industry. The projected market size of the Indian Chemicals and Petrochemicals sector is expected to touch USD 304 billion by 2025 from USD 178 billion in 2018-19, and expected to grow at an annual rate of 9.3%, on the back of rising demand from end-user industries, increasing investment and spending, various Government Policy support, rapid import substitution and global geo-strategic demand shift from other large producing countries. Data suggest that, there is a strong opportunity for the sector to produce USD 111 billion worth of chemical products by 2023 to meet domestic requirements.

Pharmaceutical

India is the largest supplier of generic medicines with a 20% share in the global supply. The country ranks 3rd in the world in terms of pharmaceutical production by volume. India contributes 3.5% of total drugs and medicines exported globally with a ranking of 14 in terms of value.

Over the years, the price competitiveness as well as high quality output has enabled Indian medicine producers to become a dominant player in the world market, thereby making the country a "Pharmacy of the world". However, despite a prominent player in formulations, India is significantly dependent on import of basic raw materials, viz. bulk drugs that are used to produce the finished dosage formulations. While Bulk Drugs accounted for 63% of the total pharmaceutical imports in the country during 2018-19, in case of some specific APIs the import dependency is 80 to 100%. In case of Key Starting Materials (KSMs)/ Drug Intermediates, which are the building blocks for manufacturing of APIs, the situation is much more alarming.

In a bid to reduce the dependency on imports and make the sector *Aatmanirbhar*, Government has been incentivising it with various policy decisions and initiatives. These include Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) in India.

Mining & Infrastructure

The Government of India (GoI) has been reforming the mining sector to boost domestic production. The launch of "National Mineral Policy 2019" and the Mines and Minerals (Development and Regulation) Amendment Act 2021, along with reforms such as "Make in India" Campaign, "*Aatmanirbhar Bharat Abhiyaan*", Smart Cities, Rural Electrification, Housing for All, Power for All, and focus on building renewable energy projects under the "National Electricity Policy", has opened up plethora of opportunities for the sector. Moreover, there has been a steady spend on infrastructure by the government that adds on the sectoral outlook.

In a bid to remove the roadblocks and incentivize the mining sector to make commercial mining a success, the government has been taking various measures such as removal of restrictions on end use of minerals, allowing sale of minerals by captive mines, converting fixed payment mechanism by revenue-sharing model that protects downside for the lease owners in a tough environment. The 3rd round of auction have 88 coal blocks offered and the 4th round of auction held in December 2021 offered 99 coal mines, of which 59 are fully explored with 40 partially explored. The total all India coal production in FY22 grew by 8.5% including CIL of 623 MMTPA (growth of 4.4% in FY22 YoY basis) and SCCL of 65 MMTPA (growth of 28.5% in FY22 YoY basis).

Coal Production (in MMTPA)

Company	Apr-21 to Mar-22	Apr-20to Mar-21	% Growth
All India Coal	785	724	8.5%
CIL	623	596	4.4%
SCCL	65	51	28.5%

Source: Ministry of Coal, GoI.

After a long deceleration until December 2021, Index of Industrial Production (IIP) has started to show growth in 2022. In absolute numbers, the IIP for the period Apr-21 to Mar-22 stood at 136.0, higher than pre-pandemic level for the period Apr-19 to Mar-20 by 3%. The Indices of Industrial Production for the Coal, Cement and Steel sectors for the above same period has grown by 7%, 8% and 7% respectively.

As per the second advance estimates of GVA at Basic Prices by NSO, the mining & quarrying industry grew by 12.6% in 2021-22, while manufacturing grew by 10.5% in the same period.

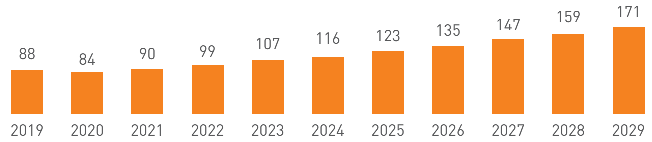
GVA at Basic Prices by Economic Activity (at 2011-12 Prices)

Industry	Percentage Change Over Previous Year	
	2020-21	2021-22
Agriculture, Forestry and Fishing	3.3	3.3
Mining and Quarrying	(8.6)	12.6
Manufacturing	(0.6)	10.5
Construction	(7.3)	10.0

Source: NSO.

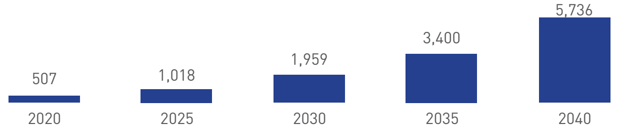
Infrastucture: Strong Stable Growth in Infrastructure Spending

India Infrastructure Industry Value (US$Bn)



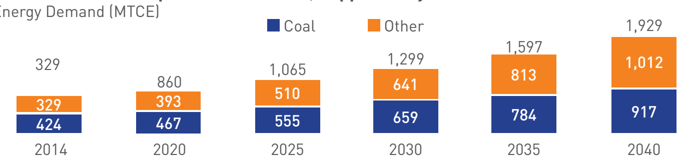
Cement: Growing Construction Activities Drive Cement Demand

India Construction Gross Output (US$Bn)



Coal: Reliance on Coal Expected to Continue, Supported by Favourable Government Policies

India Energy Demand (MTCE)



Source: DCF Regorm (Mo&C) for Power & Cement: Oil Vadon 2000, 3M Paranach, EMS

Agriculture

Agriculture is the primary source of livelihood for about 54.6% of India's population. As per the second estimates of NSO, the agriculture, forestry and fishing accounted for a 15.5% (2021-22) of the country's GVA at Basic Prices of 2011-12, registering a growth of 3.3%.

The total foodgrains production in the country is estimated at record 316 million tonnes which is higher by 5.32 million tonnes than the production of foodgrains during 2020-21, as per the second advance estimates released by Ministry of Agriculture and Farmers Welfare.

The sector has witnessed noteworthy progress during the pandemic with India emerging as a major global supplier of food / essential agriculture products. Agriculture exports buoyancy is driven by commodities such as rice (both basmati and non-basmati), marine products, wheat, spices and sugar, among others, recording the highest ever agricultural products export in 2021-22 seen at around USD 50 billion.

There has been significant focus by the government towards modernising agriculture laced with technology, world-class infrastructure and best-in-class equipment and soil inputs. Efforts have been taken to remove roadblocks, and enhancing farm yield and farmer income. During the pandemic, the government data indicates that 3 Cr. farmers Kisan Credit Cards (KCC) were provided for financial support. Even micro irrigation network has been strengthened by the government to benefit small farmers. Moreover, the government has also increased the agricultural credit target to ₹ 18 lakh Cr. for 2022-23 from ₹ 16.50 lakh Cr. for 2021-22. In a bid to ensure that farmers are able to get short-term farm loans at affordable rates, the government is also providing a 2% interest subsidy to them for farm loans up to ₹ 3 lakh.

In view of steep increase in the international prices of fertilisers and inputs such as Ammonia, Phosphoric acid, MOP (Muriate of Potash) and Sulphur, the Government has approved for Nutrient Based Subsidy (NBS) of ₹ 60,939 Cr. for kharif season 2022 for manufacturing. This subsidy is over 50% more per bag over last year. The government has been making efforts to make fertilisers namely Urea, DAP and grades of P&K fertilisers, easily available to farmers at subsidized prices through fertiliser manufacturers/ importers.

As per statista, in the financial year 2022, 8.31 million metric tons of NP/NPK fertilisers were produced in India, lower in comparison with the previous year due to non-availability of critical Raw material and increased prices. The production of complex fertilisers in India has however increased significantly during the last two decades.

Artificial intelligence (AI) and drone technology is going to completely change the face of agriculture and farming in the 21st century. These technology advancements would lead to better soil management and related agri inputs in the form of fertilisers.

India ranks 3rd in terms of Agritech funding and is likely to witness investments worth USD 30-35 billion by 2025. India's agriculture technology can grow to USD 24.1 billion in 5 years. The current market size of agri tech, including AI-based agri innovation start-ups in India, is nearly worth USD 204 million.

BUSINESS OVERVIEW

At Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), our business operations are spread across four business verticals, including;

- Industrial Chemicals (IC)
- Technical Ammonium Nitrate (TAN)
- Crop Nutrition Business (CNB)
- Value Added Real Estate (VARE)

The Company has manufacturing facilities at Taloja – Maharashtra, Srikakulam – Andhra Pradesh, Panipat – Haryana and Dahej – Gujarat. The total current manufacturing capacity of the company stands close to about 3 million MT per annum (IC+TAN+CNB)

Industrial Chemicals (IC)

DFPCL is a leading manufacturer of industrial chemicals such as Nitric Acid, Iso Propyl Alcohol (both pharma as well as industrial grade IPA) and food grade Liquid Carbon Dioxide in the country. The Company also imports and supplies IPA and other chemicals within India.

In line with DFPCL's strategy to transform from commodity to specialty company, the IC business has been bringing 'value' to the customers through its product solutions. The IC business has been working towards value based pricing for its products/services. The business unit through its better input cost management has been realising higher customer satisfaction and stable earnings for the company and shareholders.

Iso Propyl Alcohol (IPA)

DFPCL is the largest producer of IPA in India with supply reliability via manufactured and imported products. The Company is the only pharmacopeia compliant IPA manufacturer in India.

The IC business is working towards placing all its IPA-based solutions in premium applications across Pharma, Electronics and disinfection solutions. The business had forayed into the hand sanitisers, disinfectants and wipes segment with its IPA-based product brand called "Cororid" in FY21. The launch of Cororid was part of the company's strategy to focus more on value-added products.

During FY22, the IC business unit launched eight different products for disinfection solutions in the hospital segment.

The Cororid brand has received good response from the domestic market, including B2B as well as B2C segments. In FY23, the business unit aims to further expand its offerings with new products in specialty segment.

The Company is the only player in the market that offers a complete basket of IPA variants, i.e., industrial grade, pharma grade (IP, EP, BP, CP, EP, USP compliant) in various packing sizes.

The IPA market in India is expected to grow at a CAGR of 6.73% by volume due to the growing consumption in the pharmaceuticals and chemicals industry as a solvent, according to Chemanalyst. In FY21, the IPA market in India stood at 218 KTPA and is forecasted to reach 392 KTPA by FY30. The significant increase in demand from pharmaceuticals sector during the pandemic for hand sanitisers and disinfections led to strong IPA demand with stable future prospects. The government's PLI (Production Linked Incentive) scheme to boost manufacturing in the Solar and Electronic industry, and support towards setting up of world-class healthcare infrastructure development (hospitals and research centres) is expected to open new demand avenues for niche and specialty grade IPA.

DFPCL is the largest producer of IPA in India with supply reliability via manufactured and imported products. The Company is the only pharmacopeia compliant IPA manufacturer in India.

The IPA market in India is expected to grow at a CAGR of 6.73% by volume due to the growing consumption in the pharmaceuticals and chemicals industry as a solvent.

Nitric Acid

DFPCL holds 45% market share in the Nitric Acid (CNA, DNA & SNA) market in India. The Company has a total capacity of 1120 KTPA. Technical Ammonium Nitrate (TAN) and Ammonium Nitro Phosphate (ANP) consumes a significant portion of the captive Nitric Acid manufacturing while the surplus Nitric Acid is sold to domestic companies.

Small pack IPA (25 litre) drumming plant at Taloja

During FY22, the Company witnessed strong revival of demand in the Agri & Pharma intermediate space leading to robust market situation for Nitric Acid. The Government of India's PLI schemes in Solar and Electronic industry is likely to improve demand for niche and specialty premium graded Nitric Acid. In a bid to cater to the changing demands in the market, the IC business unit has been innovating and developing specialty grades of Nitric Acid for specific application segments.

The demand for Nitric Acid in India is expected to grow at a healthy CAGR of 5.50% till FY30.

With Government initiatives such as 'Aatmanirbhar Bharat' and 'Make in India', and its aim to simplify tariff structure and encourage domestic production under PLI scheme has led to a sustainable growth in demand for Nitric Acid. The industries such as Steel, Pharmaceuticals, Nitroaromatics, and Explosives are expected to lead Nitric Acid demand in India.

Liquid Carbon Dioxide (CO_2)

DFPCL is one of the leading suppliers of Liquid Carbon Dioxide with an installed annual capacity of 72000 MTPA at Taloja, Maharashtra. Liquid Carbon Dioxide produced by the company is 'food grade' certified and supplied to various beverage manufacturers and engineering industries as a shield gas for welding.

Distillery based new LCo_2 plants are posing a challenge on the overall demand supply balance and pricing structure leading to 79% capacity utilisation.

Methanol

DFPCL has an installed capacity of 100 KTPA for Methanol at Taloja, Maharashtra. Methanol is used to produce Formaldehyde, Tert-Amyl Methyl Ether (TAME) and Methyl derivatives. It is also used as a solvent in the pharmaceutical and paint industries.

In the Budget 2022-23, the Government of India has announced its plans to reduce custom duty on certain critical chemicals such as Methanol. Methanol production in India is not competitive compared to imports due to the high natural gas cost in India.

The usage of Methanol is expected to reduce annual fuel bill for India by 15% till 2030. M15 blending activity link to current gasoline engine is going on at Government and IOCL level. Further instructions from NITI AAYOG are awaited.

Traded Chemicals

Over the years, DFPCL has significantly reduced its trading portfolio to focus on its core business. To continue maintain its market share and stronghold in the market, it trades in select products such as IPA and Ammonia. Going forward, the Company is exploring possibility of trading in Pharma specialty solvents to offer basket of solvents to Indian Pharma companies along with Pharmacopeia grade IPA & Methanol.

Technical Ammonium Nitrate (TAN)

DFPCL aims to be a reliable supplier and trusted partner to its clients in the mining and infrastructure sector, delivering value-added TAN products. In a bid to achieve this, the Company has been focusing on last mile execution excellence through specialty products and customised solutions.

As part of the overall corporate transformational journey from 'product to solutions' and 'commodity to specialty', DFPCL's TAN business unit has been making significant inroads. The business unit has re-designed the organisational structure based on the market segments that it caters to become more 'customer and consumer' centric and 'solution' oriented in each of the market segments.

DFPCL is one among the top producers of TAN in the world with current installed capacity of about 500 KTPA. The Company has India's largest TAN manufacturing complex producing High Density Ammonium Nitrate (HDAN), Low Density Ammonium Nitrate (LDAN) and Ammonium Nitrate Melt (AN Melt). The Company is the only producer of explosives grade TAN solids in India & also manufactures Medical Grade Ammonium Nitrate which is widely used in the production of medical grade nitrous oxide for use as an aesthetic/analgesic. The Company secured 44% Market Share in the Domestic TAN market in FY22. In the export market, the Company caters to Middle East, Africa, and South East Asian countries. DFPCL has location advantage with its TAN plants due to their proximity to major mining hubs in East and Central India.

With the demand for TAN expected to pick up in the post pandemic period backed by growth in mining and infrastructure sectors

Total Cost of Ownership (TCO) project by TAN team at an upcoming airport site near Navi Mumbai in India, TAN business unit is looking at tapping the opportunity and execute key value delivery projects for its end customers. To this effect, the business unit has planned a number of Total Cost of Ownership (TCO) and downstream productivity improvement projects with consumers in the Mining (Coal & Non-Coal) and Infrastructure sectors.

In FY23, the TAN business unit has planned more such TCO projects through investments in advanced tools such as;

(a) Sensor system for capturing excavator productivity,

(b) Bore-tracking system for hole deviation measurement,

(c) Online fragmentation measurement system etc.

The TAN business unit has executed its first Total Cost of Ownership (TCO) project at a prestigious Infrastructure project of India. The Company partnered with a leading Mining Educational Institution as a 'Scientific Partner' for execution of this project. The project report highlights the significant cost and potential downstream benefits realised by the infrastructure project.

In order to establish value proposition for each consumer segment of the market, and demonstrate downstream productivity benefits to the end-consumers, TAN Business has invested in developing a strong team of technical experts. Moreover, the business has also forward integrated into production and marketing of high energy cartridge explosives which provide superior value as compared to the conventional explosives to the

State-of-the-art TAN bagging plant at K-8, Taloja

The TAN business is investing in building and scaling up key enablers including;

(a) Technical / Technological Capabilities

(b) Operational Excellence

(c) Forward Integration into Explosives Manufacturing

end-consumers, along with best-in-class technical services to drive downstream productivity benefits for the end-consumers.

In FY23, the TAN business unit has planned more such TCO projects through investments in advanced tools such as;

(a) Sensor system for capturing excavator productivity,

(b) Bore-tracking system for hole deviation measurement,

(c) Online fragmentation measurement system etc.

The TAN business unit is also making significant investments in the form of hardware such as BMDs (Bulk-Mix-Delivery Trucks for delivering ANFO Down-the-Hole on mine bench at mine sites) , as well as advanced software technology such as Drones & Artificial Intelligence based blast modelling. The business unit is actively collaborating and partnering with leading third-party institutions such as CIMFR (Central Institute of Mining and Fuel research), IIT(ISM) Dhanbad, NIT Rourkela etc. in order to deliver improved efficiencies and productivity to the Mining and Infrastructure sectors in India.

In-terms of improved standards of compliance to AN Rules, the TAN Business has deployed upgraded and advanced Global Positioning Tracking System (GPS) across its manufacturing & distribution units. These help the business to continuously track and trace all its product movement in line with the AN Rules as well as provide alerts in case of deviation for the Business to take prompt corrective actions.

In specific to the Mining & Instructure sectors, all India Coal Production grew by 8.5% in FY22 on YoY basis, Cement production by 20.9%, Steel production by 17.3%, and Electricity Generation by 7.5%. Aligned with the recovery and improvement in demand of Key Market indicators, demand for TAN also improved. TAN Business achieved volume growth across all products in FY22 in comparison to FY21. Total TAN Sales Volume in FY22 grew by 14% in comparison to FY21, HDAN, LDAN & AN MELT Volume grew by 9%, 7% and 47% respectively in FY22 vs FY21.

During the year, rising raw material costs impacted companies and businesses. Therefore, the focus of TAN business remained on enhancing operational efficiencies, cost optimisation and value proposition based pricing.

During the year, the business unit organised knowledge sharing seminars with quarry owners and operators, who form the crucial part of the infrastructure sector of India. The business is also investing and planning similar events across different regions of India to bring together key players in Infrastructure system viz. project owners/operators, quarry owners/operators, drill & blast equipment service providers with the aim to share knowledge across the ecosystem and help them derive productivity improvements.

Gopalpur Project

The laying of the foundation stone of the Technical Ammonium Nitrate green field project at Gopalpur, Odisha was done at the hands of the Honourable Chief Minister of Odisha, Shri Naveen Patnaik ji, in December 2021.

The project located at "Tata Steel Industrial Park" in Gopalpur, with an installed capacity of 376 KTPA, entailing an investment of ₹ 2,200 Cr., will generate huge employment opportunities and will meet about 35% of the country's demand. It is strategically located near the major mining hubs to capture domestic demands, and the Gopalpur port for export opportunities.

The environmental clearance and CRZ clearance has been obtained and the CTE for cross country pipeline received. The land preparation and pilling work has commences.

Crop Nutrition Business (CNB)

DFPCL is one of the leading manufacturers of NPK and specialty fertilisers in India. The Company's Crop Nutrition Business is housed under its 100% subsidiary, Smartchem Technologies Limited (STL). The Company under its flagship brand 'Mahadhan' offers wide range of NP (Nitro Phosphate), NPK (Nitrogen Phosphorous Potassium) variants, Water Soluble Fertilisers and Bentonite Sulphur to Indian farmers.

DFPCL offers a basket of 48 products which include value added fertilisers, specialty fertilisers, water soluble fertilisers, micronutrient and secondary nutrients, catering to every farmer's crop nutrient requirement. Under its 'Mahadhan' brand, the Company has products such as Crop Specific Nutrient Basket ("Croptek"), High Efficiency NPK Fertiliser ("Smartek"), unique Nitro Phosphate & Bensulf-Superfast.

The Crop Nutrition business has a strong presence in the horticultural belt of India in the states of Maharashtra, Karnataka and Gujarat. In the last few years, DFPCL has been further expanding its geographical reach to south and north states of India over last few years.

During FY22, the Company launched innovative solution 'Croptek', which has major, secondary and micronutrient viz. Sulphur, Magnesium, Zinc and Boron along with N, P and K. 'Croptek' is India's first crop specific balanced nutrition product with enhance efficiency technology introduced for onion, cotton, sugarcane and maize crop. The product comes with Nutrient Unlock Technology (NUT) that improves the use efficiency of the soil and enhances uptake of nutrients by crops. The Croptek crop solutions have been boon to farmers leading to increased crop productivity, enhanced produce quality and optimising spend on crop nutrition. Studies show that Mahadhan Croptek solution increased yield by 15% and reduce nutrition cost by appx. 10% in the university trials and farmers' fields demonstrations in onion crop. By adopting these balance nutrition solutions, farmers can minimize wastage and optimising of the required nutrients at different stages of the crop growth.

The Company also launched similar crop specific fertigation solutions for grapes and tomato crops under the brand 'Solutek' for improving their yield produce quality and helping them get higher price in market. Similar fertigation specific crop solutions for few other horticulture crops are in pipeline and will be introduced in next 1-2 years.

DFPCL already had earlier successfully introduced products with Enhanced Efficiency powered with Nutrient Unlock Technology called 'Smartek'. These value-added fertilisers, Smartek 10:26:26, Smartek 12:32:16, Smartek 20:20:0:13 and Smartek 14:28:0 have helped farmers increase yield and get 1:10 marginal cost benefit ratio (MCBR). On an average Smartek grades result in 10-12% yield increase and the income of the farmer in various crops. Since launch, Smartek has been widely adopted and benefited to nearly three million farmers with sales crossing 1 million MT.

The Company is amongst the top five NPK manufacturers and largest producer of Bentonite Sulphur in India, with facilities at Taloja (Maharashtra) and Panipat (Haryana). The Company is among the pioneers in bringing Enhanced Efficiency Fertilisers (EEF) through continuously innovating solutions in defined horticulture and commercial crops. It is market leader in Specialty fertilisers in India.

DFPCL has a research-based approach to align itself to the demands of the agriculture segment with its technology-based products. The Company is focused on innovating and

developing products and value-added nutrition solution in selected horticulture and cash crops such as cotton, sugarcane, soybean, onion, groundnut, and fruits and vegetable crops i.e. grapes, pomegranate, tomato and banana. A team of highly qualified and experienced agriculture scientists work on developing different technologies through in-house and third-party collaborations to deliver value products.

CNB's "Go To Market" strategy is based on 'seeing is believing' approach, wherein the pull team engages with farmers in the potential market through various on the ground activities to conduct product or portfolio demos. Farmers are then acquainted with product value proposition on multiple crops across geographies.

Digital Strategy Roadmap

The business unit has adopted digital strategy roadmap as a key strategic enabler to continue the transformation journey from product-based organisation to solution-oriented organisation where value added differentiation is at the core of our customer centricity. The Company has engaged more than 19 million farmers during FY22 through various social media platforms such as Facebook, YouTube, Instagram, Mahadhan app etc.

Farmer Connect: Mahadhan App is a popular platform for reaching out to farmers, engaging and informing them about the solutions such as Mahadhan Croptek, Smartek, and other improved agri practices. It is a mobile based two-way communication platform.

Planning Process: To improve the Planning process across Demand, Manufacturing, Procurement and Dispatches, we have implemented State of the art Solution under Project GALAXY using ANAPLAN Platform. Project Light house (Data Warehouse) and Power BI for data visualisation have been implemented to attain better decision making and analytics.

Channel Connect: Channel partners are integral to the business as they are equally critical to deliver Mahadhan solutions to the farmers. To have a better connect and communication with them, MAHDHAN Connect Digital Portal has been rolled out for the channel partners.

Team productivity: To improve the field team planning and real time tracking of the marketing activities, "Sales Force One" platform has been implemented and is being leveraged successfully since last 4 years.

Value Added Real Estate (VARE)

DFPCL's Value Added Real Estate (VARE) business is predominantly focused on the Company's lifestyle retail centre, "Creaticity" (earlier known as Ishanya) in Pune, Maharashtra. Creaticity is conceptualised as India's first and largest destination for Home & Interiors. It houses nearly 100 national and international brands in the furniture, and home décor category. There is also a choice of curated cuisines and restaurants in addition to Pune's largest and most attractive trampoline park.

Creaticity has been crafting its journey of establishing a single source of solutions, from space planning and interior design to product choice and last mile execution. With this objective in mind, there is significant thrust on various brand partner arrangements, both national and international.

Creaticity houses reputed players such as Ashley furniture, North

Creaticity - Lifestyle Home Interior and Decor Destination Centre at Pune

America, @ home from Nilkamal group, Pepperfry, and Urban ladder, to name a few. Over last few years, Creaticity has been actively pursuing support of technology on three fronts, namely;

- Mall navigation and shopping convenience
- Knowledge sharing to facilitate information
- Transactions, ease of purchase journey

During FY22, the business unit has entered into different agreements with both national and international brands in the furniture category that are expected to go-to-market in FY23. After the lockdown restrictions for malls were gradually lifted in the second half of FY22, there was a steady influx of purpose-driven customers into the shopping centre with growth in campus footfalls by over 80% on year-on-year basis with sales productivity also growing over 30% for Q3 and Q4FY22.

Despite the significant uncertainties resulting from COVID-19, VARE business managed to retain and grow its lease income by about 7% year-on-year, while significantly reducing operating costs to improve net performance compared to FY21.

In FY23, the division will continue its focus on establishing itself as a one-stop-shop for fine home interiors. In line with this, Creaticity has charted a three-pronged approach namely;

a. Build strategic brand tie-ups and associations to establish range and depth of products and services
b. Create a design - led ecommerce platform as a value add to the customers, in addition to the physical offerings so that there is a sustainable long-term omnichannel strategy
c. Develop a complete ecosystem that ranges from space planning to interior design to product selection support to last mile delivery and installation of customer needs

As part of the ongoing strategy, Creaticity business would look at bringing together a collective of national and international brand partners to provide larger range of products and solutions and establishing strong support systems in place for interior design and online engagement. Overall, the division would continue to focus on bringing depth to the categories it serves and enhancing customer experience through a phygital (physical + digital) journey.

On F&B and Entertainment, the strategy is to bring more range (variety of cuisines and active playing options) to help build perception of being an F & B destination, and so too for action-based entertainment., Both are immersive in nature rather than just transactional.

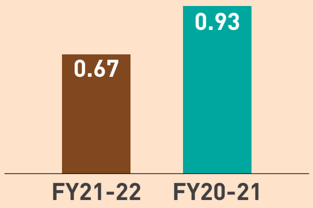
VARE business will strengthen its promise of providing destination value across Home & Interiors, F&B and Entertainment, with a meaningful journey that will help customers experience and express their creativity.

FINANCIAL REVIEW

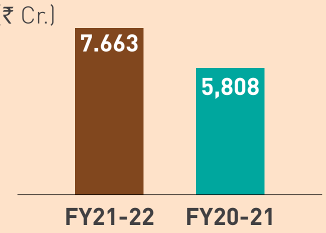
The Company maintained consistent growth during the year, which led to a robust financial performance. Improved realisation on the back of strong demand for the products and strategic initiatives undertaken at the marketplace allowed DFPCL to sustain momentum despite steep increase in raw material prices and disruption in supply chains of raw materials. FY22 operating revenue saw an increase of 31.9% YoY to ₹ 7,663 Cr. revenue with Chemical Business contributing to ₹ 4,575 Cr. revenue and Fertilisers Business contributing to ₹ 3,071 Cr. revenue. Operating EBITDA and Net Profit grew by about 42% and 69% compared to FY21, respectively.

During the year, the Company successfully raised ₹ 510 Cr. through a QIP in October 2021 and leading investors from India and abroad participated in the issue. As part of the commitment to further strengthening balance sheet and improving leverage ratios, the Company reduced its consolidated Net Debt by over ₹ 400 Cr. Gross Debt/Equity ratio improved to 0.67x (FY21: 0.93x) with ICRA Credit Rating of Long Term: A+ (stable); Short Term A1+. Cash Flow Generation from Operation stood at ₹ 1,211 Cr. in FY22 supported by profit growth and robust working capital management.

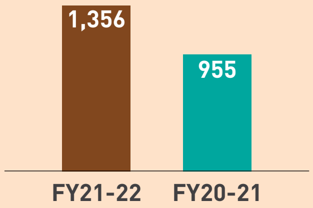
D/E ratio
(total Debt Equity Ratio) (x)



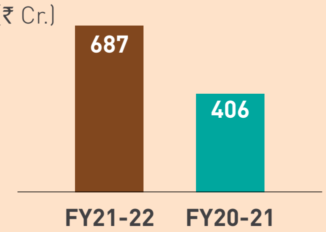
Total Revenue
(₹ Cr.)



EBITDA
(₹ Cr.)



PAT
(₹ Cr.)



KEY FINANCIAL RATIOS

Consolidated Performance	FY21-22	FY20-21
Chemical Revenue (₹ Cr.)	4,575	3,157
Fertiliser Revenue (₹ Cr.)	3,071	2,637
Chemical Segment Result* (₹ Cr.)	1,165	744
Fertiliser Segment Result* (₹ Cr.)	290	198

*Segment Result as per financials; represents segment Profit Before Tax (before finance costs and unallocable expenditure)

Parameters	FY21-22	FY20-21
Debtor turnover (x)	9.93	5.32
Inventory turnover (x)	9.11	8.79
Interest coverage ratio (x)	9.04	5.26
Current ratio (x)	1.54	1.37
D/E ratio (total Debt Equity Ratio) (x)	0.67	0.93
Operating Margin (%)	14.66	12.80
Net Margin (%)	8.97	7.00
Return on net worth (%)	20.87	16.65

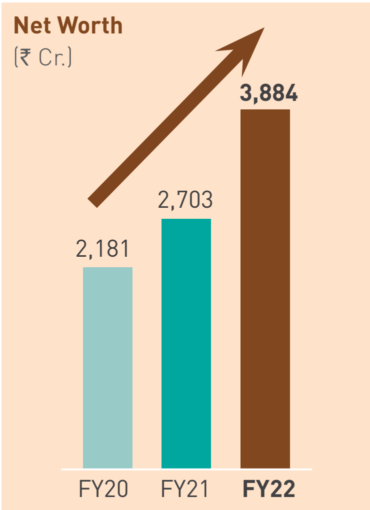
KEY PERFORMANCE METRICS

Consolidated Performance	FY21-22	FY20-21
Total Revenue (₹ Cr.)	7,663	5,808
EBITDA (₹ Cr.)	1,356	955
PBT (₹ Cr.)	1,013	588
PAT (₹ Cr.)	687	406
Earnings per share (₹)	60.44	41.47

Products	Sales Volume in MT		Production Volume in MT	
	FY21-22	FY20-21	FY21-22	FY20-21
Technical Ammonium Nitrate	4,88,219	4,27,801	4,87,564	4,24,451
NPK Fertiliser	3,63,594	4,41,091	3,86,946	4,19,990
Nitro Phosphate Fertiliser	1,63,887	2,44,684	1,75,400	2,35,127
Concentrated Nitric Acid	1,63,713	1,42,850	1,74,314	1,54,051
Bulk Fertilisers Traded	1,26,802	1,52,044	NA	NA
Iso Propyl Alcohol	64,923	55,025	64,625	55,184
Dilute Nitric Acid	63,369	53,284	6,91,123	6,25,915
Liquid Carbon Dioxide	51,937	45,295	51,822	45,183
Bentonite Sulphur	32,038	30,106	33,985	29,248
Traded Chemicals	28,129	61,283	NA	NA
Water Soluble Fertiliser (traded)	27,740	27,418	NA	NA
Strong Nitric Acid (SNA)	23,917	23,240	23,761	23,306
Methanol	23,038	1,068	21,639	2,821
Propane	13,378	9,537	11,762	9,641
Windmill Power ('000 KWH)	11,491	10,088	12,732	10,382
Ammonia (captive use)	NA	NA	94,056	86,840

REVENUE MIX FOR KEY PRODUCTS

Product	FY 21-22	FY20-21
TAN	34.54%	25.74%
ANP, NPK, Bensulf, WSF	32.80%	37.37%
Nitric Acid	12.05%	8.98%
IPA and Propane	9.28%	10.67%
Traded Bulk Fertilisers	6.26%	5.72%
Traded Chemicals	2.75%	8.61%
Water Soluble Fertiliser (traded)	1.08%	2.55%
Others	1.24%	0.38%



BUSINESS OUTLOOK

Our market leadership in key product segments and strong demand outlook is expected to drive business growth and profitability. Our transition and focus towards providing customer specific specialised services and product is being well received by our end consumers and will also act as a strong base for future growth. Let it be in IPA with pharma specific grade IPA or crop specific grade of fertiliser for farmers or LDAN based ANFO coupled with blasting & technical services in mines.

During the year we have experienced significant increase in raw material prices which put our business resilience to test highlighting our ability to pass through the increase in raw material prices and we will continue to do so if such situation continues. With the positive outlook for the mining, infrastructure and power sector, the Company is expected to benefit from the increased TAN demand, a trend that is likely to sustain. Focus is also to demonstrate and deliver value propositions of ANFO based explosives through Technical Services.

Shift of global supply chain trend towards India will continue to drive strong demand of Nitric Acid from downstream customers. The IPA small pack demand both from Pharma and LR grade are expected to remain strong.

Our focus on a crop-specific nutrition product portfolio shall provide value to farmers by enhancing agri-produce quality, increase in yield. This will help

farmers to improve their income levels which inturn will drive our fertiliser demand.

Furthermore, the new Ammonia Project at Taloja (Maharashtra) and the TAN Plant at Gopalpur (Odisha) are making strong progress on the ground and are on track. All our three businesses are well aligned to India's growth story, and we expect them to continue their growth trajectory with robust financial performance. All the business segments in which DFPCL operates are at core of economic development and driven by Governments focus on superior health care, agricultural and infrastructure growth supported by initiatives like Aatmanirbhar Bharat Abhiyan.

We remain confident of continuing our growth trajectory on the back of a robust economic outlook and government's milestone industry reforms.

RISK MANAGEMENT

DFPCL has put in place a robust Risk Management Policy framework to traverse the dynamic business environment comprising regulatory changes, technological disruptions and advancements and financial markets. Our sustainable model is built with an objective to absorb market vitality and other uncertainties. The Risk Management Committee periodically reviews the Risk Management Policy and framework and ensure that appropriate methodology, processes and systems are in place to monitor and evaluate associated risks.

Business level committee comprising of key business and functional heads periodically reviews, the effectiveness of existing controls, implementation of risk mitigation plans for the key risks and new or emerging risks associated with the bussinesses of the Company.

STRENGTHS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Strengths

- Strong fundamentals backed by robust knowledge and rich extensive experience in manufacturing and financial prudence
- Expertise in manufacturing, storage and logistics of ammonium nitrate chemical in compliance with "AN Rules"
- Strong management team with in-depth industry experience
- Well established and trusted brand among its end users across business segments
- Robust dealer network and loyal customer base across market segments in India
- Diversified product portfolio, servicing consumers across diversified sectors
- Integrated Plant operation along with world-class technologies
- Location advantage due to proximity to key customers
- Well established supply chain logistic junction
- Strong systems and process backed with IT systems/tools

Opportunities

- Growth in Indian economy presents significant opportunities for DFPCL since it caters to the critical sectors of the country
- Transition from commodity to value-added and differentiated products and services
- Manufacturing shift of chemical intermediates to India becoming more and more evident with time
- Government's initiatives to improve agricultural productivity by improving soil nutrient balance, encouraging NPK sector
- Government's Aatmanirbhar Bharat and Pharma Vision 2023 to strengthen domestic industries and encourage "Make in India"
- Strengthening of market position via diversification and expanssion projects
- Backward integration to produce Ammonia, a key raw material for DFPCL group
- Forward integration to develop comprehensive product portfolio
- Enhanced focus on digital to better connect with end consumers via social media and mobile applications
- Growing area under micro irrigation and demand for nutrient based fertilisers

Threats

- Trade tension led by Russia-Ukraine war and geopolitical issues
- Abrupt regulatory interventions/ policy change impacting our business
- Abnormal volatility in prices of Ammonia, Phosphoric Acid, Propylene and Natural Gas along with forex fluctuation impacting raw material pricing
- Potential threat of new entrants which could adversely impact our market share
- Delay in regulatory clearances for new ongoing projects capex

Risks and Concerns

- Disruption of supply chain due to ongoing Trade tension Russia-Ukraine war and other geopolitical issues
- Dependence on imported raw materials like Ammonia, Phosphoric Acid and Natural Gas
- Working capital intensive business with dependence on Government subsidy
- Lag effect of passing the increase in raw material price to end customers

Further, the risk management process has been integrated with strategic business planning activities. Key internal and external risks, inherent to the strategy for each of the business verticals are identified and the underlying critical assumptions of the strategies are also evaluated.

The Risk Management Committee carries out a detailed review of the risk management practices and evaluates the implementation status as reported by the Internal Committee. The identified key risks at the entity level are evaluated on quantitative, semi-quantitative and qualitative aspects of impact for timely decision on mitigation. The Risk Management Committee apprises the Board on the effectiveness of the Risk Management Framework, significant entity level risks identified, if any, and the risk response mechanisms implemented by the Company.

HUMAN RESOURCES

FY22 has been yet another year of our business transformation journey. Your Company marched ahead with focussed & sustained efforts on capability enhancement, enriching culture, organisation redesign, employee engagement and business transformation with an aim to ensure superior alignment of people & processes to the overall business strategy. It helped us in improving overall capabilities & productivity, accelerating change management, superior customer outreach and improved business performance.

With economy on a steady path of revival and the pandemic waning off, the focus continued on implementing sustainable and agile workforce practices across business sectors.

Our people practices focussed on:

Overall Employee Wellness: Focus during FY22 continued to be on employee health, safety, and wellbeing. To mitigate the stressors of pandemic and uncertain economic conditions, your Company drove many wellness programs for wellbeing of employees. It was our one more step towards creating a "WORK COMMUNITY".

Driving Employee Engagement: Over the years, your Company has been able to create positive experiences for the employees through varied structured initiatives to enable higher engagement levels. The Company's focus stayed strong on enriching work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and opportunities based on meritocracy for employees to grow and build their careers.

One Team
One Dream
Together, let's make it happen.

We Listen. We Care.
We don't give up till we Deliver.

Organisational Design and Effectiveness: Over last few years, your Company's organization design and related operating model have evolved significantly to meet dynamic business objectives and strategic goals. To drive the business transformation journey, current organisational design was revisited along with related operating models for corporate support functions & manufacturing plants and work has been initiated. The objective has been to bring the requisite agility and efficiency built-in to respond to challenges and remain future ready.

Leadership Development Programs: Your Company believes in building leaders from within the organisation. The Company worked on developing a coaching mindset among the leaders along with digital and innovation capabilities and futuristic thinking. The company launched well aligned developmental interventions such as – Business Leadership Development Programs, People Capability Development Program, Value Based Selling, TPM Competencies, and many other technical and functional programs.

Digital Transformation Journey: Leveraging technology for building robust systems to create an elevated employee experience and scalability has been a core element of company's HR Digital Roadmap. Your Company is committed to invest in technology to build value for the long term. The deployment of efficient digital platforms assured speed in delivery and convenience for the employees and leading to better employee experience.

Employee Value Proposition: Your company has defined its Employee Value Proposition (EVP). as – WE LISTEN! WE CARE! And We don't give up till WE DELIVER! It highlights the offering that we extend to our employees and the value your Company places on building, developing, and retaining a diverse talent pipeline while fostering a culture wherein everyone feels seen, heard, cared for, and empowered to thrive. The EVP also demonstrates the commitment of your Company to care for the stakeholders and support community.

Employee Retention: Your company proactively managed to keep the overall attrition rate well below the industry levels. This highlights the effectiveness of company's employee engagement interventions and the Employee Value Proposition.

Various HR & IT systems have helped in efficiencies and effectiveness in processes and further enhance employee performance. Stepping into the new financial year, the journey so far gives the confidence to leverage the Employee Value Proposition to deliver business performance through a competent and engaged workforce.

INFORMATION TECHNOLOGY & AUTOMATION

During FY22, digitization of manufacturing activities with remote plant operations capabilities along with man less operations remained key learning areas for DFPCL. The Company believes that hybrid work environment will be future of workplace and technology will be the key enabler in creating this ecosystem.

Business efficiency & resiliency, customer engagement & experience is at the heart of DFPCL's digital transformation agenda. The Company's digital initiatives are aligned with this agenda and accordingly interventions are underway in process automation, data analytics, AI/ML and cloud adoption.

Moreover, it aims at creating a resilient supply chain backed by technology and best practices. As part of Industry 4.0, DFPCL has initiated measure to optimise energy consumption including electrical energy. In terms of e-waste, the Company has established effective governance around disposal of e-waste.

Along with physically done BTL activities, DFPCL has been adopting digital ways to connecting and engaging with our customers and consumers, and establishing seamless flow of products and services from dealers to retailers to end consumers. As part of its market engagement strategy, digital adoption has been core theme for market engagement.

While digital adoption is going up exponentially, DFPCL is aware of the cyber threats and its changing landscape every day. To tackle the same, the Company has established framework to effectively monitor the information assets, and constantly upgrade information security landscape by adopting modern tools and techniques.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

DFPCL has laid down well defined scope of internal controls and audit checks. There is significant emphasis given to ensure that the key management personnel adhere to the best practices. The Company has adequate internal controls that commensurate with the nature of the Company's business and size of the operations, to effectively provide for the safety of the assets, reliability of financial transactions with adequate checks and balances, compliance with prevalent statutes, regulations, management authorisation, policies & procedures, and to ensure optimum use of the available resources.

The Audit Committee of the Board is responsible for establishing, maintaining, and reviewing the Company's system of internal controls and directing the Internal Audit function. The Audit Committee approves the overall internal audit plan, including risk assessment, scope, methodology and frequency of audits.

The Company has appointed Ernst & Young LLP, India to execute internal audit reviews

The Company is investing in cloud computing, process automation, mobile apps, unified communication, and collaboration tools substantially. The journey so far has been fruitful, wherein the Company could operate business effectively during the pandemic.

TAN warehouse at K-8 plant, Taloja

as per the approved Internal Audit Plan. Further, the Audit Committee periodically reviews audit observations along with recommendations, implementation status, adequacy of internal controls and keep the Board informed of its observations, if any, from time to time. The internal audit department follows up to ensure corrective measures are implemented in the respective business functions as per the report generated post the audit to strengthen the overall framework. The objective of the internal control framework is to align the strategic goals with operations.

The Company has budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. Further, the Company has upgraded SAP ERP system to SAP S/4 HANA to help improve operational efficiencies and business decision-making capabilities across financial reporting, organisational structure and various business processes which are reviewed and validated by external experts. The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) of the Companies Act, 2013 to authenticate implementation of company policies across businesses, protect intellectual property, prevent and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Audit Committee has concluded that, as of March 31, 2022, DFPCL's internal financial controls were adequate and operating effectively.

CAUTIONARY STATEMENT

The document contains statements about expected future events, financial and operating results of Deepak Fertilisers And Petrochemicals Corporation Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Deepak Fertilisers And Petrochemicals Corporation Limited's Annual Report, FY2021-22.

NOTICE

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
Registered Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036
CIN: L24121MH1979PLC021360 | Website: www.dfpcl.com | Tel.: +91 20 6645 8000 | email : investorgrievance@dfpcl.com

NOTICE is hereby given that the **Forty-Second Annual General Meeting** of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** will be held on **Friday, 2nd September, 2022 at 11.00 a.m**. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt: (a) the audited financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2022 and the report of Auditors thereon and in this regard, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTIONS:**

   a. "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b. "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2022 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To declare a dividend on equity shares for the financial year ended 31st March, 2022 and pass the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** a dividend at the rate of ₹ 9/- (Rupees Nine) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company be and is hereby declared for the Financial year ended 31st March, 2022 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2022."

3. To appoint Mr. M. P. Shinde (DIN: 06533004), who retires by rotation as a Director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Mr. M. P. Shinde (DIN: 06533004), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any {including any statutory modification(s) or re-enactment thereof for the time being in force}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Harshad S. Deshpande & Associates, Cost Accountants (Registration No. 00378) appointed as the Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the Financial Year ending 31st March, 2023, amounting to ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses in connection with the said audit, be and is hereby ratified and confirmed.

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

5. To consider and if thought fit, to pass 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} and Regulation 25 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jayesh Hirji Shah (DIN: 05011160), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for first term of 3 consecutive years commencing from 20th December, 2021.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Shah be paid such fees and remuneration and / or profit- related commission as the Board may approve from time to time and subject to such limits as may be prescribed.

RESOLVED FURTHER THAT any one of the Director and Company Secretary of the Company be and are hereby severally authorised to do all necessary acts and deeds to give effect to the resolution."

By Order of the Board of Directors

Dated: 25th May, 2022

Registered Office:
Sai Hira, Survey No. 93
Mundhwa, Pune - 411 036

Ritesh Chaudhry
Company Secretary

NOTES

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2022 read with circulars dated 13th January 2021, 5th May, 2020, 13th April, 2020 and 8th April, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular dated 13th May, 2022 read with circulars dated 15th January, 2021 and 12th May, 2020 (collectively referred to as 'SEBI circulars'), permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and the aforesaid MCA Circulars and SEBI Circulars, the 42nd AGM of the Company is being held through VC / OAVM, hereinafter called as 'e-AGM'.

2. The deemed venue for Forty-Second e-AGM shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/ OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Statement pursuant to Section 102 of the Act forms part of this Notice. The Board of Directors at their meeting held on 25th May, 2022 have decided that the special businesses set out under item nos. 4 to 5, being considered 'unavoidable', be transacted at the ensuing e-AGM of the Company.

5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 10.45 a.m. to 11.15 a.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not put any restriction on the participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

6. Institutional Investors, who are members of the Company are encouraged to attend and vote at the Forty-Second e-AGM of the Company.

7. Members attending the e-AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. In terms of Section 101 and 136 of the Act, read together with the Rules made thereunder, while the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc., by electronic mode, pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories.

   However, physical copy of the annual Report will be sent on request. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.dfpcl.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited (hereinafter referred to as 'KFin') at https://evoting.kfintech.com

9. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their e-mail address with:

a. their respective depository participant, where shares are held in electronic form; and

b. with KFin Technologies Limited by clicking on the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx where shares are held in physical mode.

The Company has also published an advertisement in the newspaper containing details about the Annual General Meeting (AGM) i.e the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at Company's website, manner of registering the email ID's of those shareholders who have not registered their email ID's with Company/ RTA and manner of providing mandates for dividend and other matters are may be required.

10. Further, those members who have not registered their e-mail addresses and mobile nos. and as a result could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with KFin, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

11. Since the meeting will be conducted through VC/OAVM facility without the presence of members at a common venue, the Route Map of the Common Venue is not annexed to this Notice.

12. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL https://emeetings.kfintech.com/ and clicking on the tab "Post your Queries" during the period starting from **30th August, 2022 (9.00 a.m.) upto 1st September, 2022 (5.00 p.m.)** mentioning their name, demat account no./ Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

13. SEBI, vide its notification dated 8th June, 2018 as amended on 30th November, 2018, has stipulated that w.e.f. 1st April, 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents i.e. KFin Technologies Limited, for assistance in this regard. Members may also refer to Frequently Asked Questions (FAQs) on Company's website.

14. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, 27th August, 2022 to Friday, 2nd September, 2022** (both days inclusive).

The dividend, as recommended by the Board, if declared at the meeting, will be paid to those members or their mandates:

a. Whose names appear as Beneficial owners as at the end of business hours on **Friday, 26th August, 2022** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

b. Whose names appear as members in the Register of Members of the Company after giving effect to valid requests for transmission of shares, deletion/transposition of names etc. in physical form lodged with the Registrar & Share Transfer Agents of the Company on or before **Friday, 26th August, 2022.**

15. Members holding shares in physical form are requested to intimate immediately to KFin Technologies Limited, UNIT: Deepak Fertilisers And Petrochemicals Corporation Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Email Id: einward.ris@kfintech.com Phone: 1800 309 4001; Fax No: +91 40 2342 0814, quoting the Registered Folio Number: (a) details of Bank Account / change in Bank Account, if any, to enable the Company to print these details on the Dividend Warrants; and (b) change in address, if any, with the Pin Code Number.

16. SEBI vide its circular dated 3rd November, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. Further, on or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at Forms | Deepak Fertilisers & Petrochemicals Corporation Ltd - DFPCL.

17. Pursuant to the changes introduced by the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with the Company/ KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

18. Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof) and Rules made thereunder the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government.

    Members who have so far not claimed the dividend are requested to make claim with the Company immediately. Please visit Company's website: www.dfpcl.com for details.

    Further, in terms of Section 124(6) of the Act, in case of such members whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF Demat account.

    In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to Report on General Shareholder Information which is a part of this Annual Report.

19. Voting through electronic means:

    In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular dated 9th December, 2020 on e-voting facility provided by listed entities, the Company is pleased to offer e-voting facility for its Shareholders, to enable them to cast their votes electronically on the resolutions set forth in this notice. For this purpose, necessary arrangements have been made with KFin Technologies Limited (KFin) to facilitate remote e-voting. The business set out in the Notice can be transacted through such voting.

    The instructions for remoting e-voting are as under: The remote e-voting period begins at **9.00 a.m**. on **Tuesday, 30th August, 2022** and ends at **5:00 p.m**. on **Thursday, 1st September, 2022**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, 26th August, 2022**, may cast their vote electronically through remote e-voting. The facility for voting through electronic voting system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.

    The instructions for members for remote e-voting are as under:

Individual Shareholders (holding securities in DEMAT mode)

As per the SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login through Depositories:

NSDL	CDSL
1. User already registered for IDeAS facility: I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** I. URL:https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services I. To register click on link: https://eservices.nsdl.com II. Select "Register Online for IDeAS" III. Proceed with completing the required fields. IV. After successful registration, please follow steps given under Sr. No.1 above to cast your vote.	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields.
3. By visiting the e-Voting website of NSDL I. URL: https://www.evoting.nsdl.com II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**3. By visiting the e-Voting website of CDSL** I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP (E-voting Service Provider) where the e-Voting is in progress.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e., NSDL and CDSL

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Procedure to login through demat accounts/ website of Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Non-Individual Shareholders and Shareholders holding securities in Physical Form:

i. Use an internet browser and open https://evoting.kfintech.com.

ii. Enter the login credentials (i.e. User ID and password) mentioned in your email.

iii. After entering the above details Click on 'Login'.

iv. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After change of password, you need to login again with the new credentials.

v. In case you are already registered with KFin Technologies Limited for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on https://evoting.kfintech.com or contact KFin Technologies Limited at toll free No. 1800 309 4001 or email to https://evoting.kfintech.com. In case of any other queries/ grievances connected with voting by electronic means, you may also contact Mr. S. V. Raju of KFin Technologies Limited, at telephone no. 040- 67161571.

vi. On successful login, the system will prompt you to select the E-voting Event.

vii. Select 'EVENT' of Deepak Fertilisers And Petrochemicals Corporation Limited – AGM and click on 'Submit'.

viii. Now you are ready for e-voting as 'Ballot Form' page opens.

ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

x. Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi. Once you have confirmed your vote on the resolution, you cannot modify your vote.

xii. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter etc. authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said Resolution / Authority Letter etc. shall be sent to the Scrutinizer by an e-mail at cs@svdandassociates.com and mark copy to investorgrievance@dfpcl.com. It should reach the Scrutinizer on / before 1st September, 2022 at 5.00 p.m. They may also upload the same in the e-voting module in their login.

xiii. The scanned image of the above-mentioned documents should be in the naming format "Deepak Fertilisers And Petrochemicals Corporation Limited – AGM.

xiv. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the 'Downloads' section of the e-voting website of KFin Technologies Limited https://evoting.kfintech.com.

xv. The voting rights shall be as per the number of equity shares held by the Member(s) as on relevant date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

xvi. Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the relevant date may obtain the User ID and Password by sending a request at evoting@kfintech.com or investorgrievance@dfpcl.com.

20. All relevant documents referred to in the accompanying notice and explanatory statement requiring the approval of Members at the meeting and other statutory registers shall be available for inspection by the Members in electronic mode. Members can inspect the same by sending an email to investorgrievance@dfpcl.com.

21. Members are requested to note that pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 (SS-2), brief particulars including shareholding of the Directors proposed to be appointed / re-appointed is given at the end of the Notice and forms part of the Notice.

22. Voting at e-AGM

i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.

ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.

iii. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and e-voting at Annual General Meeting shall be treated as invalid.

iv. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

v. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.

vi. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

Instructions for members for attending the e-AGM:

- Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin, which can be accessed at https://emeetings.kfintech.com/ by clicking "Video Conference" and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders / members' login where the EVENT and the Name of the Company can be selected.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts would be made to make the VC / OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab "Speaker Registration" during the period starting from

Tuesday, **30th August, 2022 (9.00 a.m.)** upto **Thursday, 1st September, 2022 (5.00 p.m.).** Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

- A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com
- Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.
- Mr. Sridhar Mudaliar, Partner, SVD & Associates, Practising Company Secretaries, (Membership No. FCS 6156, CP No. 2664) or failing him Mrs. Sheetal Joshi, Partner, SVD & Associates, Practicing Company Secretaries (Membership No. FCS 10480, CP No.11635) have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.
- The Chairman shall formally propose to the shareholders / members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the e-AGM and announce the start of the casting of vote at e-AGM through the e-voting system of KFin.
- The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutiniser shall be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

DIVIDEND RELATED INFORMATION

The dividend, as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to shareholders holding equity shares of the Company, as stated in note no. 14.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source u/s 194, 195 and 196D of Income Tax Act, 1961 depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.

The applicable Tax Deduction at Source (TDS) provisions, as per the Income Tax Act, 1961, for various categories of shareholders along with required documents is provided in Table 1 and 2 below:

Table 1: Resident Shareholders

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Any resident shareholder	10%	No deduction of taxes in the following cases: • If dividend income to a resident Individual shareholder during FY 2021-22 does not exceed INR 5,000/-. • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same. • Submitting declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling all the required eligibility conditions.
Mutual Funds	NIL	Self-attested copy of registration certificate with SEBI and self-declaration that the mutual funds are notified mutual fund u/s 10(23D)(ii) of Income Tax Act, 1961.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Income Tax Act, 1961 are not applicable and a declaration that they are beneficial owner of the Shares.

Category of shareholder	Tax deduction Rate	Exemption applicability/ Documentation requirement
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income.	NIL	Documentary evidence that the Corporation is covered under section 196 of the Income Tax Act, 1961.
New Pension System Trust	NIL	A declaration that they are governed by the provisions of section 10(44) [sub-section 1E to section 197A] of the Act along with copy of registration documents (self- attested);
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Alternative Investment Fund (AIF)	NIL	A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
Other resident shareholder without PAN/ Invalid PAN	20%	Shareholders should update the PAN if not already done with depositories (in case shares are held in demat mode) and with the Company's Registrar & Share Transfer Agent - KFin Technologies Limited, Selenium Building, Tower-B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India 500 032 at their email id: einward.ris@ kfintech.com or with us at investorgrievance@dfpcl.com (only in case shares are held in physical mode).

Table 2: Non-resident Shareholders

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder	195	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company: i. Copy of the PAN Card, if any, allotted by the Indian authorities. ii. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident. iii. Self-declaration in Form 10F. iv. Self-declaration from Non-residential, primarily covering the following: • Non-resident is eligible to claim the benefit of respective tax treaty. • Non-resident receiving the dividend income is the beneficial owner of such income. • Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. TDS shall be deducted at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.

Category of shareholder	Section	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	196D	20%* (plus applicable surcharge and cess)	None
Submitting Order under section 197 of the Act	197	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

* Such TDS rate shall not be reduced on account of the application of the lower Tax Treaty rate, if any.

The aforementioned document should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFin") at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com as per the timelines mentioned in the email sent to the shareholders or as mentioned in the Public Notice, in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained beyond the date mentioned in the aforesaid email or in the Public Notice.

In case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the shareholders, there would still be an option available with the shareholders to file the return of income and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

The Company will arrange to send TDS certificate in Form 16A in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at incometaxindiaefiling.gov.in

The shareholders are requested to submit / update their bank account details with their Depository Participants, in case the shareholders are holding shares in the electronic form. In case the shareholding is in the physical form, the shareholders will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of PAN card, duly self-attested, with KFin Technologies Limited, this will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company at investorgrievance@dfpcl.com or with KFin Technologies Limited at their email id: einward.ris@kfintech.com. In this regard, the Company had also sent a communication to all the shareholders via email on 24th June, 2022 and had also published a newspaper advertisement on 28th June, 2022.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

EXPLANATORY STATEMENT

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, 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 the recommendation of Audit Committee, the Board at its meeting held on 25th May, 2022 considered and approved appointment of M/s Harshad S. Deshpande & Associates, Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand Only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses for the Financial Year ending 31st March, 2023.

The Board of Directors recommend Ordinary Resolution set out at Item No. 4 for approval by 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 aforesaid resolution.

Item No. 5

The Company in order to further strengthen the Board has been looking for a person having expertise in the field of Banking & Financial Services, practitioner in the areas of Corporate Laws, Dispute Resolution, M&A, Private Equity, and Insolvency & Restructuring with proven track record.

The Company selected a few names from databank of independent directors with Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Companies Act, 2013 read with rules made thereunder and shortlisted Mr. Jayesh Hirji Shah based on the criteria as provided in the Nomination and Remuneration Policy.

Accordingly, the Board vide its circular resolution dated 14th December, 2021, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Jayesh Hirji Shah (DIN: 05011160) as an Additional Director in the Capacity of Independent Director of the Company as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 20th December, 2021 for the first term of 3 (three) consecutive years, subject to the approval of the shareholders.

Mr. Shah has submitted the Declaration of Independence, as required pursuant to Section 149(6) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in Section 149(6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Shah has also informed that he is not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Shah fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Mr. Shah is independent of the management. Mr. Shah meets the skill sets and capabilities required for the role as an Independent Director, as have been detailed in the Report on Corporate Governance.

The Board is also of the opinion that Mr. Shah possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association as an Independent Director.

Mr. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In respect of the appointment of Mr. Shah, a notice in writing in the prescribed manner, as required by Section 160 of the Companies Act, 2013 as amended and Rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

In accordance with the provisions of newly added Regulation 25 (2A) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, appointment of an Independent Director requires approval of members by way of a special resolution.

The terms and conditions of appointment of independent director shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.dfpcl.com.

Information about the appointee:

Mr. Jayesh Hirji Shah is widely recognized as one of Asia's leading lawyers. A well-known name in India's legal industry, Mr. Jayesh Hirji Shah is an expert in the field of Banking & Financial Services and a leading practitioner in the areas of Corporate Laws, Dispute Resolution, M&A, Private Equity and Insolvency & Restructuring. He has handled complex financing and M&A transactions and advisory mandates and made Juris Corp, the law firm in India for Structured Finance and Restructuring. He is an emerging thought leader in the field of arbitration. Mr. Jayesh Hirji Shah co-founded Juris Corp in 2000.

Considering the illustrious background and enormous professional experience and expertise in Banking & Financial Services, Corporate Laws and Dispute Resolution, the Board of Directors recommend Special Resolution set out at Item No.5 for approval by the Members of the Company.

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

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 (SS-2)]

Name of the Director	Mr. M. P. Shinde	Mr. Jayesh Hirji Shah
DIN	06533004	05011160
Date of Birth	14th December, 1954	7th August, 1968
Age	67	54
Qualification	M.Sc, Diploma in Industrial Safety, Diploma in Ecology & Environment	LLB, Solicitor, Diploma in Business Finance, Chartered Financial Analyst
Shareholding in the Company	1,500	Nil

Name of the Director	Mr. M. P. Shinde	Mr. Jayesh Hirji Shah
Date of Appointment	10th February, 2017	20th December, 2021
Expertise	Environment, Health and Safety	Banking & Financial Services, Corporate Laws and Dispute Resolution
Major Directorships	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Smartchem Technologies Limited 3. Performance Chemiserve Limited	Deepak Fertilisers And Petrochemicals Corporation Limited
Listed Entities from Which the proposed director has resigned in the past three years	-	Cox & Kings Limited – resigned as director w.e.f. 22nd August, 2019
Relationship between the Directors inter-se	-	-
Audit Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - **Member**	-
Stakeholders' Relationship Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - **Member**	Deepak Fertilisers And Petrochemicals Corporation Limited - **Chairman**
Risk Management Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - **Chairman**	-
Manufacturing Operations Review Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - **Member**	-
Corporate Social Responsibility Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - **Member** Smartchem Technologies Limited - **Member**	-
Finance Committee	-	Deepak Fertilisers And Petrochemicals Corporation Limited - **Member**

BOARD'S REPORT

To the Members

Your Directors have pleasure in presenting the Forty-Second Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2022.

FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		2021-22	2020-21	2021-22	2020-21
1	Total Revenue (including Other Operating Revenues)	2,28,944	1,81,131	7,66,329	5,80,849
2	Profit before tax	26,620	27,236	1,01,253	58,832
3	Less: a) Current Tax (Net)	6,705	5,240	31,489	18,672
	b) Deferred Tax	137	1,097	1,016	(484)
4	Net Profit after tax (2 - 3)	19,778	20,899	32,505	40,644
5	Net profit attributable to:				
	a) Owners of the Company	19,778	20,899	67,827	40,031
	b) Non controlling interest	NA	NA	921	613
6	Other comprehensive income for the year:				
	a) Owners of the Company	671	(67)	745	294
	b) Non controlling interest	NA	NA	59	309
7	Total Comprehensive Income for the year:				
	a) Owners of the Company	20,449	20,832	68,572	40,325
	b) Non controlling interest	NA	NA	980	922
8	Add: Surplus brought forward	1,36,757	1,18,537	2,04,771	1,72,011
9	Amount available for Appropriations (5a + 8)	1,56,535	1,39,436	2,72,598	2,12,042
10	Appropriations:				
	a) Increase in non-controlling interest due to issuance of share capital	-	-	(1,533)	(4,592)
	b) Dividend on Equity Shares (Net)	(8,112)	(2,679)	(8,112)	(2,679)
	c) Tax on Proposed Dividend (Net)	-	-	-	-
11	Surplus carried to Balance Sheet (9 + 10)	1,48,423	1,36,757	2,62,953	2,04,771

STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved a total revenue of ₹ 2,289 Crore (including ₹ 525 Crore from trading operations) during the year under review as against previous year's level of ₹ 1,811 Crore (including ₹ 589 Crore from trading operations).

Profit Before Tax (PBT) for the year under review was ₹ 266 Crore as against ₹ 272 Crore in the previous year. Net Profit for the current year was recorded at ₹ 198 Crore as against ₹ 209 Crore in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA), which forms part of this Report, inter alia, deals adequately with the operations and also current and future outlook of the Company on a consolidated basis.

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

As reported in the Annual Reports of Financial Year 2019-20 and 2020-21, the Company has issued Foreign Currency Convertible Bonds (FCCBs) to International Finance

Corporation (IFC). The details of FCCBs issued are as given below:

Date	Tranche	No. of FCCBs	Face value	Amount
19th October, 2019	First	30	US$ 500,000 each	US$ 15 million (Approx. ₹ 107 Crore)
30th September, 2020	Second	30	US$ 500,000 each	US$ 15 million (Approx. ₹ 109 Crore)

As per the FCCB Subscription Agreement, IFC had the right, at its option, to partially or fully convert the first tranche FCCBs into equity shares of the Company within 6 years from the date of subscription of the first tranche of FCCBs. Accordingly, the Company upon receipt of conversion notice from IFC on 23rd June, 2021, requesting the Company to convert First Tranche of FCCBs into equity shares, has allotted 54,76,831 equity shares of the Company at ₹ 195/- per share on 1st July, 2021.

As on 31st March, 2022, the FCCBs issued in the Second Tranche are outstanding.

ISSUE OF COMPULSORY CONVERTIBLE DEBENTURES (CCDs) BY MATERIAL SUBSIDIARY i.e. SMARTCHEM TECHNOLOGIES LIMITED

As reported in the Annual Report of the Financial Year 2019-20 and 2020-21, Smartchem Technologies Limited has issued CCDs, on a private placement basis to IFC. The details of CCDs issued are as given below:

Date	Tranche	No. of CCDs	Face value	Amount
16th October, 2019	First	1,050	10,00,000 each	105 Crores
5th October, 2020	Second	1,050	10,00,000 each	105 Crores
Total		**2,100**		**210 Crores**

As on 31st March, 2022, the aforesaid CCDs issued in the First Tranche and in the Second Tranche are outstanding.

ISSUE OF EQUITY SHARES THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP)

Pursuant to the approval of the shareholders of the Company by way of a special resolution passed in their Annual General Meeting held on 26th August, 2021, for raising of funds through various modes including by way of QIP, the Securities Issue Committee of the Company in its meeting held on 22nd October, 2021 allotted 1,24,39,029 Equity Shares at an issue price of ₹ 410 per Equity Share (including a premium of ₹ 400.00 per Equity Share), aggregating to ₹ 510 Crores to Qualified Institutional Buyers.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

As stated above, during the year under review, the Company has raised funds aggregating to ₹ 510 Crores through Qualified Institutions Placement (QIP).

The Company has utilised the funds raised through issue of QIP for the purpose as stated in the Placement Document.

Pursuant to the provisions of Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has informed the Stock Exchanges that there has been no deviation or variation in utilisation of the funds raised through issuance of shares to Qualified Institutional Buyers.

DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company recommends a dividend @ 90% i.e., ₹ 9 per Equity Share (Previous year ₹ 7.5 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2022.

The proposed dividend is in line with the 'Dividend Distribution Policy' adopted by the Board at its meeting held on 30th June, 2017. The Policy is available on the Company's website: www.dfpcl.com/company-policies

TRANSFER TO RESERVE

The closing balance of retained earnings of the Company for Financial Year 2021-22 after all appropriations and adjustments was ₹ 1,48,423 Lakhs. During the year, the Company has not transferred any amount to general reserve.

SHARE CAPITAL

During the year under review, the Company has allotted 54,76,831 equity shares of the Company pursuant to the conversion of first tranche of FCCBs and allotted 1,24,39,029 equity shares under Qualified Institutions Placement. The details of the issue of aforesaid shares have been provided in the General Shareholder Information. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

The paid-up equity share capital of the Company as on 31st March, 2022 was ₹ 120.59 Crores.

CHANGES IN THE BOARD OF DIRECTORS

Appointment

During the year under review, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of Mr. Jayesh Hirji Shah as an Additional Director in the Capacity of Independent Director of the Company as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 20th December, 2021 for the first term of 3 (three) consecutive years, subject to approval of the shareholders.

Further, in the ensuing Annual General Meeting, the item w.r.t. appointment of Mr. Jayesh Hirji Shah as an Independent Director will be taken up. All the information as required pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice of the ensuing Annual General Meeting. The shareholders are requested to approve the appointment in the ensuing annual general meeting.

Resignation

Mr. Berjis Minoo Desai, Independent Director of the Company has tendered his resignation as an Independent Director of the Company with effect from 27th December, 2021 due to heavy pressure on his professional time and in order to accommodate other newly listed/ to be listed companies as an independent director.

Mr. Desai has also given confirmation to the Company that other than the reasons mentioned above, there are no other material reasons for his resignation as an Independent Director of the Company and the same was intimated by the Company to the Stock Exchanges.

The Board places on record its sincere appreciation to the valuable guidance provided by Mr. Berjis Desai during his tenure as an Independent Director of the Company.

Cessation after the closure of the Financial Year

The shareholders of the Company at their Annual General Meeting held on 14th August, 2019 had approved the appointment of Mr. Alok Perti and Dr. Amit Biswas as Independent Directors of the Company for the first term of 3 consecutive years with effect from 22nd April, 2019.

Subsequently, on the completion of first term of 3 (three) consecutive years on 21st April, 2022, Mr. Alok Perti and Dr. Amit Biswas have ceased to be Independent Directors of the Company.

The Board places on record its sincere appreciation to the valuable guidance provided by Mr. Alok Perti and Dr. Amit Biswas during their tenure as Independent Directors of the Company.

Re-appointment

Mr. M. P. Shinde retires by rotation at the ensuing Annual General Meeting pursuant to provisions of Section 152 of the Companies Act, 2013 and rules made thereunder and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year under review, five board meetings were held. These meetings were held on 28th May, 2021, 10th August, 2021, 12th November, 2021, 28th January, 2022 and 29th March, 2022.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, there were no changes in key managerial personnel.

A STATEMENT REGARDING THE OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the year under review, Mr. Jayesh Hirji Shah was appointed as an Independent Director of the Company:

The Board is of the opinion that Mr. Jayesh Hirji Shah is person of high integrity and reputation and has the requisite expertise and experience including the proficiency.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

1. As disclosed in the last year's report, effective 15th May, 2014, domestic gas supply to the Company was arbitrarily stopped by the Ministry of Petroleum and Natural Gas. The Company successfully challenged the same before the Hon'ble Delhi High Court, which, by its Orders dated 7th July, 2015 and 19th October, 2015 directed the Government of India (GoI) to restore the supply of gas. Against the cited order, a review petition filed by the GoI, challenging the said Orders was rejected by the said Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was also disposed without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The Hon'ble Delhi High asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded

further without the report. The hearing in the Delhi High Court is now posted on15th July, 2022.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2021-22 and corresponding figures for 2020-21 comply in all material aspects with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, and prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Annual Report.

A separate statement containing the salient features of Company's subsidiaries, associates and joint venture subsidiary in the prescribed form AOC-1 is annexed separately and forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and based on the guidance and insights from the Auditors and 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 annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the accounting policies have 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, 2022 and of the profit and loss of the Company for that period;

iii. proper and sufficient care have been taken for 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 are prepared on a going concern basis;

v. internal financial controls, to be followed by the Company are duly laid down and these controls are adequate and were operating effectively; and

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

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

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

STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company at the Forty-First Annual General Meeting held on 26th August, 2021 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to appoint, M/s. P G BHAGWAT LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of Forty-First Annual General Meeting until the conclusion of Forty-Sixth Annual General Meeting.

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

SECRETARIAL AUDITORS & SECRETARIAL STANDARDS

The Secretarial Auditors, M/s. SVD & Associates, Practising Company Secretaries, have issued Secretarial Audit Report (Form MR-3) for the Financial Year 2021-22 pursuant to Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is annexed to Directors' Report (Refer Annexure-1).

In respect of observations made out in the Secretarial Audit Report, it is informed, as under: -

Observation	Explanation/Comment
Prior Intimation to Stock Exchange w.r.t. Notice of Board Meeting pursuant to Regulation 29 (2) & (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company could serve the advance notice of 3 days as against the required advance notice of 5 days (excluding the date of the intimation and date of the meeting) for the Board meeting held on 12th November, 2021 for consideration of Q2 2021-22 Unaudited Financial Results due to sudden medical exigencies faced by the two employees internally responsible within the Secretarial team for the compliance and other employees being on leave because of Diwali vacation as the office was closed from 4th November to 7th November, 2021.

Observation	Explanation/Comment
	As a corrective measure and to ensure non-recurrence of such events of non-compliance like above, the Secretarial team has put in place a more robust checklist cum Standard Operating Procedure for various compliances (pre and post board meeting) including the introduction of the concept of primary and secondary responsibility for each compliance, intimation of leave to each secretarial team members.
Statement of deviation(s) or variation(s) to be filed with the Stock Exchanges pursuant to Regulation 32 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Due to oversight, the Statement of deviation(s) or variation(s) for quarter ended 30th September, 2021 was filed on 23rd November, 2021 which was beyond the limit as prescribed by the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
The Company has filed some of the forms which are covered under Companies Fresh Start Scheme (CFSS), 2020. However, the relevant form for seeking immunity certificate has not been filed due to technical issue faced by the Company.	The Company was unable to file the relevant form under Companies Fresh Start Scheme (CFSS), 2020 due to technical reasons.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Jog Limaye & Associates, Practising Company Secretary, the Secretarial Auditor of Smartchem Technologies Limited and Performance Chemiserve Limited, material unlisted subsidiaries, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2021-22. The said reports thereon are annexed as Annexure 8 and Annexure 9 to the Board's Report.

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

COST AUDITORS

Your Directors, at the meeting held on 25th May, 2022 based on the recommendation of the Audit Committee, have appointed M/s Harshad S. Deshpande & Associates, Cost Accountants, as the Cost Auditors for the Financial Year 2022-23 at a remuneration of ₹ 2,25,000 /- (Rupees Two Lakhs Twenty Five Thousand only) plus GST as applicable and reimbursement of travel and out-of-pocket expenses, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

Further, M/s Harshad S. Deshpande & Associates, Cost Accountants will submit the cost audit report along with annexure for the Financial Year 2021-22 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 Cost Audit Report for the Financial Year ended 31st March, 2021 was duly filed with the Central Government (Ministry of Corporate Affairs) on 06th October, 2021.

In accordance with the provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, the Company is required to maintain respective cost records and accordingly, such accounts and records were made and maintained.

INTERNAL AUDITORS

Ernst & Young LLP (EY) are the Internal Auditors of the Company since Financial Year 2016-17.

Further, the Board, on the recommendation of the Audit Committee, has re-appointed EY as the Internal Auditors of the Company for the Financial Year 2022-23.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

Details of investments made, loans advanced and guarantees given by the Company are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and at arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

CORPORATE GOVERNANCE

Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' is attached to this Annual Report.

Further, a certificate form the Statutory Auditors of the Company regarding compliance with the requirements of Corporate Governance as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Report on the performance and financial position of subsidiaries, associates and joint venture company in specified format is annexed to Board's Report (Refer Annexure-2).

AWARDS AND ACCOLADES

Please refer to section "Awards and Accolades" in this Annual Report for details of the awards received by the Company during the year under review.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted Nomination and Remuneration Committee and also approved the Nomination and Remuneration Policy which inter-alia contains appointment criteria, qualifications, positive attributes and independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, have revised the Nomination and Remuneration Policy of the Company, at their meeting held on 25th May, 2022. The modified Nomination and Remuneration Policy is enclosed as Annexure 3 and is also available on the website of the Company at https://www.dfpcl.com/wp-content/uploads/2021/07/Nomination-and-Remuneration-Policy

RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee to assess risks in the operations of business units of the Company, to mitigate and minimize risks assessed in the operations of business units, periodic monitoring of risks in the operations of business units, to look after cyber security and other matters delegated to the Committee by Board of Directors of the Company from time to time.

Information on the development and implementation of Risk Management Policy of the Company including identification therein of elements of risk which, in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report and Management Discussion and Analysis.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company as a responsible Corporate Citizen, is engaged in concerted CSR initiatives through Ishanya Foundation, as Implementing Agency for CSR activities.

The details of the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure forming part of this report (Refer Annexure-4).

The Board of Directors of the Company has approved a comprehensive CSR Policy as per the amended provisions of the Companies Act, 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at the following links:

https://www.dfpcl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf

The details of composition of Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report.

AUDIT COMMITTEE COMPOSITION

The details of composition of Audit Committee and other details are provided in the Corporate Governance Report.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: https://www.dfpcl.com/investors/annual-return/

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is given in the Corporate Governance Report.

INDEPENDENCE OF DIRECTORS

All the Independent Directors of the Company have given declaration that they meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of Directors have taken on record the declaration and confirmation received from the Independent Directors and verified the veracity of such disclosures.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company follows the practice of conducting familiarisation programme of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy under which the employees are free to report violations of the applicable laws and regulations and the Code of Conduct.

Further, as per the provisions of Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) read with Part C of Schedule II to Listing Regulations, the Audit Committee at its meeting held on 28th March, 2022 has reviewed the functioning of whistle blower mechanism of the Company and found the same satisfactory.

A copy of the Whistle Blower Policy is available on the website of the Company at the following weblink: https://www.dfpcl.com/uploads/2018/12/WhistleBlowerPolicy.pdf

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to the provisions of Section 136 (1) of the Act and as advised, the statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection. Members interested in obtaining a copy of the same may write to the Company Secretary at investorgrievance@dfpcl.com and the same will be furnished on request. Hence, the Annual Report is being sent to all the Members of the Company excluding the aforesaid information.

The details of remuneration drawn by Mr. Sailesh C. Mehta, Chairman and Managing Director of the Company from the Company and also from the subsidiary of the Company in terms of Section 197(14) of the Companies Act, 2013 is provided in the Corporate Governance Report.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE THE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company had a subsidiary viz. Complete Mining Solutions Private Limited (CMSPL). CMSPL was in the business of mining consultancy. In the last few years, CMSPL was not able to deliver the planned business objectives and also had no visibility of any business in near future.

Considering the above, the Board of Directors of the Company at their meeting held on 10th August, 2021 approved for the dissolution of CMSPL. The Registrar of Companies, Pune has issued notice dated 14th February, 2022 stating that the name of CMSPL has been struck off from the register of companies and the said Company is dissolved. Subsequently, CMSPL has ceased to be subsidiary of the Company.

Except above, no other company has become or ceased to be subsidiary, joint venture or associate of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8 (5) (v) and 8 (5) (vi) of the Companies (Accounts) Rules, 2014 are reported.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rules made thereunder, the internal committee constituted under the said act has confirmed that no complaint / case has been filed / pending with the Company during the year. The said policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 annexed to Board's Report (Refer Annexure - 5).

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, inter alia, provides that the annual report of the top 1,000 listed entities based on market capitalisation (calculated as on 31st March of every financial year), shall include a Business Responsibility Report.

As the Company is one of the top 1,000 listed entities, the Company has presented its Business Responsibility Report for the financial year 2021-22, which is part of this Annual Report.

As a green initiative, the BR Report has been hosted on the Company's website i.e. www.dfpcl.com

INITIATIVES FOR SOCIETY AND EMPLOYEE SAFETY DURING COVID-19 PANDEMIC

Your Company has remained equally focused like last year to address the prevention and protection measures for Covid. From encouraging mental wellness to ensuring that employees are financially secure during the outbreak, to continuous awareness sessions on COVID-19, precautions, dos & don'ts, through posters bringing visual display awareness on Covid has helped considerably. Wearing of face mask, social distancing, thermal scanning, use of hand sanitizers at various places, body disinfection, are some of the major actions being taken.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING PEOPLE EMPLOYED

The overall industrial relations in the Company were cordial. The manpower employed is around 942 employees.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Company's bankers, customers, vendors, investors and all other stakeholders for their continued support during the year. Your Directors are also pleased to record their appreciation for the dedication and committed contribution made by employees at all levels who, through their competence and hard work, have enabled your Company to achieve good performance amidst challenging times and look forward to their support in the future as well.

For and on behalf of the Board

Place: Pune
Date: 25th May, 2022

S. C. MEHTA
Chairman and Managing Director

ANNEXURE 1

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

Pursuant to section 204(1) of the Companies Act, 2013
and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,
The Members,
Deepak Fertilisers And Petrochemicals Corporation Limited,
Sai Hira, Survey No. 93,
Mundhwa, Pune -411036.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deepak Fertilisers And Petrochemicals Corporation Limited** CIN: L24121MH1979PLC021360 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR);

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 upto August 12, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021 **(not applicable to the Company during the audit period);**

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 upto August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 with effect from August 16, 2021 **(not applicable to the Company during the audit period);**

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(not applicable to the Company during the audit period);**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 upto June 10, 2021. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, with effect from June 11, 2021 **(not applicable to the Company during the audit period);** and

h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(not applicable to the Company during the audit period);**

vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

a) Petroleum Act, 1934 and Rules, 2002;

b) Foreign Trade (Development & Regulation) Act, 1992;

c) The Competition Act, 2002;

d) Explosive Substance Act, 1908;

e) Inflammable Substance Act, 1952;

f) The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

g) Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;

h) Ammonium Nitrate Rules, 2012;

i) Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses and regulations of the following:

vii) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

viii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

During the year under review, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above subject to the following observations-

a. As per Regulation 32(1) of LODR, the Company was required to file the statement of deviation for the quarter ended September 30, 2021 within 45 days from the end of the quarter. However, the same was filed on November 23, 2021 on BSE and NSE.

b. The Bombay Stock Exchange (BSE) vide notice dated December 14, 2021 has imposed fine of ₹ 11,800/- as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for delay in giving prior intimation of Board meeting for the quarter ended September 30, 2021. The fine for the same was paid by the Company on December 22, 2021 and an application of waiver was made to the BSE.

c. The National Stock Exchange (NSE) vide notice dated December 14, 2021 has imposed fine of ₹ 11,800/- as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for delay in giving prior intimation of Board meeting for the quarter ended September 30, 2021. The fine for the same was paid by the Company on December 24, 2021 and an application of waiver was made to the NSE.

d. The Company has filed some of the forms which are covered under Companies Fresh Start Scheme (CFSS), 2020. However, the relevant form for seeking immunity certificate has not been filed due to technical issue faced by the Company.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further meetings which were convened at a shorter notice, at least one independent director was present in such meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and circular resolutions for Board and Committees are carried with the requisite majority as recorded in the minutes of the meetings of Board of Director and Committees of the Board.

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 during the audit period:

1. As disclosed in the last year's report, effective May 15, 2014, domestic gas supply to the Company was arbitrarily stopped by the Ministry of Petroleum and Natural Gas. The Company successfully challenged the same before the Hon'ble Delhi High Court, which, by its Orders dated July 7, 2015 and October 19, 2015 directed the Government of India (GoI) to restore the supply of gas. Review petition filed by the GoI, challenging the said Orders was rejected by the said Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was also disposed without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The Hon'ble Delhi High asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted in the month of July, 2022.

2. The Company had undergone re-structuring exercise wherein the TAN and Fertiliser undertakings were transferred to its wholly owned subsidiary, Smartchem Technologies Limited and the order from NCLT was received in April, 2017 and filed with Registrar of Companies, Pune on May 2, 2017. Therefore, the Audit of Accounts consequent to the demerger as aforesaid had got delayed. The Company had sought necessary permissions from the Stock Exchanges to this effect and the Accounts were approved only on June 30, 2017 by the Board. The Stock Exchanges in the month of June 2017, levied a fine of ₹ 22,60,768 which was duly paid by the Company under protest. The Company had made a representation of the matter before Securities and Exchange Board of India (SEBI). SEBI vide its order dated August 1, 2018 had rejected the Company's application to waive the fine imposed by the Stock exchanges. The Company had preferred an appeal with Securities Appellate Tribunal (SAT) on October 17, 2019 against the aforesaid SEBI's order. NSE vide letter dated March 04, 2022 and BSE vide email dated March 08, 2022 have intimated to the Company that its waiver request for non compliance with Regulation 33 of LODR for the period ended March 31, 2017 has been considered favourably.

3. The Securities Issue Committee of the Company at its meeting held on July 01, 2021, has approved the allotment of 54,76,831 equity shares of face value of ₹10 each to International Finance Corporation pursuant to the conversion of first tranche of Foreign Currency Convertible Bonds issued to them on October 19, 2019.

4. The shareholders of the Company have vide special resolution passed at the 41st Annual General Meeting held on August 26, 2021 approved the raising of funds aggregating to ₹ 600 crores (₹ Six hundred cores) through one or more of various options of securities such as Equity Shares, GDRs, ADRs, Foreign Currency Convertible or Partly Convertible Debentures or by way of qualified institutions placement to QIB (Qualified Institutional Buyers) in terms of Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI (ICDR) Regulations, 2018). Subsequently Securities Issue Committee, pursuant to the authority delegated by the Board, has at its meeting held on October 22, 2021, allotted 1,24,39,029 Equity Shares of ₹ 10/- each at a premium of ₹ 400/- per Equity Share to QIBs.

5. Complete Mining Solutions Private Limited, step-down subsidiary of the Company, has been struck off from the record of Registrar of Companies, Ministry of Corporate Affairs, Govt. of India and the said Company is dissolved on February 14, 2022.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 25, 2022

Peer Review No: P2013MH075200
UDIN: F006156D000367242

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,
Deepak Fertilisers And Petrochemicals Corporation Limited,
Sai Hira, Survey No. 93,
Mundhawa, Pune -411036.

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

Management's Responsibility

1. 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

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

3. 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.

4. We have relied on the documents and evidences provided by electronic mode.

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

Disclaimer

6. 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.

7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 25, 2022

Peer Review No: P2013MH075200
UDIN: F006156D000367242

ANNEXURE 2

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part-A: Subsidiaries

(₹in lakhs)

		1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of Subsidiary	Smartchem Technologies Limited#	Platinum Blasting Services Pty. Limited#$1	Australian Mining Explosives Pty. Limited#$2	Performance Chemiserve Limited$1	SCM Fertichem Limited#	Deepak Mining Services Private Limited#	Deepak Nitrochem Pty Limited#	Mahadhan Farm Technologies Limited$1	Ishanya Brand Services Limited	Yerrowda Investments Limited#
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	AUD 1 AUD = 55.68	AUD 1 AUD = 55.68	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = 55.68	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,806	-	16	5	1	81	1	410	24
4	Reserves & Surplus	3,26,651	2,878	21	1,41,912	(84)	(53)	(55)	233	(158)	3,649
5	Total Assets	6,63,625	19,660	2,928	2,69,437	62	2	26	1,206	440	3,673
6	Total Liabilities	3,35,269	11,976	2,908	1,27,509	141	54	-	972	188	0
7	Investments	1,40,819	-	-	3,590	-	-	-	-	-	2
8	Turnover	5,54,479	38,495	1,010	470	-	-	-	4,320	548	4
9	Profit / (Loss) before taxation	67,673	3,000	175	737	7	(3)		297	1	(69)
10	Provision for taxation	23,269	472	51	188	-	-	-	69	2	-
11	Profit / (Loss) after taxation	44,404	2,528	124	549	7	(3)		228	(1)	(69)
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	65.00%	65.00%	93.43%	100.00%	100.00%	100.00%	100.00%	100.00%	85.00%

Standalone Figures

$1 Subsidiary of Smartchem Technologies Limited

$2 Subsidiary of Platinum Blasting Services Pty. Limited

+ Share Capital of Australian Mining Explosives Pty. Limited consists of 1 ordinary share of $1 which is held by Platinum Blasting Services Pty. Limited.

1. Smartchem Technologies Limited (STL)

The Company, is a wholly owned subsidiary of your Company, is in the business of manufacturing Technical Grade Ammonium Nitrate and manufacturer and trading of fertilisers. The Company achieved a turnover of ₹ **5,544.79 Crore** (excluding other income) and profit before tax of ₹ **676.73 Crore.**

2. Platinum Blasting Services Pty. Limited, Australia

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

3. Australian Mining Explosives Pty. Limited

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

4. Performance Chemiserve Limited (PCL)

Performance Chemiserve Limited is a subsidiary Company of Smartchem Technologies Limited (STL). STL is holding 93.43% of the Equity share capital of PCL. PCL is involved in Chemicals drum filling activities. Further, PCL is setting up Ammonia Project of 1,500 MTPD Capacity.

5. SCM Fertichem Limited

The Company, is a wholly owned subsidiary of your Company and is in business of Manufacturing and Trading of Fertilisers, Petroleum, and their products. Currently, the Company is engaged in the business of agriculture produce.

6. Deepak Mining Services Private Limited

Deepak Mining Services Private Limited is a wholly owned subsidiary of your Company and in the business of providing consultancy to mining companies in India. It provides consultancy in the entire value chain of the mining business. With the private coal mining segment opening up, it has great potential to mature into a high growth profitable business.

7. Deepak Nitrochem Pty Limited

Deepak Nitrochem Pty Limited, is an Australian company and is a wholly owned subsidiary of your company. This company was incorporated for the purpose to capture the opportunity in respect of Mining activity and for synergy for our existing TAN business. This Company has not done any business since inception.

8. Mahadhan Farm Technologies Private Limited

The Company, is in the business of manufacturing of water soluble NPKs grades namely 19:19:19, 20:20:20 and 13:40:13; which is further marketed by STL.

9. Ishanya Brand Services Limited

The Company is in the business of brand management, online selling of products, giving furniture and home improvement products on rent, developing an E-Commerce platform etc.

10. Yerrowda Investments Limited

Yerrowda Investments Limited (YIL), a subsidiary of your Company, is operating in real estate sector and has in its possession immovable property in Pune. YIL is jointly controlled entity and DFPCL owns 85% of shares issued in additionto economic and ownership interest in the immovable properties of YIL.

Notes:

1. Names of subsidiaries which are yet to commence operations:

a. Deepak Nitrochem Pty Limited

b. Deepak Mining Services Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year:

Complete Mining Solutions Private Limited: A detailed write-up is provided in the Board's Report.

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-B: Associates and Joint Ventures

(₹ in lakhs)

Sl. No.	Particulars	Details of Associates & Joint Venture
1	Name of the Associates and Joint Ventures	Ishanya Realty Corporation Limited#
2	Latest audited Balance Sheet Date	01/04/2021 to 31/03/2022
3	No. Shares of Associate / Joint Ventures held by the Company on the year end	49,994.00
	Amount of Investment in Associate/ Joint Venture	5.00
	Extend of Holding %	49.99%
4	Description of how there is significant influence	DFPCL is holding more than threshold limit of 20%
5	Reason why the associate/ joint venture is not consolidated	There is no transaction during the year and on basis of materiality and capital base the amount is negligible.
6	Net-worth attributable to Shareholding as per latest audited Balance Sheet	1
7	Profit/ (Loss) for the year	0
8	Considered in Consolidation	-
9	Not Considered in Consolidation	(0.23)

Standalone Figures

1. Ishanya Realty Corporation Limited

Your Company holds 49.99% stake in the Company. The Company is in the business of Sale of Engineering Components & Allied Activities. The Company is exploring various business opportunities.

Notes:

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

ANNEXURE 3

Nomination and Remuneration Policy
(As amended w.e.f. 25th May, 2022)

1. Introduction

The Nomination and Remuneration Policy ("Policy") of the Company has been formulated in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

2. Objective and Scope

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director.

b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

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 Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL)

"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 the Companies Act, 2013 and the LODR Regulations.

"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" shall have the same meaning as specified in LODR Regulations and the Act, from time to time.

4. Functions of Committee:

The Nomination and Remuneration Committee shall, perform the functions as prescribed under the Act and LODR Regulations from time to time.

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. Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee

The Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee shall be as stated in the Act and LODR Regulations from time to time.

6. Secretary

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

7. 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.

8. Policy for appointment and removal of Director, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP")

(A) Appointment criteria and qualifications for Director, KMP and SMP

a) The Committee shall identify and evaluate the balance of skills, knowledge, experience, integrity, qualification, expertise and positive attributes of the person for appointment as Director and recommend to the Board his/her appointment.

b) 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.

c) The President (HR) of the Company, under the overall superintendence and control of the Chairman & Managing Director, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.

d) Upon finalization of appointment of a person for the position of KMP and/or SMP by the Chairman and Managing Director and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

(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 and/or the KMP subject to the provisions and compliance of the applicable Acts, rules and regulations. However, the decision to remove the SMP shall be taken by the Chairman & Managing Director.

(C) Retirement

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairman & Managing Director of the Company.

Policy relating to the Remuneration

(A) General -for the Wholetime Director:

a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if 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 and the Rules framed thereunder.

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:

a) Fixed pay:

The Whole-time Director 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, if required.

b) Commission:

Commission may be paid within the limits approved by shareholders.

c) 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.

d) 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 approval required under section 197 of the Companies Act, 2013, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by 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 approved by the company by special resolution within two years from the date the sum becomes refundable.

(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, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

(D) Remuneration to Key Managerial Personnel and Senior Management Personnel:

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of KMP and SMP shall include the following components:

i) Basic pay

ii) HRA

iii) Allowances

iv) Perquisites and Benefits

v) Retiral benefits

vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

with liberty to the management to allocate the amounts towards various salary components subject to there being no change in the overall Cost to the Company.

9. Amendments

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including LODR Regulations.

ANNEXURE 4

Annual Report on CSR activities for the Financial Year ended March 31, 2022

1. Brief outline on CSR Policy of the Company:

For over a decade as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited ("DFPCL") or "the Company"), is committed to serving the society it operates in. The Company conducts several outreach programmes around its establishments. While the CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, the focus will be on the following broad themes:

a) Women empowerment through vocational training (skill development) and livelihood Programmes;

b) Health and

c) Education.

The underlying objective for the aforesaid themes is 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 programmes have also formed Company's ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Partha Bhattacharyya, Chairman	Independent Director	2	2
2.	Smt Parul S. Mehta. Member	Non-Executive Director	2	2
3.	Shri Alok Perti, Member*	Independent Director	2	2
4.	Shri M P Shinde, Member**	Non-Executive Director	N.A.	N.A.

* Ceased to be a Director and Member of the Committee w.e.f. 21st April, 2022;

** Appointed as Member of the Committee w.e.f. 21st April, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.dfpcl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf

https://www.dfpcl.com/social-responsibility/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lacs)	Amount required to be set-off for the financial year, if any (₹ in Lacs)
1.	2020-21	33.00	33.00

6. Average net profit of the company as per section 135(5): 8,273.00 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5): 166.00 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: 33.00 Lacs

(d) Total CSR obligation for the financial year (7a+7b- 7c): 133.00 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
138.00	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lacs)	Amount spent in the current financial Year (₹ in Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Wadi Project	(i) Eradicating poverty (ii) Livelihood enhancement (iv) Environmental sustainability, conservation of natural resources	Yes	Maharashtra	Raigad	3 yrs	8.86	8.86	Nil	No	Ishanya Foundation	CSR00000211
2.	Dairy Development Project	(i) Eradicating poverty (ii) Livelihood enhancement	Yes	Maharashtra	Raigad	3 yrs	3.09	3.09	Nil	No	Ishanya Foundation	CSR00000211

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (₹ in Lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Aarogyam – Health Initiatives	(i) promoting health care including preventive health care	Yes	Maharashtra	Raigad	72.45	No	Ishanya Foundation	CSR00000211
2.	Gyanam	(ii) Promoting Education	Yes	Maharashtra Gujarat	Raigad Bharuch	12.54	No	Ishanya Foundation	CSR00000211
3.	Community Development and Social Welfare	(i) making available safe drinking water; (x) Rural Development	Yes	Maharashtra Gujarat	Raigad Bharuch	8.87	No	Ishanya Foundation	CSR00000211
4.	Vocational Skill Development Project	(ii) employment enhancing vocation skills; Livelihood enhancement	Yes	Maharashtra	Pune & Raigad	17.79	No	Ishanya Foundation	CSR00000211
5.	Livelihood Enhancement through Entrepreneurship Development	(i) Eradicating of poverty (ii) Livelihood enhancement	Yes	PAN India	N.A.	9.40	No	Ishanya Foundation	CSR00000211
6.	Skill Development of the Underprivileged for a sustainable Livelihood	(ii) livelihood enhancement projects	No	PAN India	N.A.	5.00	No	SVP Philanthropy Foundation	CSR00001672

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 138.00 Lacs

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ In Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	166.00*
(ii)	Total amount spent for the Financial Year	138.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.00

* Considering the set off amount of ₹33.00 Lacs available for FY 2021-22, the Company was required to spend ₹133.00 Lacs for the FY 2021-22

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lacs)	Amount spent in the reporting Financial Year (₹ in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lacs)
				Name of the Fund	Amount (₹ in Lacs)	Date of transfer	
Nil*							

*The provisions of Section 135 (6) are effective from 22nd January 2021. Therefore, the details required in the table are not applicable.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lacs)	Amount spent on the project in the reporting Financial Year (₹ in Lacs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lacs)	Status of the project - Completed/ Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: N.A

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-
Partha Bhattacharyya
(Chairman – CSR Committee)

Sd/-
Parul Mehta
(Director)

ANNEXURE 5

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

- Taloja K1-6 Plant:

(i) In the Iso-propyl Alcohol (IPA) Plant, one of the two (PT-7 & C-4442) Normal Propyl Alcohol separation column was taken offline (PT-7) to reduce the steam consumption for the specified purity of the IPA product at low loads. This initiative has saved 23 MT of steam/day. Subsequently, due to this change, the Organic Column (C-4443) was also stopped resulting in an additional steam savings of 4 MT/day. The total steam saved due to the above initiatives is 27 MT/day.

(ii) Bio dispersant introduced in the cooling water and dosing and side stream filter Operation and maintenance practices modified to control the bio fouling in the surface condenser and cooler condenser of Weak Nitric Acid (WNA III) Plant. The vacuum improved in the surface condenser has resulted in steam savings of 19.2 MT/day.

- Dahej Plant:

(i) The Company saved ₹ 7.2 Lakhs (82,490 kWh per day) in FY 2021-22 by replacing cooling tower Fan blade with energy efficient blade.

(ii) The Company saved ₹ 14.5 Lakhs (1,66,440 kWh) in FY 2021-22 by optimization of boiler feed water pump performance. The saving will continue in future also.

(iii) The Company saved ₹ 17.4 Lakhs (15,116 kWh) in FY 2021-22 by recovering of water at source, reducing & optimization of effluent generation such as recovering of acidic water of Multi Effect Evaporator (MEE) & Tank Farm, diverted boiler blowdown water for Cooling Tower makeup, increasing Reverse Osmosis (RO) recovery, etc.

(iv) Plant had carried out full fledge energy audit of Dahej Nitric acid Complex by Bureau of Energy Efficiency (BEE) Certified energy auditor. Auditor has recommended some areas where plant is having some potential to save energy which will be undertaken in FY 22-23.

(v) The Company saved ₹ 14.8 Lakhs by saving 26,698 kl water in FY 21-22 in rainwater lagoon. The saving will continue in future.

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

(i) Nil

(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

- Dahej Plant:

(i) Flash steam recovery project (Appx. ₹1.2 Cr) : To recover thermal energy as flash steam & increase condensate recovery of plant. Project will be completed by mid of August 2022 and has a saving potential of ₹ 90 lacs per annum.

(ii) Covered under (a).

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

- Dahej Plant:

(i) The company has adopted new technology for transferring of process steam condensate by mechanical pump (Steam operate pump) – Project is nearing completion, and benefits will start in September 2022.

(ii) Plant has provided chilled water to Absorber top 15 trays which resulted in increasing production (3TPD) & reduction in utility norms & NH3 norms (0.004 MT/MT).

(iii) Plant has decided to install new suction air chilling system for WNA 6 plant which will increase production and decrease specific norms of ammonia and utilities.

(iv) Wireless online vibration monitoring system provided to all critical equipment.

b) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Taloja K1-6 Plant :

(i) Small Retail capacity IPA drums – Established process to fill Isopropyl Alcohol product in small drums of 25 liters capacity to cater to retail markets requirements.

- Dahej Plant :

(ii) The Company saved ₹ 33.9 Lakhs in FY 21-22 by revision of Contract Demand with Grid from 3000 KVA to 2300 KVA (85% of total contract demand). The saving will continue in future.

c) 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	The Year of Import Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefor
None			

d) The expenditure incurred on Research and Development

New Product Development Synergic to Existing Products Basket.

(i) Nil

Other R&D Initiative adding value to existing process.

- Dahej Plant :

(i) Optimization of convertor catalyst gauze to improve catalyst conversion efficiency – reducing Ammonia & utility norms, among other benefits including reduction of precious metal requirement.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to foreign exchange earnings and outgo as under:

Earning in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2022	31st March 2021
Export of goods (Manufactured and Traded)	2,638.73	3,351.20
Other Income	3,013.88	925.67
Other Income - Sale of Investment	-	944.73
Total	**5,652.61**	**5,221.61**

Expenditure in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2022	31st March 2021
Interest and repayment of Loans.	783.86	811.16
Technical fees to Foreign Vendors	704.61	92.54
Foreign Travels	-	-
Others (Net of Reimbursements)	181.02	326.17
Total	**1,669.49**	**1,229.87**

CIF Value of Imports (₹ In Lakhs)

Particulars	31st March 2022	31st March 2021
Raw Materials	8,825.00	1,008.56
Capital goods and spares	2,924.00	1,238.39
Traded chemicals	43,521.00	34,723.19
Traded Furniture	281.00	43.00
Total	**55,551.00**	**36,970.14**

ANNEXURE 6

SECRETARIAL COMPLIANCE REPORT OF
DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED
FOR THE YEAR ENDED MARCH 31, 2022

To,
The Members,
Deepak Fertilisers And Petrochemicals Corporation Limited,
Sai Hira, Survey No.93,
Mundhawa, Pune-411036.

We **SVD & Associates, Company Secretaries,** have examined:

a) all the documents and records made available to us, by way of email and explanations provided by **Deepak Fertilisers And Petrochemicals Corporation Limited** ("the listed entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2022** ("Review Period") in respect of compliance with the provisions of:

   a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

   b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR);

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(not applicable to the listed entity during the Review Period)**;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 upto August 12, 2021. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021 **(not applicable to the listed entity during the Review Period)**;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 upto August 15, 2021. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from August 16, 2021 **(not applicable to the listed entity during the Review Period)**;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 upto August 15, 2021. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 with effect from August 16, 2021 **(not applicable to the listed entity during the Review Period)**;

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India (Depositories and Participant Regulation), 2018 and circulars/ guidelines issued thereunder.

And based on the above examination, we hereby report that, during the Review Period:

   (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 29 (2)/29(3) of LODR requires the Company to give prior Intimation to BSE and NSE about the meeting of board of directors at least five days in advance (excluding the date of the intimation and date of the meeting).	Prior Intimation to stock exchanges about the meeting of board of directors was given on November 08, 2021 for the meeting held on November 12, 2021 which is less than the prescribed minimum notice period.	The listed entity needs to ensure that the prior intimation of the board meetings is given to recognized stock exchanges within the time prescribed under Regulation 29 (2) /29 (3) of SEBI LODR.
2.	Regulation 32 (1) of LODR required the Company to file the statement of deviation(s) or variation(s) within forty-five days from the end of each quarter.	Statement of deviation(s) or variation(s) filed for quarter ended September 30, 2021 was filed on November 23, 2021 which is beyond forty-five days from the end of the quarter.	The listed entity needs to file the statement of deviation or variation within the time prescribed under Regulation 32 of SEBI LODR.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)	Prior Intimation to BSE and NSE about the meeting of board of directors was given on November 08, 2021 for the meeting held on November 12, 2021, which is less than the prescribed minimum notice period.	BSE vide notice dated December 14, 2021 levied a fine of ₹ 11,800/- inclusive of GST for delay in giving intimation of Board meeting for approving the financials for September 30, 2021. NSE vide notice dated December 14, 2021 levied a fine of ₹ 11,800/- inclusive of GST for delay in giving intimation of Board meeting for approving the financials for September 30, 2021.	Payment to BSE was made on December 22, 2021. Payment to NSE was made on December 24, 2021. The listed entity needs to ensure that the prior intimation of the board meetings is given to recognized stock exchanges within the time prescribed under Regulation 29 (2) /29 (3) of SEBI LODR.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended(The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	As per Regulation 17 sub regulation 1 clause (a) of LODR, Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020. The Company has appointed the Independent Woman Director w.e.f. May 14, 2020.	March 31, 2021	The listed entity has appointed the Independent Woman Director w.e.f. May 14, 2020.	The action taken by the listed entity is self-explanatory.
2.	Regulation 13 of LODR requires the Company to ensure that adequate steps are taken for expeditious redressal of investor complaints. Fine of ₹ 2,360 inclusive of GST was levied by BSE per SEBI circulars no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 and SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.	March 31, 2021	The listed entity has submitted representation to BSE for waiver of the fine levied upon it. In the interim, pending waiver of fine by BSE, the same has been paid UNDER PROTEST to avoid the consequences of non-payment.	The waiver request of the listed entity is pending.

(e) The listed entity has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the listed entity.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 25, 2022

Peer Review No: P2013MH075200
UDIN: F006156D000367352

ANNEXURE 7

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Deepak Fertilisers And Petrochemicals Corporation Limited,
Sai Hira, Survey No 93, Mundhwa,
Pune-411036.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Deepak Fertilisers And Petrochemicals Corporation Limited** (hereinafter referred to as 'the Company'), CIN - L24121MH1979PLC021360 and having registered office at Sai Hira, Survey No 93, Mundhwa, Pune-411036 produced before us by the Company on the e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original date of appointment
1	Sujal Anil Shah	00058019	30/06/2020
2	Sailesh Chimanlal Mehta	00128204	01/08/2008
3	*Berjis Minoo Desai	00153675	07/07/2017
4	Ashok Kumar Purwaha	00165092	07/07/2017
5	Parul Sailesh Mehta	00196410	20/10/2005
6	Partha Sarathi Bhattacharyya	00329479	31/10/2012
7	#Alok Perti	00475747	22/04/2019
8	Bhuwan Chandra Tripathi	01657366	13/02/2020
9	Varsha Vasant Purandare	05288076	31/01/2021
10	Madhumilan Parshuram Shinde	06533004	10/02/2017
11	#Amit Biswas	08173442	22/04/2019
12	Jayesh Hirji Shah	05011160	20/12/2021

*Mr. Berjis Desai (DIN: 00475747) ceased to a Director of the Company w.e.f December 27, 2021.
#Mr. Alok Perti (DIN: 01758785) and Mr. Amit Biswas (DIN: 08173442) ceased to a Directors of the Company w.e.f April 21, 2022.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664

Place: Pune
Date: May 25, 2022

Peer Review No.: P2013MH075200
UDIN: F006156D000367462

ANNEXURE 8

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 **("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

1. Petroleum Act, 1934 and Rules, 2002;
2. Explosive Act, 1908;
3. Essential Commodities Act, 1955
4. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;
5. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;
6. Ammonium Nitrate Rules, 2012;
7. Fertiliser (Control) Order, 1985;
8. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

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

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

We further report that:

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

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

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

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

We further report that

At the Annual General Meeting of the Company held on 10th August 2021, following business were transacted:

(1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2021, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed an Ordinary Resolution to appoint a director in place of Shri Sailesh C. Mehta (DIN: 00128204), who retires by rotation and being eligible, offers himself for re-appointment.

(3) The Shareholders passed an Ordinary Resolution to appoint a director in place of Dr. T. K. Chatterjee (DIN: 00118123), who retires by rotation and being eligible, offers himself for re-appointment.

(4) The Shareholders passed an Ordinary Resolution to re-appointment M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) as Statutory Auditors.

(5) The Shareholders passed an Ordinary Resolution to ratify the remuneration to be paid to the Cost Auditors of the Company.

(6) The Shareholders passed a Special Resolution to consider appointment of Shri Sailesh C. Mehta as the Managing Director of the Company.

(7) The Shareholders passed a Special Resolution to consider and approve increase in the overall Managerial Remuneration.

(8) The Shareholders passed a Special Resolution to consider and approve appointment of Ms. Rajvee Mehta at Office or place of profit as Associate Vice President - TAN Business Strategy, in line with the general policies and practices of the Company.

We further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552D000301294
PR- 738/2020

Place: Pune
Date: May 05th, 2022

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.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner

M. No. F9552
CP No.- 9798
UDIN: F009552D000301294
PR- 738/2020

Place: Pune

ANNEXURE 9

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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,
Performance Chemiserve 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 Performance Chemiserve Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

We further report that

At the Annual General Meeting of the Company held on 26th August, 2021, following business were transacted:

(1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March, 2021, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed an Ordinary Resolution to appoint a Director in place of Shri Raghunath M. Kelkar (DIN: 03628300), who retires by rotation and being eligible, offers himself for re-appointment.

(3) The Shareholders passed an Ordinary Resolution to appoint Smt. Parul S. Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.

(4) The Shareholders passed an Ordinary Resolution to appoint Shri M. P. Shinde (DIN: 06533004) as a non-executive and non-independent Director.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No.: F9552
CP No.: 9798
UDIN: F009552D000301327
PR: 738/2020

Place: Pune
Date: 11.05.2022

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,
Performance Chemiserve Limited
Sai Hira, Survey No.93,
Mundhwa, Pune 411036

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No.: F9552
CP No.: 9798
UDIN: F009552D000301327
PR: 738/2020

Place: Pune

CORPORATE GOVERNANCE

The Company believes in creating value for its stakeholders following the principles of fairness, equity, transparency, accountability and dissemination of information. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

BOARD OF DIRECTORS

The Company's Board composition resonates Board diversity and is best demonstrated in the well balanced and independent structure of the Company's Board of Directors which has a very balanced representation of Executive, Non-Executive and Independent Directors for enhancement of organizational capabilities. Members of the Board have been handpicked to provide an apt mix of knowledge, experience, vigilance and security for enhancement of organizational capabilities.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which they are Directors. The changes in the composition of the Board during the year and its composition as on 31st March, 2022 was as follows:

Sr. No.	Category	Name of Director
1	Promoter and Executive Director	Mr. S. C. Mehta, Chairman & Managing Director
2	Promoter & Non-Executive Director	Mrs. Parul S. Mehta
3	Non-Executive and Non- Independent Director	Mr. M. P. Shinde
4	Independent Directors	Mr. Partha Bhattacharyya
5		Mr. Berjis Desai[1]
6		Mr. Ashok Purwaha
7		Mr. Alok Perti[2]
8		Dr. Amit Biswas[3]
9		Mr. Bhuwan Chandra Tripathi
10		Mr. Sujal Shah
11		Mrs. Varsha Purandare
12		Mr. Jayesh Hirji Shah[4]

[1] Mr. Berjis Minoo Desai due to heavy pressure on his professional time and in order to accommodate other newly listed/ to be listed companies as an independent director has resigned as an Independent Director of the Company with effect from 27th December, 2021.

[2&3] Mr. Alok Perti and Dr. Amit Biswas, on completion of their first term as an Independent Directors, have ceased to be directors of the Company w.e.f. 21st April, 2022.

[4] The Board, via Circular Resolution on 15th December, 2021, appointed Mr. Jayesh Hirji Shah as an Independent Director w.e.f. 20th December, 2021.

MEETINGS OF BOARD OF DIRECTORS

During the year under review, five Board Meetings were held. These meetings were held on 28th May, 2021, 10th August, 2021, 12th November, 2021, 28th January, 2022 and 29th March, 2022. The gap between any two meetings has been less than one hundred and twenty days.

The record of attendance of Directors for Board Meetings and the previous Annual General Meeting and the Directorships of Public Limited Companies and Membership / Chairmanship of Board Committees as on 31st March, 2022 are as given below:

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships in listed companies including this Company	No. of Directorships of other Companies Including Private Companies$	No. of membership of other Board Committees#	No. of Chairmanship of other Board Committees#
1	Mr. S. C. Mehta	5	Yes	1	11	0	0
2	Mr. Partha Bhattacharyya	5	Yes	4	6	3	3
3	Mrs. Parul S. Mehta	5	Yes	1	7	0	0
4	Mr. M. P. Shinde	5	Yes	1	2	1	0
5	Mr. Ashok Purwaha	5	Yes	1	1	1	0
6	Mr. Bhuwan Chandra Tripathi	5	Yes	1	3	1	0
7	Mr. Sujal Anil Shah	4	Yes	7	4	9	3
8	Mrs. Varsha Purandare	5	Yes	4	6	10	4
9	Mr. Jayesh Shah@	2	N.A.	1	0	0	0
10	Mr. Alok Perti	5	Yes	2	4	3	2
11	Dr. Amit Biswas	5	Yes	1	1	1	0
12	Mr. Berjis Desai&	3	Yes	N.A.			

$ Excludes directorships of foreign companies and dormant companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

@ Mr. Jayesh Hirji Shah was appointed as an Independent Director w.e.f. 20th December, 2021.

& Mr. Berjis Desai resigned as director of the Company w.e.f. 27th December, 2021.

Notes:

As per declarations received, none of the directors serve as an independent director in more than seven listed entities. Further, the Managing Director of the Company does not serve as an independent director in any other entity. Further, other than Mr. Sailesh Mehta and Mrs. Parul Mehta who are related, none of the other directors are related to each other.

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31st March, 2022 are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1	Mr. S. C. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Chairman & Managing Director
2	Mrs. Parul S. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
3	Mr. M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
4	Mr. Partha Bhattacharyya	Tide Water Oil Co. India Limited	Independent Director
		Ramkrishna Forgings Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Texmaco Rail & Engineering Limited	Independent Director
5	Mr. Ashok Purwaha	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
6	Mr. Alok Perti*	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Shalimar Paints Limited	Independent Director
7	Dr. Amit Biswas*	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

Sr. No.	Name of the director	Name of listed entities	Category
8	Mr. Bhuwan Chandra Tripathi	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
9	Mr. Sujal Anil Shah	Amrit Corp. Limited	Independent Director
		Ironwood Education Limited	Independent Director
		Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Amal Limited	Independent Director
		Hindoostan Mills Limited	Independent Director
		Mafatlal Industries Limited	Independent Director
		Navin Fluorine International Limited	Independent Director
10	Mrs. Varsha Purandare	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Orient Cement Limited	Independent Director
		Shaily Engineering Plastics Limited	Independent Director
		The Federal Bank Limited	Independent Director
11	Mr. Jayesh Hirji Shah	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

*. Mr. Alok Perti and Dr. Amit Biswas, on completion of their first term as an Independent Directors, have ceased to be directors of the Company w.e.f. 21st April, 2022

CORE SKILL / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

As required by Schedule V of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is the list of core skills / expertise / competencies identified by the Board of Directors in the context of the Company's business and the said skills are available with the Board of Directors:

Audit & Risk Management, Corporate Governance, CSR & NGO matters, Finance & Taxation, Global Business Leadership, Human Resources, Law, Management & Strategy, Operations & Engineering, Regulatory & Government matters, Research & Development, Sales, International Business.

Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the names of directors who have such skills / expertise / competence shall be disclosed, which are as below:

However, the absence of a mark against a director's name does not necessarily mean the director does not possess the corresponding qualification and skill.

Director	Area of Expertise												
	Audit & Risk Management	Corporate Governance	CSR & NGO matters	Finance & Taxation	Global Business Leadership	Human Resources	Law	Management & Strategy	Operations & Engineering	Regulatory & Government matters	Research & Development	Sales	International Business
Mr. S. C. Mehta	✔	✔	✔		✔	✔		✔	✔				✔
Smt. Parul S. Mehta	✔	✔	✔			✔		✔				✔	
Mr. Partha Bhattacharyya	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Ashok Purwaha	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
Mr. M. P. Shinde	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
Mr. Bhuwan Chandra Tripathi	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Sujal Anil Shah	✔	✔	✔	✔	✔		✔	✔	✔	✔			
Smt. Varsha Purandare	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
Mr. Jayesh Hirji Shah	✔	✔	✔	✔		✔	✔	✔		✔			✔

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

The Company has an Audit Committee comprising of four directors, majority of which are Independent. The Committee is headed by Mr. Partha Bhattacharyya.

The terms of reference of Audit Committee are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Section 177 of Companies Act, 2013 which inter alia, includes to oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance and independence of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of related party transactions and internal control systems.

During the year under review, seven meetings of Audit Committee were held i.e., 27th May, 2021, 9th July, 2021, 9th August, 2021, 11th November, 2021, 10th December, 2021, 27th January, 2022 and 28th March, 2022.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the aforesaid meetings is as follows:

Name of Director	Category	No. of meetings held during the tenure		Whether attended last AGM
		Held	Attended	
Mr. Partha Bhattacharyya, Chairman	Independent Director	7	7	Yes
Mr. M.P. Shinde, Member	Non-Executive Non-Independent Director	7	7	Yes
Mr. Sujal Anil Shah, Member	Independent Director	7	7	Yes
Mr. Bhuwan Chandra Tripathi[1], Member	Independent Director	1	1	Yes

1. Mr. Bhuwan Chandra Tripathi was appointed as the member of the Audit Committee w.e.f. 28th January, 2022.

Besides the above, Chairman and Managing Director and the Chief Financial Officer (CFO) are permanent invitees to Audit Committee Meetings. The representatives of Statutory Auditor, Internal Auditor and Cost Auditor attend such meeting of the Audit Committee, where matters concerning them are discussed.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee comprising of three directors, majority of which are Independent. The Committee is headed by Mr. Jayesh Shah.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee specifically looks into redressal of complaints related to transfer of shares, non-receipt of dividends, non-receipt of annual report, etc. received from security holders and to improve the efficiency in service to security holders etc.

The terms of reference of Stakeholders Relationship Committee are in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which, inter alia, include the following:

1. Resolving the grievances of the security holders;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices from the shareholders of the Company.

During the year under review, one meeting of Stakeholders Relationship Committee was held on 12th November, 2021.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the aforesaid meeting is as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Alok Perti[1], Chairman	N.A.	N.A.
Mr. Berjis Desai[2], Chairman	1	1
Mr. Ashok Purwaha[3], Member	N.A.	N.A.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. M. P. Shinde[4], Member	1	1
Dr. Amit Biswas, Member	1	1

[1&2]. Mr. Alok Perti was appointed as member and Chairman of the Committee in place of Mr. Berjis Desai w.e.f. 27th December, 2021.

[3&4]. Mr. Ashok Purwaha was appointed as member of the Committee in place of Mr. M. P. Shinde w.e.f. 27th December, 2021.

Further, w.e.f. 21st April, 2022, the Committee stands reconstituted, as under

Name of Director	Category	Position held in Committee
Mr. Jayesh Shah	Independent Director	Chairman
Mr. Ashok Purwaha	Independent Director	Member
Mr. M. P. Shinde	Non-Executive Non-Independent Director	Member

Mr. Ritesh Chaudhry, Company Secretary is the Compliance Officer.

Details of complaints received during the financial year 2021-22 are as follows:

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders	No. of pending complaints
Transfer of shares	3	0	0
Non-receipt of annual report	0	0	0
Non-receipt of dividend warrants	1	0	0
Issue of duplicate share certificates	6	0	0
Others (relates to non-receipt of shares, demat, change of address, Bank details, signature, correction of name etc.)	6	0	0

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of three directors, all of whom are Independent Directors. The Committee is headed by Mr. Bhuwan Chandra Tripathi.

The terms of reference of Nomination and Remuneration Committee are in accordance with provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, includes to 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 / removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

During the year under review, one meeting of Nomination and Remuneration Committee was held on 28th May, 2021.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Bhuwan Chandra Tripathi, Chairman[1]	N.A.	N.A.
Dr. Amit Biswas, Member	1	1
Mr. Sujal Anil Shah, Member	1	1
Mr. Berjis Desai[2], Chairman	1	1

[1&2] Mr. Bhuwan Chandra Tripathi was appointed as member and chairman of the committee in place of Mr. Berjis Desai w.e.f. 27th December, 2021

Further, w.e.f. 21st April, 2022, the Committee stands reconstituted, as under

Name of Director	Category	Position held in Committee
Mr. Bhuwan Chandra Tripathi	Independent Director	Chairman
Mr. Sujal Anil Shah	Independent Director	Member
Mr. Partha Bhattacharyya	Independent Director	Member

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2021-22. The Board at its Meeting held on 25th May, 2022 reviewed the reports on performance assessment of the Board, its Committees and individual directors.

The evaluation framework for assessing the performance of Chairman, Directors, Board as well as its Committees comprises, inter alia, of the following criteria:

i. Directors bring an independent judgment on the Board's discussions utilizing their knowledge and experience especially on issues related to strategy, operational performance and risk management.

ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance disclosure and legal compliances.

iii. Directors contribute new ideas / insights on business issues raised by Management.

iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.

v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.

vi. The Board receives adequate and timely information to enable discussions / decision making during Board meetings.

vii. The Board addresses interests of all stakeholders of the Company.

viii. The Committees are delivering on the defined objectives.

ix. The Committees have the right composition to deliver their objectives.

Performance evaluation criteria for independent directors: Performance evaluation of independent directors in addition to the above evaluation, also considers attendance in Board and Committee meetings, time devoted for the Company, contribution in the Board processes and discussions and such other criteria as may be considered by the Nomination and Remuneration Committee from time to time.

Further, the Nomination and Remuneration Policy is available on the website of the Company at https://www.dfpcl.com/uploads/2021/07/Nomination-and-Remuneration-Policy-25-05-2022.pdf

PROJECT & FUNDING COMMITTEE

The Company has a Project & Funding Committee comprising of three directors, all of whom are Independent Directors. The Committee is headed by Mr. Ashok Purwaha.

The terms of reference of Project & Funding Committee, inter alia, includes, to evaluate periodically projects proposed to be taken up by the Company, to review ongoing projects, consider proposals for funding of the projects and recommend to the Board of Directors for consideration and approval of new projects.

During the year under review, no committee meeting was held. The composition of the committee as on 31st March, 2022 is as under:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ashok Purwaha, Chairman	-	-
Mr. Bhuwan Chandra Tripathi, Member		
Mrs. Varsha Purandare[1], Member		
Mr. Alok Perti[2], Member		

[1 & 2] Mrs. Varsha Purandare was appointed as member of the Project and Funding Committee in place of Mr. Alok Perti by the Board at its meeting held on 28th January, 2022.

Further, w.e.f. 21st April, 2022, the Committee stands reconstituted, as under:

Name of Director	Category	Position held in Committee
Mr. Ashok Purwaha	Independent Director	Chairman
Mr. Bhuwan Chandra Tripathi	Independent Director	Member
Mrs. Varsha Purandare	Independent Director	Member

MANUFACTURING OPERATIONS REVIEW COMMITTEE

The Company has a Manufacturing Operations Review Committee comprising of three directors, majority of which are Independent. The Committee is headed by Mr. Partha Bhattacharyya, Independent Director.

The terms of reference of Manufacturing Operations Review Committee, inter alia, include, to periodically review factory operations, safety, hazard and pollution / emissions, to suggest initiatives for improving efficiencies and standards, to review internal audit reports pertaining to factory operations and to suggest corrective actions to take care of observations of the Internal Auditors.

During the year under review, one meeting of Manufacturing Operations Review Committee was held on 8th July, 2021.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman	1	1
Mr. M. P. Shinde, Member	1	1
Mr. Ashok Kumar Purwaha, Member	1	1

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee. The Committee is headed by Mr. Partha Bhattacharyya, Independent Director.

The terms of reference of Corporate Social Responsibility Committee (CSR), inter alia, include, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and also monitor the mechanism for CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

During the year under review, two meetings of Corporate Social Responsibility Committee were held on 9th July, 2021 and 25th March, 2022.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman	2	2
Mrs. Parul Mehta, Member	2	2
Mr. Alok Perti, Member	2	2

Further, w.e.f. 21st April, 2022, the Committee stands reconstituted, as under

Name of Director	Category	Position held in Committee
Mr. Partha Bhattacharyya	Independent Director	Chairman
Mrs. Parul Mehta	Non-Executive Non-Independent Director	Member
Mr. M. P. Shinde	Non-Executive Non-Independent Director	Member

The Board of Directors of the Company have approved a comprehensive CSR Policy as per the amended provisions of the Companies Act, 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at CSR-Policy_DFPCL.pdf and Final CSR Budget -2021-22 (DFPCL+STL+PCL+ Outside Donation) 08.07.2021.xlsx

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee comprising of four directors. The Committee is headed by Mr. M. P. Shinde, Non-Executive Non-Independent Director.

The terms of reference of the Committee are in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also include other matters delegated to the Committee by Board of Directors of the Company from time to time.

The Company has also framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries / associates.

During the year under review, two Meetings of the Risk Management Committee were held on 8th July, 2021 and 9th December, 2021.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. M. P. Shinde, Chairman	2	2
Mr. Bhuwan Chandra Tripathi, Member	2	2
Mr. Amitabh Bhargava, Member[1]	2	2
Dr. Amit Biswas[2]	2	2

[1] Not a director but is a member of the Committee.
[2] Dr. Amit Biswas, on completion of his First Term as Independent Director, ceased to be director w.e.f. 21st April, 2022 and also ceased to be the member of the Risk Management Committee from the aforesaid date.

SECURITIES ISSUE COMMITTEE

The Company has a Securities Issue Committee comprising of three directors, majority of which are Independent. The Committee is headed by Mrs. Varsha Purandare, Independent Director.

The Securities Issue Committee specifically looks into various matters relating to the capital raising, ensuring implementation of capital raising, to decide the form / mode of capital raising and to approve the preliminary placement document, to approve, finalise and issue allotment letters and to make application or seek exemption to / from any regulatory or statutory authorities etc., and other allied matters.

During the year under review, four meetings of the Securities Issue Committee were held on 1st July, 2021, 19th October, 2021 and two meetings were held on 22nd October, 2021.

The composition of the Committee as on 31st March, 2022 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Berjis Desai[1]	4	3
Mrs. Varsha Purandare, Chairperson[2]	N.A.	N.A.
Mr. Sujal Shah, Member	4	4
Mr. Amitabh Bhargava, Member	4	4

[1&2] Mr. Berjis Desai resigned as director of the Company w.e.f. 27th December, 2021 and consequently ceased to be the member and Chairman of the Securities Issue Committee and in his place Mrs. Varsha Purandare was appointed as member and chairperson of the Securities Issue Committee by the Board at its meeting held on 28th January, 2022.

Mr. Ritesh Chaudhry, Company Secretary and Compliance Officer acts as Secretary to all the Committees of the Board of Directors.

SHARE AND DEBENTURE TRANSFER COMMITTEE

The Company has a Share and Debenture Transfer Committee comprising of five committee members. The Committee is headed by Mr. S. C. Mehta.

The Share and Debenture Transfer Committee specifically looks after the proposals of transfers, transmissions, transposition of names, issue of split, consolidated share certificates, re-materialisation of shares etc.

The composition of the Share and Debenture Transfer Committee is as below:

Sr. No.	Particulars	No. of Meetings held during tenure	No. of Meetings attended
1.	Mr. S. C. Mehta – Chairman	33	33
2.	Mrs. Parul S. Mehta – Member	33	33
3.	Mr. Amitabh Bhargava* - Member	33	33
4.	Mr. Ritesh Chaudhry* - Member	33	33
5.	Mr. Deepak Balwani* - Member	33	33

*These are not Directors of the Company but are members of the Committee.

During the year under review, 33 meetings of Share and Debenture Transfer Committee were held.

RIGHTS ISSUE COMMITTEE

The Company has a Rights Issue Committee comprising of two committee members. The Committee is headed by Mr. Sujal Shah. The Rights Issue Committee was constituted for giving effect to the Rights Issue and also to look after other things related to Rights Issue.

During the year under review, no committee meeting was held. The composition of the Rights Issue Committee as on 31st March, 2022 is as below:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Berjis Desai[1]		
Mr. Sujal Shah[2], Chairman	-	-
Mr. Amitabh Bhargava[3], Member		

[1&2] Mr. Berjis Desai resigned as director of the Company w.e.f. 27th December, 2021 and consequently ceased to be the member and Chairman of the Rights Issue Committee and in his place Mr. Sujal Shah (member) was designated as Chairman of the Rights Issue Committee by the Board at its meeting held on 28th January, 2022.

[3] Mr. Amitabh Bhargava was appointed as the member of the Rights Issue Committee by the Board at its meeting held on 28th January, 2022.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 25th March, 2022, inter alia, to discuss and review the quality, quantity and timeliness of flow of information between the Management of the Company 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 aforesaid meeting.

Further, subsequent to close of financial year 2021-22, the Independent Directors met on 23rd May, 2022, inter-alia, to discuss and review the following:

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

2. The performance of Chairman of the Company, taking into account the views of Non-Executive Directors.

All the Independent Directors, apart from Mr. Jayesh Hirji Shah, were present at the aforesaid meeting.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management personnel and are provided with the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letter of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting, where all Directors and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

The above initiatives help the Directors understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

The familiarisation programme for directors is available on the website of the Company at the link- https://www.dfpcl.com/ wp-content/uploads/2017/04/FamiliarisationProgram.pdf

INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of ongoing projects which warrant attention of the Directors. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

The Company has laid down procedures to inform the Board Members about the risk assessment and its minimization. The Board Members through the Risk Management Committee, are provided with the information on the risks faced by the Company and measures adopted by the Company to mitigate the same.

With a view to leveraging technology and moving towards paperless system for preservation of environment, the Company has adopted a web-based application for transmitting Board / Committee meeting agenda. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board / Committee agenda in electronic form.

BOARD DIVERSITY

The Board of Directors ensure that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is, therefore, important for sustained commercial success of the Company. While selecting the Board members, the Company endeavours to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

DIVIDEND DISTRIBUTION POLICY

The Board at its meeting held on 30th June, 2017 adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website www.dfpcl.com.

A physical copy of the Policy will be made available to any shareholder on request by email.

CODE OF CONDUCT

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2021-22. A declaration to this effect signed by Chairman and Managing Director is given in this Annual Report.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

CONFIRMATION BY THE BOARD ON FULFILLMENT OF INDEPENDENCE OF INDEPENDENT DIRECTORS

In the opinion of the Board, all the existing Independent Directors and those who are proposed to be appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

RESIGNATION OF INDEPENDENT DIRECTOR

All the details of changes in directors has been provided in the Board's Report. Further, the Company has informed the same to the Stock Exchanges.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY

REMUNERATION PAID TO EXECUTIVE DIRECTOR

(Amount in ₹)

Name of Director	Designation	Salary and Allowances	Perks	Commission	Others (PF and Superannuation)	Total
Mr. S. C. Mehta	Chairman & Managing Director	3,93,17,843	1,22,34,386	-	41,46,000	5,56,98,229

Appointment of Managing Director and Chairman is governed by a Service Contract for a period of 5 Years.

During the year under review, Mr. S. C. Mehta was also appointed as Managing Director of the wholly owned subsidiary of the Company i.e. Smartchem Technologies Limited (STL) w.e.f. 1st August, 2021. The Board of STL in accordance with the approval of the shareholders and upon recommendation of their Nomination and Remuneration Committee have approved commission of ₹ 61.18 Crore to Mr. S. C. Mehta for the financial year 2021-22.

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Details of Sitting Fees paid during the Financial Year 2021-22 and Commission paid for Financial Year 2021-22 to Non-Executive Directors:

Sitting Fees:

The Company pays sitting fees to Non-Executive Directors @ ₹ 75,000/- for attending per Board Meeting, ₹ 50,000/- for attending per Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Project and Funding Committee Meeting and Finance Committee Meeting and ₹ 30,000/- for attending per Meeting of other Committees constituted by the Board.

During the year under review, the details of sitting fees paid to the directors for attending the meetings of Board and Committees are as provided below:

Sr. No.	Name of Director	Sitting Fees (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	9.05
2.	Mrs. Parul S. Mehta	4.95
3.	Mr. M. P. Shinde	9.05
4.	Mr. Ashok Purwaha	4.95
5.	Mr. Berjis Desai	3.95
6.	Mr. Alok Perti	5.25
7.	Dr. Amit Biswas	6.05
8.	Mr. Bhuwan Chandra Tripathi	5.75
9.	Mr. Sujal Anil Shah	9.10
10.	Smt. Varsha Purandare	4.35
11.	Mr. Jayesh Shah	2.10

Commission:

The payments of Commission to non-executive directors are based on attendance in the Board and Committee meeting, time devoted for the Company and contribution made in the board processes and discussions.

Further, considering the profits of the Company for the Financial Year ended 31st March, 2021, aggregate commission of ₹ 157.5 Lakhs was paid to non-executive directors.

For the Financial Year ended 31st March, 2022, considering the profits of the Company, commission payable to non-executive directors was approved by the Board at its meeting held on 25th May, 2022. The details of commission to be paid to the non-executive directors are as given below:

Sr. No.	Name of Director	Commission (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	20.00
2.	Mrs. Parul S. Mehta	12.50
3.	Mr. M. P. Shinde	10.00
4.	Mr. Ashok Purwaha	10.00
5.	Mr. Berjis Desai	10.00
6.	Mr. Alok Perti	15.00
7.	Dr. Amit Biswas	8.00
8.	Mr. Bhuwan Chandra Tripathi	23.00
9.	Mr. Sujal Anil Shah	17.50
10.	Smt. Varsha Purandare	10.00
11.	Mr. Jayesh Shah	5.00

The aforesaid commission for the Financial Year 2021-22 will be paid to the non-executive directors after the adoption of accounts by the shareholders at the ensuing Annual General Meeting to be held on 2nd September, 2022.

Mr. M P Shinde, Non-Executive Director of the Company is providing certain services in his professional capacity to the Company as per the terms of the contract entered into with him. In his role as Consultant to the Company, he advises on issues relating to Environment, Health and Safety, Plant Operations, Pollution Control and allied activities for the Company's various plants. In accordance with the approval from the Audit Committee and the Board, the Company paid professional fee of ₹ 24,00,000/- to him during FY 2021-22.

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. The Company has not issued any stock options to any of the directors. None of the directors are holding any convertible securities of the Company.

Details of Shares held by Non-Executive Directors as on 31st March, 2022:

Sr. No.	Non-Executive Director	Holding
1.	Mrs. Parul S. Mehta	1,409 Equity Shares
2.	Mr. M.P. Shinde	1,500 Equity Shares
3.	Mr. Partha Bhattacharyya	Nil
4.	Mr. Ashok Kumar Purwaha	Nil
5.	Mr. Alok Perti [1]	Nil
6.	Dr. Amit Biswas [2]	Nil
7.	Mr. Bhuwan Chandra Tripathi	Nil
8.	Mr. Sujal Anil Shah	Nil
9.	Smt. Varsha Purandare	Nil
10.	Mr. Jayesh Shah	Nil

[1&2] Ceased to be directors w.e.f. 21st April, 2022

ANNUAL GENERAL MEETING

Details of special resolutions passed in the last three Annual General Meetings held are provided below:

Particulars	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21
Day	Wednesday	Monday	Thursday
Date	14th August, 2019	21st September, 2020	26th August, 2021
Time	11:30 a.m.	11.00 a.m.	11.00 a.m.
Venue	Opus 1, The Cove, Level 1, Creaticity, Opp. Golf Course, Off Airport Road, Yerawada, Pune – 411 006	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Whether any special resolutions passed	Yes • To waive of excess managerial ₹ 249.39 Lakhs paid to Mr. S.C. Mehta, Chairman and Managing Director. • To rollover the Special Resolution by another 365 days to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2019 and to take such other corporate actions as mentioned in the resolution passed on 18th September, 2018 as and when necessary within the same threshold limit of ₹ 600 Crore.	Yes • To waive of excess managerial remuneration aggregating to ₹ 264.76 Lakhs paid to Mr. S. C. Mehta, Chairman and Managing Director. • To rollover the Special Resolution by another 365 days to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2020 and to take such other corporate actions as mentioned in the resolution passed on 18th September, 2018 as and when necessary within the same threshold limit of ₹ 600 Crore.	Yes • To consider and approve Special Resolution enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Partly Convertible Debentures and such other securities as stated in the resolution, including by way of a qualified institutional placement in accordance with Chapter VI of the SEBI (ICDR) Regulations, in one or more tranches not exceeding ₹ 600 Crore.

SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review, no special resolution was passed through Postal Ballot.

SPECIAL RESOLUTION PROPOSED TO BE PASSED THROUGH POSTAL BALLOT

None of the businesses/special resolution proposed to be transacted requires the passing of a Resolution by way of Postal Ballot.

DISCLOSURES:

i. **Name & Designation of Compliance Officer**:

Mr. Ritesh Chaudhry, Company Secretary and Compliance Officer.

ii. **Details of Directors seeking appointment / re-appointment at the Annual General Meeting:**

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Forty-Second Annual General Meeting, forming part of this Annual Report.

iii. **Pecuniary relationship/transaction with non-executive directors:**

During the year under review, there was no pecuniary relationship/transactions with any non-executive director of the Company except the payment of professional fee of ₹ 24,00,000 /- to Mr. M. P. Shinde, Non-executive Director during FY 2021-22 as stated above.

iv. **Disclosures on material related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:**

During the year 2021-22, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, the same were specifically reviewed by an independent Chartered Accountant firm.

During the financial year under review, there were no material related party transactions in terms of amended Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors at its meeting held on 29th March, 2022 (further amended on 25th May, 2022), have approved a revised 'Policy on Materiality of Related Party Transactions' as per amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the policy has been uploaded on https://www.dfpcl.com/wp-content/ uploads/2017/04/Policy-for-Related-Party-Transactions.pdf

v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

As reported in the Annual Report of Financial Year 2020-21, BSE Limited (BSE) in the month of March, 2021 had levied a fine of ₹ 2,000 because of failure to take / ensure adequate steps for expeditious redressal of investor complaints under Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company has made a representation to BSE to set aside the fine and in meantime has paid the fine of ₹ 2,000 under protest.

Further, BSE and National Stock Exchange of India Limited (NSE) in the month of December, 2021 had levied a fine of ₹ 10,000/- each for non-compliance with Regulation 29(2)/ (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company has made a representation to BSE and NSE to set aside the fine and in meantime has paid the respective fine to BSE and NSE.

vi. Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2022; and
- The Internal Auditor directly reports to the Audit Committee

vii. Disclosures of relationships between Directors inter-se:

Mrs. Parul S. Mehta is wife of Mr. S. C. Mehta.

Except as mentioned above, none of the other Directors have any relation inter-se.

viii. Vigil Mechanism / Whistle Blower policy:

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee to report violation of the applicable laws, regulations and code of conduct. The Audit Committee and Board of Directors review periodically the complaints received by the competent authority under the Policy. The Vigil Mechanism / Whistle Blower Policy has been posted on the website of the Company WhistleBlowerPolicy.pdf (dfpcl.com)

ix. Regulations for prevention of Insider trading:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Insider for its Directors, Officers and Designated Persons (Insider Trading Policy).

Mr. Ritesh Chaudhry, Vice President & Head (Legal & Secretarial) & Company Secretary is the Compliance Officer under the said Policy.

x. Material Subsidiaries:

The material subsidiaries of the Company are Smartchem Technologies Limited and Performance Chemiserve Limited as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated the Policy on determining Material Subsidiaries and the same has been posted on https://www.dfpcl. com/ wp-content/uploads/2020/02/Policy-on-determining-material-subsidiaries.pdf

xi. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32A of SEBI Listing regulations:

The details have been provided in the Board's Report.

xii. Confirmation by the Board of Directors on acceptance of recommendation of mandatory committees:

The Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

xiii. Annual Secretarial Compliance Report:

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from M/s. SVD & Associates, Company Secretaries in practice for the Financial Year 2021-22.

A copy of the Annual Secretarial Compliance Report is enclosed in this Annual Report (Refer Annexure 6).

The observations of M/s. SVD & Associates, Company Secretaries in their report are self-explanatory.

xiv. Certificate from Practising Company Secretary under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has received a certificate from M/s. SVD & Associates, Company Secretaries in practice confirming that none of the board of directors of the Company are debarred or disqualified from being appointed or continuing as director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

A copy of the aforesaid certificate is enclosed in this Annual Report (Refer Annexure 7). The report is unqualified. There are no observations in the aforesaid report.

xv. Disclosure of total fees paid to the Statutory Auditor:

For the financial year 2021-22, ₹ 42.33 Lakhs was paid to P G BHAGWAT LLP, Statutory Auditors of the Company. Neither the aforesaid Statutory Auditor nor the entities in the network firm in which the statutory auditor is a part, provided any services to the subsidiary companies of the Company.

xvi. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The necessary disclosure on the subject have been already made in the Board's Report.

xvii. Commodity price risk or foreign exchange risk and hedging activities:

Foreign Exchange Risk:

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

Commodity Risk:

As a manufacturing company of Industrial Chemicals and Fertilisers, Company is exposed to risks due to fluctuations in prices of its key raw material (Natural Gas / LNG, Propylene, Phosphoric Acid, Ammonia, Muriate of Potash, etc.) used in operations. Prices of all these raw materials are linked to or derived from international market which are volatile in nature. Company follows Board approved Commodity Risk management policy for hedging price risk of major raw materials wherever possible. The policy establishes commodity risk management framework and defines the procedures and controls for effective management of risks that arises through company's manufacturing operations.

xviii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

None, except as disclosed in notes to the financial statements.

MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as Sakal or Loksatta and Indian Express or Financial Express.

The Company has its own website, www.dfpcl.com, which contains all important public domain information including press releases, presentations, if any, made to the analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including details of the contact persons of the Company and of the share transfer agent of the Company, shareholding pattern etc.

GENERAL SHAREHOLDER INFORMATION

1.	**Annual General Meeting - Day, Date, Time and / Venue**	:	Friday, 2nd September, 2022 at 11.00 a.m. The Company would be conducting meeting through video conferencing ('VC')/ other audio-visual means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM.
2.	**Financial year / Calendar**		
	Results for first quarter ending June 30, 2022	:	Within 45 days from the end of the quarter
	Results for second quarter ending September 30, 2022	:	Within 45 days from the end of the quarter
	Results for third quarter ending December 31, 2022	:	Within 45 days from the end of the quarter
	Results for financial year ending March 31, 2023	:	Within 60 days from the end of the financial year
3.	**Date of Book Closure**	:	Saturday, 27th August, 2022 to Friday, 2nd September, 2022 (both days inclusive)
4.	**Dividend Payment Date**	:	On or before 1st October, 2022
5.	**Registered Office and CIN**	:	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036. CIN : L24121MH1979PLC021360
6.	**Phone, E-mail**	:	Phone: (020) 6645 8000 Email: investorgrievance@dfpcl.com Website: www.dfpcl.com
7.	**Plant Location**	:	MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra Dahej, Taluka: Vagra, State: Gujarat **Plants of Subsidiary:** MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra, Village: Ponnada, Etchelra Mandalam, Srikakulam, Andhra Pradesh - 532 408 Plot No. 47, HSIIDC, Industrial Estate, Refinery Road, Panipat, Haryana- 500 002
8.	**Registrar & Share Transfer Agent (RTA) and Address for Investors' Correspondence**	:	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9.	**Phone, E-mail of RTA**	:	Toll Fee No.: 1 800 309 4001 Phone: (040) 6716 2222 Email: einward.ris@kfintech.com
10.	**Listing on Stock Exchanges**	:	a) BSE Limited (BSE): 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001; and b) National Stock Exchange of India Limited (NSE) : Exchange Plaza, 5th Floor Plot No. C-1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Annual Listing fee for financial year 2021-22 has been paid to both the Exchanges
11	**Stock Code**	:	BSE Limited (BSE): 500645 National Stock Exchange of India Limited (NSE): DEEPAKFERT
12	**Demat ISIN in NSDL and CDSL**	:	INE501A01019

MARKET PRICE DATA FOR FY 2021-22:

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2021	276.40	221.50	50375.77	47204.50
May, 2021	315.95	254.25	52013.22	48028.07
June, 2021	474.65	284.00	53126.73	51450.58
July, 2021	452.45	390.00	53290.81	51802.73
August, 2021	492.60	383.25	57625.26	52804.08
September, 2021	438.90	396.00	60412.32	57263.90
October, 2021	452.00	392.45	62245.43	58551.14
November, 2021	419.80	344.00	61036.56	56382.93
December, 2021	389.90	355.55	59203.37	55132.68
January, 2022	570.10	370.40	61475.15	56409.63
February, 2022	661.90	501.35	59618.51	54383.20
March, 2022	623.90	516.00	58890.92	52260.82

Distribution of shareholding as on 31st March, 2022: 1,72,548 shareholders hold 12,05,92,948 equity shares of 10/- each.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	1,71,592	99.45	2,37,65,306	19.71
2	5001 - 10000	431	0.25	31,60,580	2.62
3	10001 - 20000	256	0.15	37,48,565	3.11
4	20001 - 30000	83	0.05	20,37,673	1.69
5	30001 - 40000	40	0.02	14,17,897	1.18
6	40001 - 50000	24	0.01	11,00,337	0.91
7	50001 - 100000	56	0.03	38,38,104	3.18
8	100001 and above	66	0.04	8,15,24,486	67.60
	TOTAL	**1,72,548**	**100.00**	**12,05,92,948**	**100.00**

SHARE TRANSFER SYSTEM:

As the members are aware, the Company has appointed KFin Technologies Limited, as Registrar & Share Transfer Agent (RTA) to handle dematerialisation of shares and physical share transfers as well as other share related activities of the Company.

SEBI, vide its notifications, has mandated that transfer of securities would be carried out in dematerialized form only with effect from 1st April, 2019. According to the aforesaid notification, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository. Therefore, Registrars and Transfer Agent and Company are not accepting any request for transfer of shares in physical form with effect 1st April, 2019. This restriction is not applicable to the request received for transmission or transposition of names in respect of shares held in physical form.

The members are advised to correspond with the RTA viz. KFin Technologies Limited, at its office at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.

DEMATERIALISATION OF SHARES:

The shares of the Company are traded in dematerialised form. As on 31st March, 2022, 1,64,12,507 Equity Shares (96.54% of paid-up capital) held by 1,46,922 shareholders (83.54% of total number of shareholders) have been dematerialised.

Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail numerous benefits, including but not limited to easy liquidity, ease of trading and transfer, savings in stamp duty, and elimination of any possibility of loss of documents.

OUTSTANDING GDRS, ADRS, WARRANTS OR ANY CONVERTIBLE INSTRUMENTS ETC.:

Conversion of First Tranche of Foreign Currency Convertible Bonds (FCCBs)

The details of conversion of first tranche of FCCBs and details of outstanding FCCBs as on 31st March, 2022 has been provided in the Board's Report.

Issue of Equity Shares to Qualified Institutional Buyers

During the year under review, the company has allotted shares to Qualified Institutional Buyers. The details have been provided in the Board's Report.

Details of Utilisation of Funds Raised through Preferential Allotment or Qualified Institutions Placement

Pursuant to the provisions of Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has informed the Stock Exchanges that there has been no deviation or variation in utilisation of the funds raised through issuance of shares under Qualified Institutional Placement.

ELECTRONIC CLEARING SYSTEM (ECS) / NATIONAL ELECTRONIC CLEARING SERVICE (NECS):

The Company through its various communications in the past, had requested its members to furnish ECS / NECS mandate so as to enable the Company to credit the dividend directly to the shareholder's bank account. The Company has been remitting the dividend through ECS / NECS to those who had registered ECS / NECS mandate with the Company. However, in certain cases, although the members had furnished the ECS / NECS mandate, the remittance of dividend could not be effected through ECS / NECS at certain centers since adequate facility for crediting the amount was not available at those centers. In such cases, the dividend is being paid through dividend warrants with the bank account details printed on the warrants. The Company will remit the dividend through ECS / NECS whenever facilities are made available at those centers.

Members holding shares in physical form desirous of receiving dividend electronically through NECS but have not updated / furnished mandate details are requested to obtain the prescribed mandate form from the Company's RTA and submit the same to the RTA duly filled in and signed for registration.

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

UNCLAIMED / OUTSTANDING DIVIDEND ON EQUITY SHARES:

To facilitate investors who have not claimed the dividend amount for earlier years on the Equity Shares from the Company, details of the unclaimed amount are being displayed on the Ministry of Corporate Affairs (MCA) website: www.iepf.gov.in.

Investors are requested to browse the said website to find out the outstanding amount, if any, and claim the same from the Company, before the same is transferred to the Investor Education and Protection Fund (IEPF) as per the provisions of the Companies Act, 2013.

Further, Section 124(6) and the MCA Circular dated 16th October, 2017 requires that all shares in respect of which dividend has remained unpaid or unclaimed for seven years have to be transferred to IEPF. Accordingly, given below is the statement of shareholders whose dividend and equity shares have been transferred to IEPF during the Financial Year 2021-22.

The bifurcation of the shares transferred to IEPF during Financial Year 2021-22 is as given below:

Category	Number of holders	No. of shares
Physical	1,188	1,31,850
NSDL	34	3,340
CDSL	17	1,272
Total	**1,239**	**1,36,462**

The dividend and shares which have been transferred to IEPF can be claimed by the shareholders. The IEPF Rules and the application (Form IEPF-5) as prescribed by the Ministry of Corporate Affairs is available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has sent individual communication and the Company has also published a notice in the newspapers i.e., Financial Express and Loksatta on 3rd May, 2022 informing the concerned shareholders that the shares in respect of which the dividend has not been claimed for a period of seven years will be transferred to the IEPF Authority. The Concerned shareholders are requested to encash the dividends from the Financial Year 2014-15 onwards by approaching KFin Technologies Limited, Registrar and Transfer Agents of the Company on or before 20th August, 2022. Members may view the notice published in the newspaper on IntimationNewspaperPublicationIEPF03052022.pdf (dfpcl.com).

SEBI CIRCULARS W.R.T. UPDATION OF PAN AND BANK DETAILS AND DEMATERIALISATION OF SHARES:

SEBI vide its circular dated 3rd November, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. Effective from 1st January, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at Forms | Deepak Fertilisers & Petrochemicals Corporation Ltd - DFPCL.

Further, in accordance with the SEBI circular dated 3rd November, 2021, the Company has sent a communication to the holders of physical securities on 18th February, 2022 inter-alia, requesting the holders of physical securities to furnish the details of PAN, E-mail address, mobile number, bank account and nomination / opt-out of nomination, if not provided earlier.

Members may please note that SEBI vide its 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format is available on the Company's website under the weblink at SEBI-circular_ISR-4.docx (live.com).

CREDIT RATING

During the year under review, ICRA Limited has assigned the following ratings:

Type of Instruments	Ratings Action
Short Term	[ICRA]A1+
Long Term	[ICRA]A+

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

In the Financial Year 2020-21, the Company had offered its equity shares on rights basis to eligible shareholders and in compliance with the relevant SEBI Circulars and Regulations, some of the shares were transferred to demat suspense account opened by the Company for this purpose.

As per Schedule V (F) of the SEBI LODR Regulations, 2015 the Company reports the following details in respect of equity shares lying in the demat suspense account.

Sr. No.	Particulars	No. of Shareholders	Outstanding Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	100	3,912
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	66	2,887
3.	Number of shareholders to whom shares were transferred from suspense account during the year	66	2,887
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	34	1,025

The voting rights on the aforesaid shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claim the shares.

ANNUAL GENERAL MEETING TO BE CONDUCTED THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO -VISUAL MEANS ("OAVM")

The Ministry of Corporate Affairs ("MCA") vide its general circular dated 5th May, 2022 read with MCA circulars dated 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 and Securities and Exchange Board of India ("SEBI") Vide its circular dated 15th January, 2021 (hereinafter referred to as "Circulars") permitted companies to hold their general meetings through video conferencing (VC) or other audio visual means (OAVM) for the year 2022.

Accordingly, the Board of Directors have given their approval for convening the 42nd Annual General Meeting of the Company through Video Conferencing and / or other audio-visual means (OAVM) (hereinafter referred to as "VC/OAVM"). For more details, shareholders are requested to go through the Annual General Meeting Notice.

Further, pursuant to the relevant MCA and SEBI circulars, Annual Reports are being sent through e-mail only.

To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register / update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFin by clicking on the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

Declaration

As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2021-22.

Place: Pune
Dated : 25th May, 2022

S. C. Mehta
Chairman & Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members
Deepak Fertilisers And Petrochemicals Corporation Limited
Survey No. 93, Sai Hira, Mundhwa,
Pune, Maharashtra - 411 036

1. This certificate is issued in accordance with the terms of our engagement letter dated 1st September, 2021.

2. The report contains details of compliance of conditions of Corporate Governance by Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company"), for the year ended 31st March, 2022, as stipulated in regulations 17, 18, 19, 20, 22, 23, 24, 24A, 25, 26, 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock exchanges.

MANAGEMENT'S RESPONSIBILITY FOR THE DECLARATION

3. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents.

4. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

5. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2022.

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special purposes' (Revised 2016) and Guidance Note on Certification of Corporate Governance', both issued by Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION:

9. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated by regulations 17, 18, 19, 20, 22, 23, 24, 24A, 25, 26, 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, as applicable.

10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE:

11. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For P. G. BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W / W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835ALSCRE6184

Place : Pune
Date : 25th May, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

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

KEY AUDIT MATTERS

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

CONTINGENT LIABILITIES	PRINCIPLE AUDIT PROCEDURES
The Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Standalone Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 42 and note 48 to the Standalone Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ii. Obtained the Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2021-22 and post year-end status of litigations; iii. Inquired with the Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Company's assessment of the litigations and claims; iv. Evaluated the Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations/disclosures made in the Standalone Financial Statements; and vi. Assessed the adequacy of the disclosures made by the Company relating to contingent liabilities in the Standalone Financial Statements.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

    g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 42;

        (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.

        (iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 except the following:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note 13) to the Standalone Financial Statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) the management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835AKQCOW8039

Pune
May 25, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program majority of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Standalone Financial Statements (refer note 3) are held in the name of the Company except as specified below:

Description of Property	Gross carrying Value (₹ Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Land and building	17,193	Yerrowda Investments Limited	No, it is Joint Operation	From 1998	Economic rights held by the Company

(d) According to the information and explanations provided to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. In respect of good-in-transit, subsequent goods delivery documents have been verified by the management. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. We have compared such quarterly returns or statements with the unaudited books of accounts for the quarters ending June 2021, September 2021, December 2021 and March 31, 2022. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/reconciled with the books of account of the Company.

iii. According to the information and explanations provided to us, during the year, the Company has made investments in other entities. The Company has provided guarantee and has granted unsecured loans to its subsidiary companies.

(a) According to the information and explanations provided to us, during the year, the Company has provided loans and stood guarantee for its subsidiary companies.

(A) & (B)

Aggregate amount during the year (₹ Lakhs)	Balance outstanding at the balance sheet date (₹ Lakhs)	Subsidiaries, joint ventures, associates and others	Nature of transaction
52,880	96,506	Wholly owned subsidiary company	Unsecured Loan
204,400	2,83,710 against which 1,50,291 loan is outstanding	Subsidiary and step-down subsidiaries	Corporate Guarantees

(b) According to the information and explanations provided to us and based on our review of the terms, conditions and circumstances, the investments made and guarantees provided and the terms and conditions of the grant of loans are not prejudicial to the Company's interest.

(c) According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have been stipulated. The repayments or receipts are as per the schedule stipulated.

(d) According to the information and explanations provided to us and based on the terms and conditions of the loans, no amount is overdue.

(e) According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) According to the information and explanations provided to us, the Company has granted loans repayable on demand of ₹76.75 Lakhs. These have been given to related parties as defined in clause (76) of section 2 of the Act (refer note 13 to the Standalone Financial Statement) which are 0.08 % of the total loans to related parties.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed 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.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of statutory dues referred in sub clause (a) above as at March 31, 2022, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax demands	2.26	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act 1961	Income tax demands	6,500.20	1,901	Assessment Years 1997-1998, 2013-2014 to 2015-2016, 2019 -2020 and 2020-21	Commissioner of Income Tax (Appeals)

Name of Statute	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax demands	10.89	-	Assessment Years 1993-1994 and 2003-2004	Income Tax Assessing Officer
The Central Excise Act, 1944	Excise duty demands	1,355.17	19.66	Financial Years 2007-2008 to 2010-2011 and 2014-2015	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty demands	892.74	-	Financial Years 2008-2009 to 2009-2010	Supreme Court
The Central Excise Act, 1944	Excise duty demands	28.88	-	Financial Year 2017-2018	Commissioner of GST & Central Excise
Finance Act, 1994 (Service Tax)	Service tax Demands	431.00	18	Financial Year 2015-2016	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax Demands	1,881.00	-	Financial Years 2006- 2007 to 2011- 2012	Bombay High Court
Finance Act, 1994 (Service Tax)	Service tax Demands	142.00	7.05	Financial Years 2016-2017 and 2017-2018	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad
The Bombay Sales Tax Act, 1959	Sales tax demands	71.55	-	Financial Year 2004-2005	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	2,071.82	155	Financial Years 2004-2005 to 2006-2007 and 2010-2011 to 2013-2014	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	775.47	233.00	Financial Years 2005-2006 to 2009-2010	Additional Commissioner of Commercial Taxes (Appeals), Bengaluru
The Central Sales Tax Act, 1956	Sales tax demands	912.20	-	Financial Year 2014-2015	Joint Commissioner of Appeals of Sales Tax, Pune
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	876.97	27.00	Financial Years 2005-2006, 2011-2012 and 2012-2013	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	279.42	14.44	Financial Year 2016-2017	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax demands	478.42	33	Financial Year 2015-2016	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax demands	1,595.55	4	Financial Year 2016-2017	Joint Commissioner Appeals
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose 1985	Lease tax on crane hire charges	0.24	-	Financial Year 1990-1991	Dy. Commissioner of Sales Tax, Pune

Name of Statute	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Maharashtra Tax on the Entry of Goods in Local Areas of Act, 2002	Entry tax on natural gas procured from outside Maharashtra	4,540.33	1,635.00	Financial Years 2012-2013 to 2016-2017	Maharashtra Sales Tax Tribunal, Mumbai
Custom Tariff Act, 1975	Tariff heading classification	5.33	-	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibaug Division, Marine & Preventive Wing Mumbai
Custom Tariff Act, 1975	Custom Valuation rules	368.74	-	Financial Years 2012-2013 to 2015-2016	The Directorate of Revenue Intelligence, Kolkata
The Central Sales Tax Act, 1956	Sales tax demand	240.22	-	Financial Year 2017-2018	Joint Commissioner Appeals, Maharashtra

#Amount disclosed above includes interest and penalty, wherever applicable

viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) Based on our audit procedures; in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.

(b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and in our opinion, no term loans availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.

(d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares through the Qualified Institutional Placement of ₹ 51,000.00 Lakhs during the year. According to the information and explanation given to us and in our opinion, the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised. Refer Note 43 to the Standalone Financial Statements.

xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.

(b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 41(b)

xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.

xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.

(b) According to the information and explanations given to us, there are no Core Investment Company within the Group.

xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us, there is no amount remaining unspent towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, pursuant to any ongoing project. Accordingly, reporting on clause 3 (xx) (b) is not applicable.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835AKQCOW8039

Pune
May 25, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 with reference to the Standalone Financial Statements 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to the Standalone Financial Statements were 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to the Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial

Statements 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, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835AKQCOW8039

Pune
May 25, 2022

BALANCE SHEET

as at 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	89,495	90,954
Capital work-in-progress	4	942	2,063
Investment property	5	3,146	3,146
Right of use assets	6	10,002	9,099
Other intangible assets	7	1,010	766
Intangible assets under development	8	112	312
Investment in subsidiaries and associates	9	84,307	82,904
Financial assets			
i. Investments	10	245	-
ii. Loans	13	92,429	43,551
iii. Other financial assets	16	4,366	3,693
Income tax assets (net)		10,500	10,215
Other non-current assets	17	9,832	8,580
Total non-current assets		**3,06,386**	**2,55,283**
Current assets			
Inventories	18	12,574	12,854
Financial assets			
i. Investments	11	30,748	10,504
ii. Trade receivables	12	11,630	24,616
iii. Cash and cash equivalents	14	3,230	2,580
iv. Other bank balances	15	976	7,672
v. Loans	13	4,120	5,094
vi. Other financial assets	16	4,817	4,866
Other current assets	19	4,056	2,698
Total current assets		**72,151**	**70,884**
Total assets		**3,78,537**	**3,26,167**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	12,059	10,268
Other equity	21	2,60,608	1,90,826
Total equity		**2,72,667**	**2,01,094**

BALANCE SHEET

as at 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	22	43,154	64,035
ii. Lease liabilities	6	994	1,048
iii. Other financial liabilities	24	1,665	806
Provisions	25	3,421	2,917
Deferred tax liabilities (net)	27	2,973	3,043
Total non-current liabilities		**52,207**	**71,849**
Current liabilities			
Financial liabilities			
i. Borrowings	23	12,312	12,459
ii. Lease liabilities	6	583	429
iii. Trade payables	26		
(a) total outstanding dues of micro and small enterprises		1,945	998
(b) total outstanding dues of creditors other than micro and small enterprises		24,608	24,231
iv. Other financial liabilities	24	5,976	5,882
Other current liabilities	28	3,744	2,523
Provisions	25	4,495	6,702
Total current liabilities		**53,663**	**53,224**
Total liabilities		**1,05,870**	**1,25,073**
Total equity and liabilities		**3,78,537**	**3,26,167**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the Financial Statements	3 - 54		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations	29	2,28,944	181,131
Other income	30	8,817	4,590
Total income		**2,37,761**	**1,85,721**
Expenses			
Cost of materials consumed	31	1,22,335	67,056
Purchases of stock-in-trade	32	45,783	52,907
Changes in inventories of finished goods & stock-in-trade	33	2,904	(2,136)
Employee benefits expense	34	8,419	8,805
Finance costs	35	6,906	8,660
Depreciation and amortisation expense	36	8,017	7,298
Other expenses	37	16,777	15,895
Total expenses		**2,11,141**	**1,58,485**
Profit before tax		**26,620**	**27,236**
Tax expense			
Current tax		6,705	5,240
Deferred tax (credit)/charge	27	137	1,097
Total tax expense		**6,842**	**6,337**
Profit for the year		**19,778**	**20,899**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		33	(514)
Income tax relating to these items	27	(8)	129
Total (A)		**25**	**(385)**
Items that will not be reclassified to profit or loss			
Cash Flow hedge		863	494
Changes in fair value of investments carried at fair value through OCI		-	(69)
Income tax relating to these items	27	(217)	(107)
Total (B)		**646**	**318**
Other comprehensive income for the year (A+B), net of tax liability		**671**	**(67)**
Total comprehensive income for the year		**20,449**	**20,832**
Earnings per equity share of ₹ 10 each	37(c)		
i) Basic (in ₹)		17.62	21.65
ii) Diluted (in ₹)		17.48	20.95
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3-54		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax	26,620	27,236
Adjustments for		
Depreciation and amortisation expense	8,017	7,298
(Profit)/Loss on sale of property, plant and equipment	18	82
Provision for doubtful trade receivables	123	34
Bad debts	-	57
Income on financial guarantee	(372)	(288)
Gain on sale of investments	(321)	(519)
Changes in fair value of financial assets measured through profit or loss	(221)	(8)
Provision for stores and spares	-	(28)
Provision for loan given to companies	13	504
Provision for capital work in progress	477	1,020
Unrealised loss/ (profit) on embedded derivative contracts	17	(275)
Interest income	(7,025)	(2,941)
Finance costs	6,906	8,660
Unrealised foreign exchange fluctuations loss/ (profit) (net)	438	(391)
Cash generated from operations before working capital changes	**34,690**	**40,441**
Change in trade receivables	12,863	15,939
Change in inventories	280	(2,828)
Change in trade payables	1,208	(6,815)
Change in other financial liabilities	(305)	990
Change in other financial assets	(2,104)	52
Change in other non-current assets	1,782	(350)
Change in other current assets	(1,358)	3,592
Change in provisions	(1,190)	(11)
Change in other current liabilities	1,221	(171)
Cash generated from operations	**47,087**	**50,839**
Income taxes paid (net)	(7,902)	(5,114)
Net cash generated from operating activities	**39,185**	**45,725**
Cash flows from investing activities		
Purchase of additional shares in body corporate/subsidiary/associate	(245)	(402)
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(9,069)	(4,364)
Proceeds from sale of property, plant and equipment	41	78
Purchase of investments	(2,27,093)	(1,43,939)
Proceeds from sale of investments	207,391	133,612
Loans to subsidiaries	(52,893)	(47,740)
Repayment of loans by subsidiaries	5,000	-
Repayment of loans by employees and other loans given	(24)	(7)
Proceeds from sale of investment in associate	-	940

STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2022	31 March 2021
Fixed deposit placed	(7,349)	(36,296)
Fixed deposit matured	13,951	38,205
Interest received	9,483	867
Net cash (used in) investing activities	**(60,807)**	**(59,046)**
Cash flows from financing activities		
Proceeds from borrowings - non current	-	9,994
Repayment of long term borrowings	(11,810)	(3,231)
Proceeds from issue of foreign currency convertible bonds (FCCB)	-	11,150
Proceeds from short term borrowings	-	126
Repayment of short term borrowings	-	(17,513)
Share issue expenses paid	(1,158)	-
Proceeds from right issue of equity shares	-	17,623
Payment of lease liability (net)	(656)	(447)
Proceeds from issue of shares through qualified institutional placement	51,000	-
Interest paid	(6,825)	(8,314)
Dividends paid	(8,128)	(2,643)
Net cash (used in) / generated from financing activities	**22,423**	**6,745**
Net increase in cash and cash equivalents	801	(6,576)
Cash and cash equivalents at the beginning of the year	2,429	9,005
Cash and cash equivalents at end of the year	**3,230**	**2,429**
The accompanying notes form an integral part of the financial statements.		
Reconciliation of cash and cash equivalents as per the Cash flow statement		
Cash and cash equivalents at the end of year	3,230	2,580
Bank overdraft	-	(151)
The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, ''Statement of Cash Flows''	**3,230**	**2,429**

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2022	31 March 2021
Balance at the beginning of the year	10,268	8,928
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	10,268	8,928
Changes in equity share capital during the year		
Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	1,244	-
Shares issued by way of conversion of Foreign currency convertible bonds (FCCB)	547	-
Shares issued by way of Right issue during the year	-	1,340
Balance at the end of the year	**12,059**	**10,268**

B. Other Equity

	Share warrants, Reserves and surplus								Items of Other Comprehensive Income (OCI)		Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of defined benefit plans	Fair value through OCI	Effective portion of Cash Flow Hedges	
Balance as at 1 April 2020	**14,024**	**150**	**4,167**	**-**	**1,286**	**17,710**	**1,18,537**	**(943)**	**(45)**	**-**	**1,54,886**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	**14,024**	**150**	**4,167**	**-**	**1,286**	**17,710**	**1,18,537**	**(943)**	**(45)**	**-**	**1,54,886**
Profit for the year	-	-			-	-	20,899	-	-		20,899
Other comprehensive income	-	-			-	-	-	(385)	(52)	370	(67)
Total comprehensive income for the previous year	**-**	**-**	**-**	**-**	**-**	**-**	**20,899**	**(385)**	**(52)**	**370**	**20,832**
Premium on allotment of shares under Right issue	16,473	-	-	-	-	-	-	-	-	-	16,473
Issue of foreign currency convertible bonds	-	-	-	-	1,504	-	-	-	-	-	1,504
Share issue expenses	(190)	-	-	-	-	-	-	-	-	-	(190)
Share warrant forfeiture transferred to Capital reserve	-	-	(4,167)	4,167	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(2,679)	-	-	-	(2,679)
Balance as at 1 April 2021	**30,307**	**150**	**-**	**4,167**	**2,790**	**17,710**	**1,36,757**	**(1,328)**	**(97)**	**370**	**1,90,826**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**30,307**	**150**	**-**	**4,167**	**2,790**	**17,710**	**1,36,757**	**(1,328)**	**(97)**	**370**	**1,90,826**
Profit for the year	-	-			-	-	19,778	-	-	-	19,778
Other comprehensive income	-	-			-	-	-	25	-	646	671
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**19,778**	**25**	**-**	**646**	**20,449**
Conversion of foreign currency convertible bonds	10,133	-	-	-	(1,286)	-	-	-	-	-	8,847
Issue of Qualified Institutional Placement (QIP)	49,756	-	-	-	-	-	-	-	-	-	49,756
Share issue expenses	(1,158)	-	-	-	-	-	-	-	-	-	(1,158)
Dividend paid	-	-	-	-	-	-	(8,112)	-	-	-	(8,112)
Balance as at 31 March 2022	**89,038**	**150**	**-**	**4,167**	**1,504**	**17,710**	**1,48,423**	**(1,303)**	**(97)**	**1,016**	**2,60,608**

Note: Refer note 21 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

P.S. Bhattacharyya
Director
DIN: 00329479

Place: Pune
Date: 25 May 2022

Amitabh Bhargava
President & CFO

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

1. Corporate Information

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Company") is a company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 25, 2022.

2. Significant Accounting Policies

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

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

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

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates, assumptions and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

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

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

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. 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 PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures 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.

Provisions for Litigations and Claims

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 charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

Impairment of investment in subsidiaries

The Company reviews its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone Statement of Profit and Loss.

Fair value measurement of financial instruments

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

Impairment of financial assets

The Company assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets

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

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:

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

Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the standalone Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets.

For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10
Special Vehicle	10

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the standalone Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with 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.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the standalone Statement of Profit and Loss when the changes arise.

An investment property is derecognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the standalone Statement of Profit and Loss in the period of derecognition.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the standalone balance sheet.

(h) Foreign currency transactions and balances

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the standalone Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(i) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI.

There is no recycling of the amounts from OCI to the standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

Investments in subsidiaries and associates

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

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

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the standalone Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in standalone Statement of Profit and Loss.

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 drawdown 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(j) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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.

(k) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, traded goods, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the standalone Statement of Profit and Loss.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(n) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the standalone balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the standalone Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the standalone Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non - accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the standalone Statement of Profit and Loss.

(o) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively as applicable. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. 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 which is 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 '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 the standalone Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the standalone Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

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. Such derivative contracts are accounted for at each reporting date at fair value through the standalone Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(q) Cash dividend

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

(r) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

(s) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(v) Business combinations

The Company accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(w) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(x) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2021-22 and 2020-21.

(y) Recent Pronouncements and note on COVID-19

1. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) on 5 April 2022, vide Notification dated 23 March 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2022 and would thus be applicable for the financial year ending 31 March 2023.

The amendments to Ind ASs are intended to keep the Ind ASs aligned with the amendments made in IFRS.

Ind AS 16, "Property, Plant and Equipment"

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets"

The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

Ind AS 101, "First-time Adoption of Indian Accounting Standards"

The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Ind AS 103, "Business Combination"

The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to:

- substitute the word 'Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)' with the words 'Conceptual Framework of Financial Reporting in Ind AS'.

- add to Ind AS 103 a requirement that, for transactions and other events within the scope of Ind AS 37 , an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination - add to Ind AS 103 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Ind AS 109, "Financial Instruments"

The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2. Note on COVID-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition, impact on leases and impact on effectiveness of its hedges.

The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

NOTES
to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount									
Balance as at 1 April 2020	11,610	32,830	68,201	2,173	1,104	1,938	270	1,900	120,026
Additions	-	-	1,199	8	7	140	34	57	1,445
Disposals	-	(186)	(184)	-	-	(76)	(15)	(390)	(851)
Gross carrying amount as at 31 March 2021	**11,610**	**32,644**	**69,216**	**2,181**	**1,111**	**2,002**	**289**	**1,567**	**120,620**
Accumulated depreciation									
Balance as at 1 April 2020	-	(3,521)	(14,850)	(1,296)	(546)	(1,226)	(162)	(1,159)	(22,760)
Depreciation charge for the year (refer footnote 1 below)	-	(1,563)	(5,144)	(172)	(108)	(258)	(24)	(311)	(7,580)
On disposals	-	160	174	-	-	72	14	254	674
Accumulated depreciation as at 31 March 2021	**-**	**(4,924)**	**(19,820)**	**(1,468)**	**(654)**	**(1,412)**	**(172)**	**(1,216)**	**(29,666)**
Net carrying amount as at 31 March 2021	**11,610**	**27,720**	**49,396**	**713**	**457**	**590**	**117**	**351**	**90,954**
Gross carrying amount									
Balance as at 1 April 2021	11,610	32,644	69,216	2,181	1,111	2,002	289	1,567	120,620
Additions	665	62	4,201	150	1,321	211	49	259	6,918
On disposals	-	(22)	(29)	-	(69)	(58)	-	(178)	(356)
Gross carrying amount as at 31 March 2022	**12,275**	**32,684**	**73,388**	**2,331**	**2,363**	**2,155**	**338**	**1,648**	**127,182**
Accumulated depreciation									
Balance as at 1 April 2021	-	(4,924)	(19,820)	(1,468)	(654)	(1,412)	(172)	(1,216)	(29,666)
Depreciation charge for the year (refer footnote 1 below)	-	(1,520)	(6,041)	(157)	(144)	(209)	(29)	(237)	(8,337)
On disposals	-	9	23	-	69	52	-	163	316
Accumulated depreciation as at 31 March 2022	**-**	**(6,435)**	**(25,838)**	**(1,625)**	**(729)**	**(1,569)**	**(201)**	**(1,290)**	**(37,687)**

Note 3: PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Net carrying amount as on 31 March 2022	**12,275**	**26,249**	**47,550**	**706**	**1,634**	**586**	**137**	**358**	**89,495**

Depreciation for the year is net of recharge of ₹ 1,268 Lakhs (31 March 2021 : ₹ 1,181 Lakhs) to subsidiary Smartchem Technologies Limited

No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Refer Note 22 footnote for information on Property, plant and equipment provided as security by the Company.

Refer Note 2.3(c) for policy on depreciation.

Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land and building	17,193	Yerrowada Investments Limited (Jointly controlled entity)	No	1998 onwards	Economic rights held by the Company

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2022	31 March 2021
Projects (Mainly comprising of building and plant & machinery)	-	1,211
Others	942	852
Total	**942**	2,063

Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP Others in progress	922	16	4	-	942

CWIP	As on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	885	1,071	105	3	2,063

1) Projects temporarily suspended during the year ended 31 March 2022 ₹ NIL (31 March 2021 ₹ NIL)
2) Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2022 ₹ NIL (31 March 2021 ₹ NIL)

Note 5: INVESTMENT PROPERTY

	31 March 2022	31 March 2021
Gross block		
Opening gross carrying amount	3,146	3,146
Reclassification from Property, plant and equipment	-	-
Closing balance	**3,146**	**3,146**
Accumulated depreciation		
Opening balance	-	-
Depreciation charge	-	-
Closing balance	**-**	**-**
Net carrying amount	**3,146**	3,146

Fair value

	31 March 2022	31 March 2021
Investment properties	11,370	8,894

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2022 is ₹ 11,370 Lakhs (31 March 2021: ₹ 8,894 Lakhs) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued.

(All amounts in ₹ Lakhs unless otherwise stated)

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of land parcels at Panchagini, Khamgaon, Solapur and vacant land at Yerwada.

Description of valuation technique used

The Company obtains independent valuations of its investment property after every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Company has neither earned any rental income nor incurred any direct operating expense on the above properties.

Note 6: LEASES

A. Right of use assets

	Leasehold Building	Leasehold Land	Furniture and Fixtures	Plant and Machinery	Total
Gross carrying amount					
Balance as at 1 April 2020	2,136	7,541	302	-	9,979
Add: Additions	-	442	-	-	442
Less: Disposals	-	-	-	-	-
Gross carrying amount as at 31 March 2021	**2,136**	**7,983**	**302**	**-**	**10,421**
Accumulated amortization					
Balance as at 1 April 2020	(493)	(134)	(32)	-	(659)
Amortisation for the year	(515)	(88)	(60)		(663)
Accumulated depreciation as at 31 March 2021	(1,008)	(222)	(92)	-	(1,322)
Net carrying amount as at 31 March 2021	**1,128**	**7,761**	**210**	**-**	**9,099**
Gross carrying amount					
Balance as at 1 April 2021	2,136	7,983	302	-	10,421
Add: Additions	1,568	-	-	27	1,595
Less: Disposals	-	-	-	-	-
Gross carrying amount as at 31 March 2022	**3,704**	**7,983**	**302**	**27**	**12,016**
Accumulated amortization					
Balance as at 1 April 2021	(1,008)	(222)	(92)	-	(1,322)
Amortisation for the year	(536)	(93)	(60)	(3)	(692)
Less: Disposals	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	(1,544)	(315)	(152)	(3)	(2,014)
Net carrying amount as at 31 March 2022	**2,160**	**7,668**	**150**	**24**	**10,002**

(All amounts in ₹ Lakhs unless otherwise stated)

B. Lease liabilities

	31 March 2022	31 March 2021
Current	583	429
Non Current	994	1,048
Total	**1,577**	**1,477**

C. Interest expenses on lease liabilities

	31 March 2022	31 March 2021
Interest on lease liabilities	210	187

D. Expenses on short term leases / low value assets

	31 March 2022	31 March 2021
Short term leases	275	23

E. Amounts recognised in the statement of cash flow

	31 March 2022	31 March 2021
Total cash outflow for leases	656	447

F. Maturity analysis – contractual undiscounted cash flows

	31 March 2022	31 March 2021
Less than one year	741	561
One to five years	1,100	1,232
More than five years	4	-
Total undiscounted lease liabilities at 31 March	**1,845**	**1,793**

Other Information:

The company has leases mainly for Corporate building, Director building, guest houses and some furniture items. These lease contracts provide for payment to increase each year by inflation.

Note 7: INTANGIBLE ASSETS

	Computer Software	License Fees	Total
Gross carrying amount as on 1 April 2020	**833**	**554**	**1,387**
Additions during the year	92	79	171
Gross carrying amount as on 31 March 2021	**925**	**633**	**1,558**
Additions during the year	500	-	500
Accumulated Amortisation carrying amount as on 31 March 2022	**1,425**	**633**	**2,058**
Accumulated amortisation as at 1 April 2020	**218**	**338**	**556**
Amortisation charge for the year	134	102	236
Closing accumulated amortisation as at 31 March 2021	**352**	**440**	**792**
Amortisation charge for the year	174	82	256
Closing accumulated amortisation as at 31 March 2022	**526**	**522**	**1,048**
Net Block as at 31 March 2021	**573**	**193**	**766**
Net Block as at 31 March 2022	**899**	**111**	**1,010**

Refer Note 2.3(d) for policy on amortisation

(All amounts in ₹ Lakhs unless otherwise stated)

Note 8: INTANGIBLE ASSETS UNDER DEVELOPMENT

	31 March 2022	31 March 2021
Intangible assets under Development	112	312
Total	**112**	**312**

Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	112	-	-	-	112

Intangible assets under development	As on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	286	-	-	25	312

1) Projects temporarily suspended during the year ended 31 March 2022 ₹ NIL (31 March 2021 ₹ NIL)

2) Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2022 ₹ NIL (31 March 2021 ₹ NIL)

Note 9: INVESTMENT IN SUBSIDIARIES & ASSOCIATES

	31 March 2022	31 March 2021
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,49,987 (31 March 2021: 1,70,49,987) equity shares of Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 each*	80,676	80,676
1,60,000 (31 March 2021: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	55	55
Less: Impairment in the value of investments	(35)	(35)
9,998 (31 March 2021: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1
49,993 (31 March 2021:49,993) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
40,99,994 (31 March 2021: 40,99,994) equity shares of Ishanya Brand Services Limited of ₹ 10 each	411	411
Deemed investment in Platinum Blasting Services Pty Limited*	130	130
Deemed Investment in Performance Chemiserve Limited*	1,403	-
Deemed Investment in Smartchem Technologies Limited*	1,657	1,657
Investments in equity shares (unquoted) of Associates (fully paid up)		
49,994 (31 March 2021: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹10 each	5	5
Total (equity instruments)	**84,307**	**82,904**
Aggregate amount of unquoted investments	84,307	82,904
Aggregate amount of impairment in the value of investments	35	35

* Deemed Investement is on account of accounting done in books for fair valuation of corporate guarantee issued to banks on behalf of subsidiary and step-down subsidiary companies.

The company has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 10: INVESTMENTS

	31 March 2022	31 March 2021
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
24,50,000 equity shares of Avadda Solar Power Project of ₹10 each	245	-
88,448 (31 March 2021: 88,448) equity shares of Deepak International Limited of $1 each *	-	-
Total	**245**	**-**

Investment in Deepak International Ltd ₹ 69 Lakhs has been Fair value at ₹ Nil in current and previous year.

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 11: CURRENT INVESTMENTS

	Units as on 31 March 2022	Units as on 31 March 2021	31 March 2022	31 March 2021
Unquoted				
Investment in mutual funds (measured at fair value through profit and loss)				
Adiya Birla Sun Life Overnight Fund Growth - Regular Plan	52,71,611	1,72,883	1,200	1,918
Axis Overnight Fund - Regular Growth - ONDG	-	1,58,038	-	1,717
HDFC Overnight Fund - Regular Plan - Growth	-	59,766	-	1,817
ICICI Prudential Overnight Fund - Growth	20,58,463	13,70,703	603	1,518
Kotak Overnight Fund Growth (Regular plan)	56,92,590	1,29,253	1,803	1,417
SBI Arbitrage Opportunities Fund - Direct Plan(G)	49,05,237	63,781	1,399	2,117
Axis Liquid Fund - Regular Growth - CFGPG	1,94,407	-	4,568	-
SBI Liquid Fund Regular - Growth	1,13,612	-	3,761	-
SBI Liquid Fund Direct - Growth	15,014	-	500	-
Nippon India Overnight Fund - Growth Plan (ONAG)	11,42,652	-	1,304	-
Nippon India Direct Growth Plan - Growth Option (AFAG)	78,97,050	-	1,803	-
DSP Liquidity Fund - Regular Plan - Growth	1,17,925	-	3,559	-
DSP Liquidity Fund - Direct Plan - Growth	65,842	-	2,004	-
IDFC Cash Fund - Growth - (Direct Plan)	58,381	-	1,501	-
HSBC Cash Fund - Growth Direct Plan	42,492	-	901	-
HSBC Cash Fund - Growth	23,943	-	504	-
UTI Liquid Cash Plan - Regular Plan	1,01,866	-	3,531	-
UTI Liquid Cash Plan - Direct Plan	17,282	-	603	-
Tata Arbitrage Fund - Direct Plan -Growth	58,70,318	-	704	-
Invesco India Liquid Fund - Growth	17,110	-	500	-
Total			**30,748**	**10,504**
Aggregate carrying value of unquoted investments			30,748	10,504
Aggregate market value of unquoted investments			30,748	10,504

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 12: TRADE RECEIVABLES

	31 March 2022	31 March 2021
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	11,630	24,616
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired Unsecured	790	666
Less: Impairment loss allowance	(790)	(666)
Total	**11,630**	**24,616**

Movement in allowance for expected credit loss:

	31 March 2022	31 March 2021
Balance at beginning of the year	666	314
Add: Allowance for expected credit loss	124	352
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	**790**	**666**

Trade receivables have been offered as security against the working capital facilities provided by the banks (refer note 23)

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 39(i) on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 41(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes more than 10% of the outstanding receivables as at 31 March 2022 and 31 March 2021.

Trade Receivables ageing schedule

	Outstanding for following periods from due date of payment as on 31 March 2022					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	11,387	15	227	1	-	11,630
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	26	6	178	22	559	790
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(26)	(6)	(178)	(22)	(559)	(790)
Total	**11,387**	**15**	**227**	**1**	**-**	**11,630**

(All amounts in ₹ Lakhs unless otherwise stated)

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2021					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	23,951	575	68	22	-	24,616
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	32	52	26	188	368	666
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(32)	(52)	(26)	(188)	(368)	(666)
Total	**23,951**	**575**	**68**	**22**	**-**	**24,616**

Note 13: LOANS

	31 March 2022		31 March 2021	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Loans to subsidiaries (Refer Note 44)	4,077	92,429	5,075	43,551
Advances to employees	40	-	15	-
Other loans	3	-	4	-
Unsecured, considered doubtful				
Other loans	205	-	192	-
Less: Provision for doubtful loans	(205)	-	(192)	-
Total	**4,120**	**92,429**	**5,094**	**43,551**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

1. Disclosures of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without any terms or period of repayment:

Type of Borrower	Terms of Loans	As on 31 March 2022		31 March 2021	
		Amount of loan outstanding	Percentage to the total loans	Amount of loan outstanding	Percentage to the total loans
Related Parties (wholly owned subsidiaries)	Repayable on demand	77	0.08%	75	0.15%

(All amounts in ₹ Lakhs unless otherwise stated)

2. The Company has provided loans to its wholly owned subsidiary for further investment in its step down subsidiary.

Intermediary name	Date and amount of fund loaned for further investment		Ultimate Beneficiary	Date and amount of fund further loaned	
	Date	Amount		Date	Amount
Smartchem Technologies Limited, wholly owned subsidiary	09.11.2021	12,500	Performance Chemiserve Limited, step down subsidiary	09.11.2021	12,500

The Company has complied the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).

Note 14: CASH & CASH EQUIVALENTS

	31 March 2022	31 March 2021
Balances with banks		
- in current accounts	3,229	2,273
Deposits with original maturity upto three months	-	301
Cash on hand	1	6
Total	**3,230**	**2,580**

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note 15: OTHER BANK BALANCES

	31 March 2022	31 March 2021
Earmarked balances with banks		
- Unclaimed dividend	747	731
Deposits with remaining maturity upto 12 months from the reporting date	229	6,941
Total	**976**	**7,672**

Note 16: OTHER FINANCIAL ASSETS

	31 March 2022		31 March 2021	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
a. Derivative assets				
(i) Foreign-exchange option contracts	5	-	12	-
(ii) Commodity hedge contracts	2,444	-	723	-
(iii) Embedded Derivative contracts	-	-	102	-
b. Interest receivable				
(i) From bank	4	-	25	-
(ii) From others	72	-	2,509	-
c. Security deposits	-	2,749	856	2,186

	31 March 2022		31 March 2021	
	Current	Non-Current	Current	Non-Current
d. Bank deposits with more than 12 months maturity	-	110	-	-
e. Amount paid under protest for claims from supplier*	-	1,507	-	1,507
f. Incentive receivable from Government of Gujarat	1,144	-	-	-
g. Others	1,148	-	639	-
Total	**4,817**	**4,366**	**4,866**	**3,693**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 41(b) for Security deposits and Interest receivable on loans to related parties

* Included in supplier claim (Refer Note 42)

Note 17: OTHER NON-CURRENT ASSETS

	31 March 2022	31 March 2021
Capital advances	4,237	1,203
Balance with government authorities	5,532	7,212
Prepaid Expenses	63	165
Total	**9,832**	**8,580**

Note 18: INVENTORIES

	31 March 2022	31 March 2021
Raw materials ((includes ₹327 Lakhs in transit) (31 March 2021 ₹235 Lakhs))	5,098	2,087
Finished goods	1,411	1,397
Stock-in-trade ((includes ₹ 731 Lakhs in transit) (31 March 2021: ₹ 1,997 Lakhs))	1,511	4,429
Stores and spares	4,522	4,895
Packing material	32	46
Total	**12,574**	**12,854**

(i) The cost of inventories recognised as an expense includes ₹ 128 Lakhs (31 March 2021: ₹ 382 Lakhs) in respect of write-down of inventories to net realisable value.

(ii) Inventories have been offered as security against the working capital facilities provided by the banks. (Refer Note 23)

(iii) Refer note 2.3(k) for policy on valuation of Inventories.

Note 19: OTHER CURRENT ASSETS

	31 March 2022	31 March 2021
Advances for supply of goods and services	2,502	711
Balances with government authorities (includes GST, Custom duty etc)	998	1,281
Prepaid expenses	519	409
Other receivables	37	297
Total	**4,056**	**2,698**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 20: SHARE CAPITAL

	31 March 2022	31 March 2021
Authorised		
13,50,50,000 equity shares of ₹ 10/- each. (31 March 2021: 13,50,50,000 equity shares of ₹ 10/- each)	13,505	13,505
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
12,05,92,948 equity shares of ₹ 10/- each. (31 March 2021: 10,26,77,088 equity shares of ₹ 10/- each)	12,059	10,268
Fully paid-up share capital as at year end	**12,059**	**10,268**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning and at the end of the year	10,26,77,088	10,268	8,92,84,425	8,928
Add: Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	1,24,39,029	1,244	-	-
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	54,76,831	547	-	-
Add: Shares issued by way of Right issue during the year	-	-	1,33,92,663	1,340
	12,05,92,948	**12,059**	**10,26,77,088**	**10,268**

Terms and rights attached to equity shares

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

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

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

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

	31 March 2022		31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,35,92,875	36.15%	4,35,92,875	42.46%
Robust Marketing Services Private Limited	1,08,52,301	9.00%	1,07,59,301	10.48%

(All amounts in ₹ Lakhs unless otherwise stated)

Shares held by promoters Promoter Name	As on 31 March 2022		As on 31 March 2021		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	8,78,913	0.73%	8,78,913	0.86%	0.00%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S. Mehta	1,15,000	0.10%	1,15,000	0.11%	0.00%
5) Nova Synthetic Limited	4,35,92,875	36.15%	4,35,92,875	42.46%	0.00%
6) Sofotel Infra Private Limited	19,41,546	1.61%	19,41,546	1.89%	0.00%
7) Robust Marketing Services Private Limited	1,08,52,301	9.00%	1,07,59,301	10.48%	0.86%

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract/agreement without payment being received in cash is 54,76,831 equity shares.

Note 21: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

Nature and purpose of other equity

(a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

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

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

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

(e) **Other comprehensive income :** This represents equity instruments carried at fair value through OCI, Hedge income and remeasurement of employee benefits (gratuity & post retirement benefit).

FINANCIAL LIABILITIES

Note 22: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/Interest rate	31 March 2022	31 March 2021
Secured - at amortised cost				
Term loans from banks				
(i) Bank of Baroda	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.15% to 9.40% per annum	16,454	19,302
(ii) Export Import Bank Of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.85% to 9.35% per annum	18,913	22,179

(All amounts in ₹ Lakhs unless otherwise stated)

		Terms of repayment & Maturity date	Coupon/Interest rate	31 March 2022	31 March 2021
(iii)	Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	10,620	16,722
Unsecured					
Term loans from Others					
(i)	Foreign currency convertible bonds issued to International Finance Corporation (IFC), USA (refer note (c) and (d) below)		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per annum and Compound Interest : Upto March 12, 2021 : 1.75% compound interest per annum From March 13, 2021 onwards : 2.25% compound interest per annum	9,479	18,140
Total non-current borrowings				**55,466**	**76,343**
Less: Current maturities of long-term debt (included in note 23)				12,312	12,308
Total				**43,154**	**64,035**

a) The term loan (i) and (ii) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

b) The term loan (iii) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

c) The FCCB's will be pari-passu with the senior unsecured creditors of the Company. The Company has received Tranche 2 subscription amount $15,000,000 during previous financial year. Foreign Currency Convertible Bonds ("FCCBs") issued by the Company to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. The FCCBs are convertible into equity shares of the Company at a predetermined price of ₹ 195 per share at the option of IFC and carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the FCCB's will rank paripassu in all respects with the existing shares of the Company. In the event of non-conversion till the end of the stipulated period, the amount raised through the issue of FCCBs is repayable in full to IFC. The FCCBs carry a coupon rate of 4.5% simple interest p.a.(5% p.a. upto March 12, 2021), payable semi annually and 2.25% compound interest p.a.(1.75% p.a. upto March 12, 2021), payable on redemption.

(All amounts in ₹ Lakhs unless otherwise stated)

d) International Finance Corporation (IFC), holder of Foreign Currency Convertible Bonds (FCCB), had sent a notice on 23rd June 2021, for conversion of first tranche of USD 15 million FCCB into 54,76,831 Equity Shares of the Company, at the rate of ₹ 195 Per equity share, in accordance with section 4.01 (conversion option) of the FCCB Subscription agreement dated 10th May 2019 as amended on 19th June 2019 and on 15th September 2019. The Company has converted the said FCCB and issued 54,76,831 fully paid-up Equity Shares on 1st July 2021, which are rank pari-passu in all respects with the existing equity shares of the Company and are listed on BSE and NSE.

e) The Company has used the borrowings taken from banks and financial institution for the specific purposes for which they were taken as at the balance sheet date.

f) The Company has registered all the required charges with Registrar of Companies within the statutory period.

Note 23: CURRENT BORROWINGS

	31 March 2022	31 March 2021
From banks		
Secured		
- Current maturities of non-current borrowings	12,312	12,308
- Cash credit facilities	-	151
Total	**12,312**	**12,459**

RECONCILIATION OF BORROWINGS AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"

Particulars	31 March 2022	31 March 2021
Non-current borrowings (refer note 22)	43,154	64,035
Current borrowings (refer note 23)	12,312	12,459
Interest accrued (refer note 24)	487	615
	55,953	**77,109**
Cash and Non-cash adjustments		
Classification of Non-Current Borrowings to Other Equity	-	(1,504)
Deferred Income Tax related to above Items	-	(505)
Foreign currency translation differences	327	(161)
Conversion of Foreign Currency Coversion Bonds to Equity Share Capital and Securities Premium	(9,394)	-
Proceeds from non-current borrowings	-	21,270
Repayment of non-curerent borrowings	(11,810)	(20,744)
Repayment of Book Overdraft	(151)	-
Reduction/ Increase in interest accrued	(128)	346
Movement of borrowings (net)	**(21,156)**	**(1,298)**

Cash credit is repayable on demand and carries variable rate of interest. Average interest rate is 8.50%. Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first pari passu charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

The Company has filed the quarterly statements of current assets with banks which are in agreement with the books of account.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 24: OTHER FINANCIAL LIABILITIES

	31 March 2022	31 March 2021
Non-current		
Embedded derivative	17	17
Financial guarantee	1,648	789
Total	**1,665**	**806**
Current		
Interest accrued	487	615
Security deposits	641	581
Capital creditors	809	470
Commission payable (refer Note 41(b))	142	836
Financial guarantee	539	368
Salary payables	3,358	3,012
Total	**5,976**	**5,882**

Note 25: PROVISIONS

	31 March 2022		31 March 2021	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	478	1,858	439	1,451
Compensated absences	385	903	365	826
Defined pension benefits	172	143	154	168
Total (A)	**1,035**	**2,904**	**958**	**2,445**
Provisions for tax contingencies#	3,460	-	5,744	-
Provision for site restoration*	-	517	-	472
Total (B)	**3,460**	**517**	**5,744**	**472**
Total (A+B)	**4,495**	**3,421**	**6,702**	**2,917**

Movement in Provisions for tax contingencies

	Tax contingencies#	Site restoration*	Compensated absences
As at 1 April 2020	**5,656**	**427**	**1,640**
Additional provisions recognised	88	45	-
Excess amounts reversed/utilised	-	-	(449)
As at 1 April 2021	**5,744**	**472**	**1,191**
Additional provisions recognised	-	45	-
Excess amounts reversed/utilised	(2,284)	-	97
As at 31 March 2022	**3,460**	**517**	**1,288**

The provision is mainly on account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

(All amounts in ₹ Lakhs unless otherwise stated)

* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

(A) Defined Contribution Plans (refer Note 34)

Particulars	31 March 2022	31 March 2021
Employer's contribution to provident fund	238	224
Employer's contribution to employee's pension scheme	66	66
Employer's contribution to superannuation fund	183	250
Employer's contribution to employee state insurance	1	1
Total	**488**	**541**

(B) Defined Benefit Plans

i. Gratuity

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.90% p.a. (31 March 2021: 6.60% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2021: 60 years), withdrawal rate is 8% p.a. (31 March 2021: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14))

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2021: 8% p.a), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.60% p.a. (31 March 2021: 6.40% p.a).

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year	5,890	5,191
Current service cost	406	459
Interest cost	373	316
Actuarial loss	59	410
Benefits paid	(472)	(486)
Present value of obligation at the end of the year	6,256	5,890

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the end of the year	6,256	5,890
Fair value of plan assets at the end of the year	3,919	4,001
Net (asset)/liabilities recognised in the Balance Sheet	2,336	1,890

(All amounts in ₹ Lakhs unless otherwise stated)

Fair value of Plan assets :

Particulars	31 March 2022	31 March 2021
Plan assets at the beginning of the year	4,001	3,966
Expected return on plan assets	251	246
Contribution by employer	439	459
Actual benefits paid	(818)	(702)
Acturial gain/(loss)	47	32
Plan assets at the end of the year	3,919	4,001

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

Particulars	31 March 2022	31 March 2021
Current service cost	406	459
Interest cost	122	71
Expense recognised in the Statement of Profit and Loss	528	530

Amount recognised in the other comprehensive income

Particulars	31 March 2022	31 March 2021
Remeasurements Cost / (Credit)	59	410
Actuarial (gain)/loss on plan assets	(47)	(32)
Amount recognised in the Other Comprehensive Income	12	378

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2022	31 March 2021
Experience Loss on plan liabilities	138	374
Demographic Loss on plan liabilities	-	87
Financial (Gain)/ Loss on plan liabilities	(79)	(51)
Experience (Gain) / Loss on plan assets	(39)	(74)
Financial (Gain) / Loss on plan assets	(8)	42

Categories of the fair value of total plan assets

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	3,919	4,001
(%) of total plan assets	100%	100%

Sensitivity analysis :

Particulars	31 March 2022		31 March 2021	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/ increase	(248)	273	(242)	268

Particulars	31 March 2022		31 March 2021	
Assumptions	Future salary increase		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/ increase	221	(204)	217	(200)

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

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	1,884	1,742
Later than 1 year and not later than 5 years	3,208	2,816
Later than 5 year and not later than 9 years	3,824	3,806
Total	**8,916**	**8,364**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.22 years (31 March 2021:8.22 years)

Expected contribution for next year:

The company intends to contribute ₹ 478 Lakhs in 2023 (₹ 439 Lakhs in 2022)

RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. **Liability Risks**

   a. **Asset-Liability Mismatch Risk**

      Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

   b. **Discount Rate Risk**

      Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

   c. **Future Salary Escalation and Inflation Risk**

      Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. **Asset Risks**

   Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India and partly managed by a private sector insurer viz; India First Life Insurance.

(All amounts in ₹ Lakhs unless otherwise stated)

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

ii. Defined pension benefits

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

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 6.90% p.a. (31 March 2021: 6.60% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2021: 60 years), withdrawal rate is 8% p.a. (31 March 2021: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2021: IALM (2012-14)).

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year	322	168
Current service cost	43	29
Past service cost	-	-
Interest cost	20	10
Actuarial (gain)/ loss	(45)	136
Benefits paid	(25)	(21)
Present value of obligation at the end of the year	315	322

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

Particulars	31 March 2022	31 March 2021
Current service cost	43	29
Past service cost	-	-
Interest cost	20	10
Expense recognised in the Statement of Profit and Loss	63	39

Amount recognised in the other comprehensive income:

Particulars	31 March 2022	31 March 2021
Actuarial (gain)/ loss on plan assets	(45)	136
Amount recognised in the Other Comprehensive Income	(45)	136

Sensitivity analysis :

Particulars	31 March 2022		31 March 2021	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(73)	101	(74)	102

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 26: TRADE PAYABLES

Particulars	31 March 2022	31 March 2021
Trade payables		
(a) total outstanding dues of micro and small enterprises	1,945	998
(b) total outstanding dues of creditors other than micro and small enterprises#*	24,608	24,231
Total	**26,553**	**25,229**

Includes payable to related party ₹ NIL Lakhs (31 March 2021: ₹ 540 Lakhs)

* Trade payable as stated above includes trade payables related to materials for ₹ 18,252 Lakhs (31 March 2021: ₹ 19,909 Lakhs)

Particulars	31 March 2022	31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,945	998
- Principal amount outstanding (whether due or not) to micro and small enterprises	1,778	920
- Interest due thereon	1	9
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	13,366	3,627
Amount of interest due and payable on delayed payments	88	38
Amount of interest accrued and remaining unpaid as at year end	167	78
The amount of further interest remaining due and payable even in the succeeding year	-	-

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company requested its suppliers to confirm whether they are Micro, Small or Medium enterprise as defined in the said MSMED 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 MSMED Act, from the date of receipt of such confirmations.

Trade Payables ageing schedule

Particulars	As on 31 March 2022 - Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) MSME	1,739	133	46	27	1,945
(ii) Others	15,245	-	170	655	16,070
(iii) Disputed dues – MSME					-
(iv) Disputed dues - Others	-	-	-	-	-
(v) Unbilled dues	8,383	122	33		8,538
Total	**25,367**	**255**	**249**	**682**	**26,553**

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars		As on 31 March 2021 - Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i)	MSME	908	6	29	56	998
(ii)	Others	14,624	293	505	378	15,801
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
(v)	Unbilled dues	8,114	207	97	12	8,430
Total		**23,646**	**506**	**630**	**446**	**25,229**

Note 27: DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:

Particulars		31 March 2022	31 March 2021
(a)	Deferred tax assets	(2,005)	(1,813)
(b)	Deferred tax liabilities	4,978	4,856
Net deferred tax liabilities		**2,973**	**3,043**

Movements in deferred tax liabilities:

Movements during the year ended 31 March 2022:

Particulars	1 April 2021	Charge/ (credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) in the Other Comprehensive Income	31 March 2022
Property, plant and equipment, investment property and intangibles assets	3,874	326	-	-	4,200
Business loss	-	-	-	-	-
Financial assets at fair value through profit or loss	(260)	-	-	8	(252)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,216)	(162)	-	-	(1,378)
Foreign Currency Convertible Bonds	876	(49)	(392)	-	435
Impairment Provision	(255)	(120)	-	-	(375)
Financial assets at fair value through OCI	107	-	-	217	324
Others	(83)	142	(40)	-	19
Net deferred tax liabilities	**3,043**	**137**	**(432)**	**225**	**2,973**

Movements during the year ended 31 March 2021:

Particulars	1 April 2020	Charge/ (credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) in the Other Comprehensive Income	31 March 2021
Property, plant and equipment, investment property and intangibles assets	3,518	356	-	-	3,874
Business loss	(1,176)	1,176	-	-	-
Financial assets at fair value through profit or loss	(260)		-	-	(260)
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,110)	23	-	(129)	(1,216)
Foreign Currency Convertible Bonds	459	(88)	505		876
Impairment Provision	-	(255)	-	-	(255)
Financial assets at fair value through OCI	-	-	-	107	107
Others	32	(115)	-	-	(83)
Net deferred tax liabilities	**1,463**	**1,097**	**505**	**(22)**	**3,043**

Note 28: OTHER CURRENT LIABILITIES

Particulars	31 March 2022	31 March 2021
Advances from customers	1,555	392
Unclaimed dividend [#]	747	731
Statutory dues payable	1,310	1,282
Other payables	132	118
Total	**3,744**	**2,523**

[#] ₹ 119 Lakhs (31 March 2021 ₹ 100 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2021 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 29: REVENUE FROM OPERATIONS

Particulars	31 March 2022	31 March 2021
Sale of products		
Finished goods	1,73,944	1,20,926
Traded goods	52,546	58,906
Power generated from windmills	366	253
Revenue from realty business	911	881
Other operating revenues		
Incentive income*	1,144	-
Others	33	165
Total	**2,28,944**	**1,81,131**

* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant

(All amounts in ₹ Lakhs unless otherwise stated)

Contracts with customer

Particulars	31 March 2022	31 March 2021
Revenue recognised from contracts with customers	2,28,944	1,81,131
Disaggregation of revenue		
Based on type of goods		
- Sale of industrial chemicals	1,73,943	1,20,926
- Sale of traded products		
(i) Industrial chemicals	52,161	58,715
(ii) Value added real estate (VARE) - Sale of furniture	386	191
- Revenue from power generated from windmills	366	253
- Revenue from realty operation	911	881
- Other operating revenues	1,177	165
Cumulative Impairment losses recognised on receivables arising from an entity's contracts with customers	790	666

Details of contract balances:

Particulars	31 March 2022	31 March 2021
Opening balance of receivables	24,616	41,245
Closing balance of receivables	11,630	24,616

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	31 March 2022	31 March 2021
Contract liabilities at the beginning of the year	**392**	**717**
Revenue recognised that was included in the contract liability balance at the beginning of the year	392	717
Increase due to cash received, excluding amounts recognised as revenue during the year	1,555	392
Contract liabilities at the end of the year	**1,555**	**392**

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customer No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Company is obliged to give refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that have an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	31 March 2022	31 March 2021
Contract price	2,33,995	1,83,372
Less: Amount recognised as Discounts / shortages	5,051	2,241
Revenue recognised in the statement of profit and loss	**2,28,944**	**1,81,131**

Cost to obtain a contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 30: OTHER INCOME

	31 March 2022	31 March 2021
Interest income from financial assets measured at ammortized cost	6,131	2,941
Interest on income tax refund	894	-
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	221	8
Net gain on sale of investments#	321	519
Unwinding of discount on security deposits	342	113
Foreign exchange fluctuation gain (net)	-	314
Corporate guarantee income	372	288
Other non-operating income	536	407
Total	**8,817**	**4,590**

Includes profit on sale of investment in an associate amounting to ₹ 351 Lakhs in previous year.

Note 31: COST OF MATERIALS CONSUMED

	31 March 2022	31 March 2021
Raw materials as at the beginning of the year	2,087	2,943
Add: Purchases during the year	1,25,346	66,200
Less: Raw material as at the end of the year	5,098	2,087
Total	**1,22,335**	**67,056**

Note 32: PURCHASE OF STOCK-IN-TRADE

	31 March 2022	31 March 2021
Purchases of stock-in-trade	45,783	52,907
Total	**45,783**	**52,907**

Note 33: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2022	31 March 2021
Opening balance		
Finished goods	1,397	1,020
Stock-in-trade	4,429	2,670
Total opening balance	**5,826**	**3,690**
Closing balance		
Finished goods	1,411	1,397
Stock-in-trade	1,511	4,429
Total closing balance	**2,922**	**5,826**
Total	**2,904**	**(2,136)**

Note 34: EMPLOYEE BENEFITS EXPENSES

	31 March 2022	31 March 2021
Salaries, wages and bonus *	7,030	7,362
Contribution to provident fund & other funds	488	541
Gratuity (refer note 25)	528	530
Post-employment pension benefits (refer note 25)	63	39
Staff welfare expenses	310	333
Total	**8,419**	**8,805**

(*) Net of recharges of ₹ 9,974 Lakhs (31 March 2021 : ₹ 7,844 Lakhs) to subsidiary company - Smartchem Technologies Limited.

Note 35: FINANCE COSTS

	31 March 2022	31 March 2021
Interest cost on financial liabilities measured at amortized cost	6,097	7,655
Finance charges on finance leases	210	187
Increases in the decommissioning liabilities	45	45
Interest others	49	-
Other borrowing costs	317	806
Exchange differences regarded as an adjustment to borrowing costs	188	(33)
Total	**6,906**	**8,660**

Note 36: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2022	31 March 2021
Depreciation on property, plant and equipment*	7,069	6,399
Amortisation of right of use assets	692	663
Amortisation on intangible assets	256	236
Total	**8,017**	**7,298**

(*) Net of recharges of ₹1,268 Lakhs (31 March 2021 : ₹ 1,181 Lakhs) to a subsidiary company - Smartchem Technologies Limited.

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 37: OTHER EXPENSES

	31 March 2022	31 March 2021
Consumption of stores and spares	3,649	3,372
Power, fuel and water*	3,284	1,908
Repairs to :		
- Building	224	175
- Plant and machinery	2,275	2,146
- Others	548	672
Rent	275	128
Insurance	774	703
Rates, taxes and duties	822	1,070
Travelling and conveyance	116	84
Legal and professional fees	1,592	1,316
Payments to auditors (note 37(a) below)	34	39
Directors' fees	66	97
Carriage outward (net)	573	886
Warehouse and handling charges	601	628
Loss on disposal of property, plant and equipment	18	82
Commission on sales	74	37
Sales and promotion expenses	213	179
Donations	28	-
Utility services	225	214
Communication expenses	48	35
Corporate social responsibility expenditure (Note 37(b) below)	138	81
Foreign exchange fluctuations loss (net)	139	-
Bad debts written off	-	57
Provision for doubtful debts	123	34
Provision for doubtful loans, advances and other receivable (including write off)	13	504
Miscellaneous expenses @	925	1,448
Total	**16,777**	**15,895**

Other expenses are net of recharges of ₹ 4,982 Lakhs (31 March 2021 : ₹ 4,050 Lakhs) to subsidiary company - Smartchem Technologies Limited.

* MSEB electricity duty provision taken for the period April 15 to March 22 for ₹ 1,309 Lakhs (31 March 2021 :₹ NIL). The same has been reduced from contingent liability.

@ Miscellaneous expenses include Provision for impairment of capital work in progress amounting to ₹ 477 Lakhs (31 March 2021 : ₹ 1,015 Lakhs)

Note 37(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2022	31 March 2021
Payment to auditors		
As auditor:		
Audit fee*	33	33
Certification fees in the capacity of statutory auditors**	9	4
In other capacities		
Reimbursement of expenses	1	2
Total	42	39
Less: Charge to securities premium account	(8)	-
Total	**34**	**39**

* Payment to auditors for previous year include payment to previous auditor of ₹ 16 Lakhs.

** Includes certification fee with regards to Qualified Institutional Placements adjusted with securities premium.

Note 37(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2022	31 March 2021
Contributions to Ishanya Foundation	133	75
Others	5	6
Total	**138**	**81**
Amount required to be spent as per Section 135 of the Act		
(a) amount required to be spent by the company during the year	165	46
(b) amount of expenditure incurred	138	81
(c) shortfall/(excess) at the end of the year	27	(35)
(d) total of previous years shortfall/(excess)	(35)	-
(e) reason for shortfall	Excess of PY expenditure utilised in CY	NA
(f) nature of CSR activities	Women empowerment, health and education	Women empowerment, health and education
(g) details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Contribution to Ishanya foundation	Contribution to Ishanya foundation
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Note 37(c): EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

	31 March 2022	31 March 2021
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	19,778	20,899
Add: Adjustment for interest on Foreign currency convertible bonds post tax	820	1,073
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for dilutes EPS	20,598	21,972
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	11,22,26,183	9,65,31,814
Add: Adjustment for Foreign currency convertible bonds	56,19,423	83,24,718
Weighted average number of equity shares for diluted EPS	11,78,45,606	10,48,56,532
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	17.62	21.65
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	17.48	20.95

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2022			31 March 2021		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in subsidiaries and associates*	-	245	-	-	-	-
- Mutual funds	30,748	-	-	10,504	-	-
Trade receivables	-	-	11,630	-	-	24,616
Cash and cash equivalents	-	-	3,230	-	-	2,580
Other bank balances	-	-	976	-	-	7,672
Loans	-	-	96,549	-	-	48,645
Other financial assets	-	-				
- Derivative financial asset, not designated as hedges	5	-	-	12	-	-
- Derivative financial asset, designated as hedges	1,581	863	-	229	494	-
- Embedded derivative	-	-	-	102	-	-
- Others	-	-	6,734	-	-	7,722
Total financial assets	**32,334**	**1,108**	**1,19,119**	**10,847**	**494**	**91,235**

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2022			31 March 2021		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial liabilities						
Borrowings	-	-	55,466	-	-	76,494
Lease Liabilities			1,577			1,477
Trade payables	-	-	26,553	-	-	25,229
Other financial liabilities	-	-	-			
- Capital creditors	-	-	809	-	-	470
- Security deposits	-	-	641	-	-	581
- Interest accrued	-	-	487	-	-	615
- Embedded derivative	17	-	-	17		
- Financial guarantee liability	2,187	-	-	1,157	-	-
- Others	-	-	3,500	-	-	3,848
Total financial liabilities	**2,204**	**-**	**89,033**	**1,174**	**-**	**1,08,714**

*Investment in Subsidiaries and Associates are shown at Cost in balance sheet as per Ind AS 27 : Separate Financial Statements

(ii) Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

Financial assets and liabilities measured at fair value	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Mutual funds	30,748	-	-	30,748	10,504	-	-	10,504
Financial Investments at FVOCI								
Equity instruments	-	-	245	245	-	-	-	-
Derivatives								
Foreign exchange forward contracts/options	-	5	-	5	-	12	-	12
Commodity Hedge contract	-	2,444	-	2,444	-	723	-	723
Embedded derivative	-	-	-	-	-	102	-	102
Total financial assets	**30,748**	**2,449**	**245**	**33,442**	**10,504**	**837**	**-**	**11,341**
Financial liabilities								
Derivatives								
Embedded derivative	-	17	-	17	-	17	-	17
Financial guarantee liability	-	2,187	-	2,187	-	1,157	-	1,157
Total financial liabilities	**-**	**2,204**	**-**	**2,204**	**-**	**1,174**	**-**	**1,174**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

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

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

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

d) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: FINANCIAL RISK MANAGEMENT

Risk management framework

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

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

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

- credit risk;

- liquidity risk; and

- market risk.

i. Credit risk

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

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

Trade receivables and other financial assets

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

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

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, considers the credit risk for trade receivables to be low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ 243 Lakhs (31 March 2021: ₹ 665 Lakhs)

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	666	632
Add: Provided during the year (net of reversal)	124	34
Less: Amount written off	-	-
Balance at the end of the year	790	666

Expected credit loss on financial assets other than trade receivables:

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

ii. Liquidity Risk

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

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

Exposure to liquidity risk

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

31 March 2022	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	55,466	12,312	29,108	14,046	55,466
Lease Liabilities	1,577	583	990	4	1,577
Trade payables	20,877	20,877	-	-	20,877
Other financial liabilities	7,641	5,976	1,665	-	7,641
Total non-derivative liabilities	**85,561**	**39,748**	**31,763**	**14,050**	**85,561**
Derivatives financial liabilities					
Trade payables	5,676	5,676	-	-	5,676
Total derivative liabilities	**5,676**	**5,676**	**-**	**-**	**5,676**

(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2021	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	76,494	12,459	44,395	19,640	76,494
Lease Liabilities	1,477	429	1,048	-	1,477
Trade payables	19,182	19,182	-	-	19,182
Other financial liabilities	6,688	5,899	764	25	6,663
Total non-derivative liabilities	**1,03,841**	**37,969**	**46,207**	**19,665**	**1,03,816**
Derivatives financial liabilities					
Trade payables	6,047	6,047	-	-	6,047
Total derivative liabilities	**6,047**	**6,047**	**-**	**-**	**6,047**

iii. Market risk

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

a. Currency risk

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

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

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 45.

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

Particulars	Impact on profit after tax	
	31 March 2022	31 March 2021
USD sensitivity		
₹ /USD -appreciated by 1% (31 March 2021-1%)	(117)	(184)
₹ /USD -depreciated by 1% (31 March 2021-1%)	117	184

b. Interest rate risk

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

(i) Exposure to interest rate risk

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

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

	31 March 2022	31 March 2021
Variable rate borrowings	55,466	76,494
Fixed rate borrowings	-	-
Total borrowings	**55,466**	**76,494**

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings

(ii) Sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2022 before tax would decrease / increase by ₹ 277 Lakhs (for the year ended 31 March 2021: decrease / increase by ₹ 382 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 40 : CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

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

The gearing ratios were as follows:

	31 March 2022	31 March 2021
Net debt	51,260	66,242
Total equity	2,72,667	2,01,094
Net debt to equity ratio	**0.19**	**0.33**

(b) Dividends

Particulars	31 March 2022	31 March 2021
(i) Equity shares		
Final dividend for the year ended 31 March 2021 of ₹ 7.50 per fully paid equity share (31 March 2020 of ₹ 3 per fully paid equity share)	8,112	2,679
(ii) Dividend not recognised at the end of the reporting period		
Since year end the directors have recommended the payment of a final dividend of ₹ 9.00 per fully paid equity share (31 March 2021 : ₹ 7.50 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	10,853	7,701

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 41(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS WITH WHOM TRANSACTIONS TOOK PLACE

A	**Associates**	**F**	**Key management personnel**
1	Ishanya Realty Corporation Limited	**(a)**	**Executive directors**
		1	Mr. Sailesh Chimanlal Mehta
B	**Subsidiaries**		
	Direct (Wholly owned subsidiaries)	**(b)**	**Non-executive directors**
1	Smartchem Technologies Limited (STL)	1	Mrs. Parul Sailesh Mehta
2	SCM Fertichem Limited	2	Mr. Madhumilan Parshuram Shinde
3	Ishanya Brand Services Limited		
4	Deepak Mining Services Private Limited (DMSPL)	**(c)**	**Non-executive Independent directors**
5	Deepak Nitrochem Pty Limited	1	Mr. Berjis Minoo Desai (up to 27 December 2021)
		2	Mr. Jayesh Shah (w.e.f 20th December 2021)
	Indirect (Step-down subsidiaries)	3	Mr. Ashok Kumar Purwaha
1	Performance Chemiserve Limited (PCL)	4	Mr. Alok Perti
2	Australian Mining Explosives Pty Ltd (Subsidiary of PBS)	5	Mr. Amit Biswas
3	Platinum Blasting Services Pty Limited [PBSL] (Subsidiary of STL)	6	Mr. Partha Sarathi Bhattacharyya
4	Mahadhan Farm Technologies Private Limited (Subsidiary of STL)	7	Mr. Bhuwan C Tripathi
5	Complete Mining Solution Private Limited (Subsidiary of DMSPL) - (Upto 14 February 2022)	8	Mr. Sujal Shah
		9	Ms. Varsha Vasant Purandare
C	**Jointly Controlled Entity**		
1	Yerrowada Investments Limited	**(d)**	**Chief Finance Officer**
			Mr. Amitabh Bhargava
D	**Entities over which key managerial personnel are able to exercise significant influence:**		
1	Robust Marketing Services Private Limited	**(e)**	**Company Secretary**
2	Nova Synthetic Limited		Mr. Ritesh Chaudhry (w.e.f 03/02/2021)
3	Ishanya Foundation		Mr. K Subharaman (upto 06/11/2020)
4	M/s. Juris Corp, Advocates and Solicitors		Mr. Gaurav Munoli (From 07/11/2020 to 03/02/2021)
5	Deepak Agro Solutions Limited		
E	**Entities over which relatives of key managerial personnel are able to exercise significant influence:**	**G**	**Relatives of Key management personnel**
1	Deepak Nitrite Limited	1	Ms. Rajvee Mehta

(All amounts in ₹ Lakhs unless otherwise stated)

Note 41(b) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2022							31 March 2021						
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence(*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
1	**Sale of goods**														
	Smartchem Technologies Limited	75,502	-	-	-	-	-	75,502	40,358	-	-	-	-	-	40,358
	Deepak Nitrite Limited	-	-	-	-	-	12,456	12,456	-	-	-	-	-	7,701	7,701
	Ishanya Brand Services Limited	354	-	-	-	-	-	354	140	-	-	-	-	-	140
	Ishanya Foundation	-	-	-	-	5	-	5	-	-	-	-	-	-	-
2	**Rendering of services/ reimbursement of expenses**														
	Smartchem Technologies Limited	16,181	-	-	-	-	-	16,181	14,238	-	-	-	-	-	14,238
	Performance Chemiserve Limited	448	-	-	-	-	-	448	356	-	-	-	-	-	356
	SCM Fertichem Limited	1	-	-	-	-	-	1	52	-	-	-	-	-	52
	Ishanya Foundation	-	-	-	-	4	-	4	-	-	-	-	-		-
	Yerrowada Investments Limited		4	-	-	-	-	4	-	24	-	-	-	-	24
	Ishanya Brand Services Limited	92	-	-	-	-	-	92	136	-	-	-	-	-	136
	Complete Mining Solution Private Limited	-	-	-	-	-	-	-	21	-	-	-	-	-	21
	Deepak Agro Solutions Limited	-	-	-	-	3	-	3	-	-	-	-	-	-	-
3	**Interest on loan given**														
	Deepak Mining Services Private Limited	2	-	-	-	-	-	2	2	-	-	-	-	-	2
	Smartchem Technologies Limited	6,012	-	-	-	-	-	6,012	2,426	-	-	-	-	-	2,426
	SCM Fertichem Limited	5	-	-	-	-	-	5	36	-	-	-	-	-	36
4	**Interest on loan taken**														
	Deepak Agro Solution Ltd	-	-	-	-	-	-	-	-	-	-	-	(15)	-	(15)

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2022							31 March 2021						
		Subsidi-aries	Jointly Cont-rolled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence(*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidi-aries	Jointly Controlled Entity	Key Manage-ment Personnel	Relative of Key Manage-ment Personnel	Entities over which Key Manage-ment Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	(421)	-	(421)
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	-	-	-	(112)	-	(112)
5	**Purchase of goods and services**														
	Smartchem Technologies Limited	(19,714)						(19,714)	(11,446)	-	-	-	-	-	(11,446)
	Ishanya Foundation	-	-	-	-	(2)	-	(2)	-	-	-	-	(3)		(3)
	Deepak Nitrite Limited	-	-	-	-	-	(123)	(123)	-	-	-	-	-	-	-
6	**Receiving of services/ reimbursement of expenses**														
	Performance Chemiserve Limited	(469)	-	-	-	-	-	(469)	(313)	-	-	-	-	-	(313)
	Mr. Madhumilan Parshuram Shinde	-	-	(24)	-	-	-	(24)	-	-	(6)	-	-	-	(6)
7	**Legal expenses**														
	M/s. Juris Corp, Advocates and Solicitors	-	-	-	-	(3)	-	(3)	-	-	-	-	-	-	-
8	**Donation given**														
	Ishanya Foundation	-	-	-	-	(133)	-	(133)	-	-	-	-	(75)	-	(75)
9	**Remuneration & commission (including perquisites)***														
	Mr Sailesh Mehta	-	-	(557)	-	-	-	(557)	-	-	(1,318)	-	-	-	(1,318)
	Mr Amitabh Bhargava	-	-	**(655)	-	-	-	(655)	-	-	(292)	-	-	-	(292)
	Mr K Subharaman	-	-	-	-	-	-	-	-	-	(65)	-	-	-	(65)
	Mr Ritesh Choudhary	-	-	(60)	-	-	-	(60)	-	-	(10)	-	-	-	(10)
	Mr Gaurav Munoli	-	-	-	-	-	-	-	-	-	(5.00)	-	-	-	(5)
	Ms. Rajvee Mehta	-	-	-	(6)	-	-	(6)	-	-	-	(30)	-	-	(30)

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2022							31 March 2021						
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence(*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	Other Directors	-	-	(142)	-	-	-	(142)			(157)				(157)
10	**Lease rental income**														
	Deepak Nitrite Limited	-	-	-	-	-	14	14	-	-	-	-	-	7	7
11	**Lease rental expenses**														
	Mr Sailesh Mehta	-	-	(17)	-	-	-	(17)	-	-	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	-	(48)	-	(48)	-	-	-	-	(99)	-	(99)
12	**Loan or Advances Taken**														
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	12,500	-	12,500
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	-	-	-	7,500	-	7,500
13	**Loan or Advances Repaid**														
	Smartchem Technologies Limited	-	-	-	-	-	-	-	-	-	-	-	(12,500)	-	(12,500)
	Nova Synthetic Limited	-	-	-	-	-	-	-					(7,500)		(7,500)
14	**Loan or Advances Given**														
	Smartchem Technologies Limited	(52,878)	-	-	-	-	-	(52,878)	(47,736)	-	-	-	-	-	(47,736)
	Deepak Mining Services Private Limited	(2)	-	-	-	-	-	(2)	(4)	-	-	-	-	-	(4)
15	**Loan or Advances received back/ (written off)**														
	Smartchem Technologies Limited	5,000	-	-	-	-	-	5,000	-	-	-	-	-	-	-
	SCM Fertichem Limited	-	-	-	-	-	-	-	(450)	-	-	-	-	-	(450)
16	**Shared subscribed in Right shares**														
	Ishanya Brand Services Limited	-	-	-	-	-	-	-	(400)	-	-	-	-	-	(400)

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2022 Subsidiaries	31 March 2022 Jointly Controlled Entity	31 March 2022 Key Management Personnel	31 March 2022 Relative of Key Management Personnel	31 March 2022 Entities over which Key Management Personnel are able to exercise significant Influence(*)	31 March 2022 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2022 Total	31 March 2021 Subsidiaries	31 March 2021 Jointly Controlled Entity	31 March 2021 Key Management Personnel	31 March 2021 Relative of Key Management Personnel	31 March 2021 Entities over which Key Management Personnel are able to exercise significant Influence (*)	31 March 2021 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2021 Total
17	**Allotment of equity shares**														
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	4,917	-	4,917
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	-	-	-	7,562	-	7,562
18	**Amount outstanding**														
	Trade payables														
	Performance Chemiserve Limited	-	-	-	-	-	-	-	(540)	-	-	-	-	-	(540)
	Deposits Payables														
	Deepak Nitrite Limited	-	-	-	-	-	(4)	(4)	-	-	-	-	-	-	-
	Remunerations payable														
	Mr Sailesh Mehta	-	-	-	-	-	-	-	-	-	(679)	-	-	-	(679)
	Other Directors	-	-	(142)	-	-	-	(142)	-	-	(157)	-	-	-	(157)
	Trade receivables														
	Smartchem Technologies Limited	-	-	-	-	-	-	-	8,086	-	-	-	-	-	8,086
	Deepak Nitrite Limited	-	-	-	-	-	249	249	-	-	-	-	-	1,360	1,360
	SCM Fertichem Limited	36	-	-	-	-	-	36	35	-	-	-	-	-	35
	Yerrowada Investments Limited	-	-	-	-	-	-	-	-	8	-	-	-	-	8
	Deepak Mining Services Private Limited	15	-	-	-	-	-	15	15	-	-	-	-	-	15
	Ishanya Brand Services Ltd	96	-	-	-	-	-	96	80	-	-	-	-	-	80
	Performance Chemiserve Limited	1,136	-	-	-	-	-	1,136	-	-	-	-	-	-	-
	Deepak Agro Solutions Limited	-	-	-	-	-	-	-	-	-	-	-	5	-	5

Sr. No.	Nature of Transactions	31 March 2022							31 March 2021						
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence(*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	Interest Receivable														
	Deepak Mining Services Private Limited	11						11	11	-	-	-	-	-	11
	Smartchem Technologies Limited	-	-	-	-	-	-	-	2,426	-	-	-	-	-	2,426
	SCM Fertichem Limited	48						48	43	-	-	-	-	-	43
	Deposits Receivables														
	Mr Sailesh Mehta	-	-	2,110	-	-	-	2,110	-	-	1,500	-	-	-	1,500
	Robust Marketing Services Private Limited	-	-	-	-	650	-	650	-	-	-	-	650	-	650
	Loans recoverable														
	Deepak Mining Services Private Limited	27	-	-	-	-	-	27	25	-	-	-	-	-	25
	Smartchem Technologies Limited	96,429	-	-	-	-	-	96,429	48,551	-	-	-	-	-	48,551
	SCM Fertichem Limited	50	-	-	-	-	-	50	50	-	-	-	-	-	50
	Corporate Guarantee Given														
	Deepak Nitrite Limited	-	-	-	-	-	1,786	1,786	-	-	-	-	-	-	-

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 66 Lakhs (31 March 2021 : ₹ 97 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.

Note : The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 22 point no (b))

**Includes ₹ 200 Lakhs paid as one time retention bonus on completion of four years as per terms of appointment.

All Transactions are in ordinary course and on an arm's length basis

(*) Includes transaction with enterprises over which relatives are able to exercise significant influence

Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2022	31 March 2021
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts*	7,801	8,197
Income Tax Demands	6,513	7,196
Excise/Service Tax/Custom Demands#	5,105	5,320
Sales Tax/ VAT Demands	6,547	10,042
Local Body Tax	1,543	1,543
Penalty on Entry Tax	1,551	1,551
Total	**29,060**	**33,849**
B. Capital Commitments		
Related to Projects	1,577	803
Related to Realty	6	551
C. Other Commitments*		
Other Commitment	15,578	15,577
Total	**17,162**	**16,931**

includes ₹ 1,881 Lakhs (31 March 2021 : ₹ 1,881 Lakhs) which pertains to service tax liabilities. Company has received a favourable order from CESTAT against which the department has gone into appeal on December 04, 2019.

* During the previous year, the company has received a letter of waiver from a supplier for offtake liability and consequently, the company now has to complete its purchase obligation over a period of eight years.

Note 43: ISSUE OF SHARES (QUALIFIED INSTITUTIONAL PLACEMENT)

The Company has issued 1,24,39,029 equity shares of face value of ₹ 10 each through Qualified Institutional Placement, (QIP) on 22 October 2021 at an issue price of ₹ 410 per equity share (including premium of ₹ 400 per equity share). Total amount raised through QIP amounts to ₹ 51,000 Lakhs.

Following are the details of utilization of proceeds of ₹ 49,880 Lakhs post meeting issue expenses:

Agreed Purpose	Actual utilization	Amount
1) Investment in subsidiaries, associate and joint affiliates	Investment in PCL through STL for Ammonia project.	12,500
2) Working capital requirements	Working Capital	37,380
Total		**49,880**

As on 31 March 2022, funds have been fully utilized for the agreed purpose.

Note 44: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013 and Schedule V read with Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required.

Name of the party	Rate of interest	Due date and amount payable	Purpose	31 March 2022	31 March 2021
Smartchem Technologies Limited	9.5% - 10%	Repayable within 3 years from the date of disbursement	The loan has been granted to the subsidiary for working capital requirements.	96,429	48,551
Deepak Mining and Services Private Limited	9.50%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	27	25

Name of the party	Rate of interest	Due date and amount payable	Purpose	31 March 2022	31 March 2021
SCM Fertichem Limited	9.50%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	50	50
Total				**96,506**	**48,626**

The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	31 March 2022		31 March 2021		Remarks
	Foreign currency (Lakhs)	Amount	Foreign currency (Lakhs)	Amount	
Platinum Blasting Services Pty. Ltd (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	AUD 93.5	5,300	AUD 93.5	5,200	Original Guarantee has given for AUD 93.5 Lakhs. Loan oustanding as on 31 March 2022 AUD 23.5 Lakhs
Smartchem Technologies Limited (wholly owned subsidiary)	-	74,010	-	74,010	Original Guarantee has given for ₹ 74,010 Lakhs, Loan Outstanding as on 31 March 2022 of ₹ 37,563 Lakhs
Performance Chemiserve Limited (step down subsidiary)	-	2,04,400	-	-	Original Guarantee has given for ₹ 2,04,400 Lakhs, Loan Outstanding as on 31 March 2022 of ₹ 1,11,396 Lakhs

Note 45: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2022		31 March 2021	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Hedged Position*				
Creditors (in USD)	75	5,676	83	6,047
Total	**75**	**5,676**	**83**	**6,047**
Un-hedged Position				
Creditors (in USD)	3	225	5	400
Creditors (in EURO)#	0	31	-	-
Borrowings and interest (USD)	131	9,950	256	18,755
Exports Receivables (in USD)	(3)	(261)	(8)	(606)
Total	**131**	**9,945**	**253**	**18,549**

less than ₹ 50,000/-

(All amounts in ₹ Lakhs unless otherwise stated)

* The above transactions are hedged by following derivative contracts

Particulars	31 March 2022		31 March 2021	
	Amount in Foreign Currency	Equivalent Amount in INR	Amount in Foreign Currency	Equivalent Amount in INR
Forward Contracts -USD	-	-	14	1,005
Options Contracts - USD	75	5,676	69	5,042
Total	**75**	**5,676**	**83**	**6,047**

The Company has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

Unhedged Foreign Currency exposure is as under

Particulars	Amount in Foreign Currency	31 March 2022	Amount in Foreign Currency	31 March 2022
Payables and borrowings (including interest)	134	10,206	261	19,155
Receivables and bank balances	(3)	(261)	(8)	(606)

Note 46: IMPACT OF HEDGING ACTIVITIES

The company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The company therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2022 amd 31 March 2021 in relation to commodity rate hedge.

A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2022

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	6000	1,006	-	30 June 2022	1:2.7	USD 605	USD 520
Butane	MT	9000	1,438	-	30 June 2022	1:2.7	USD 615	USD 530

As on 31 March 2021

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	3000	315	-	31 July 2021	1:4.4	USD 399	USD 351.6
Butane	MT	4500	408	-	31 July 2021	1:4.4	USD 398	USD 352.6

(All amounts in ₹ Lakhs unless otherwise stated)

B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk 31 March 2022	3,869	-	3,006	Cost of material consumed
Commodity rate risk 31 March 2021	1,192	-	698	Cost of material consumed

C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
As at 1 April 2020	**-**
Add: Changes in fair value of commodity hedge contracts	1,192
Less: Amount reclassified to profit or loss	698
Less: Deferred tax relating to OCI gain	124
As at 31 March 2021	**370**
Add: Changes in fair value of commodity hedge contracts	3,869
Less: Amount reclassified to profit or loss	3,006
Less: Deferred tax relating to above	217
As at 31 March 2022	**1,015**

Note 47: INCOME TAXES

A. Components of Income Tax Expenses

	31 March 2022	31 March 2021
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	6,705	5,240
Adjustments/(credits) related to previous year - (net)	-	-
Total (A)	**6,705**	**5,240**
Deferred tax (credit)/charge	137	1,097
Total (B)	**137**	**1,097**
Total (A+B)	**6,842**	**6,337**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	8	(129)
(Gain)/Loss on debt instruments through other comprehensive income	217	107
Total	**225**	**(22)**

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2022 and 31 March 2021

Particulars	31 March 2022	31 March 2021
Accounting profit before tax	26,620	27,236
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) (A)	**6,700**	**6,855**
Effects of non-deductible business expenses	103	(122)
Long term capital profit not subjected to income tax	-	(131)
Permanent adjustment of PPE Block	-	(165)
Others	39	(100)
Total (B)	**142**	**(518)**
Income Tax expense reported in the statement of profit or loss (A+B)	**6,842**	**6,337**

Note 48

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal. Based on advice of the independent tax experts, management is of the view that aforesaid matters will not have any significant impact on the Company's financial position and hence no further provision has been recognised as of 31 March 2022. Appropriate disclosure have been made under Contingent liabilities (Note 42).

Note 49

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Note 50

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 51

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 52 : TRANSACTIONS WITH STRUCK OFF COMPANIES

Name of struck off company	Nature of transactions	Balance outstanding	Relationship with struck off company
Complete Mining Solutions Pvt. Ltd.	Reimbursement	Nil	Step-down subsidiary
ARGUS MEDIA SINGAPORE GRO	Subscription	Nil	Vendor

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 53 : RATIO

Particulars	31 March 2022	31 March 2021	Items included in numerator	Items included in denominator	Change in the ratio compared to the preceding year	Explanation for change more than 25%
(a) Current Ratio	1.34	1.33	Total current assets	Total current liabilities	0.95	NA
(b) Debt-Equity Ratio	0.21	0.39	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	(46.76)	Increase in the networth by way of raising equity through QIP and increase in retained earnings.
(c) Debt Service Coverage Ratio	1.45	1.58	Earnings available for Debt Service (Net profit after tax + Non cash operating expenses + interest + other non cash adjustments)	Debt Service = Interest and lease payments + Principal repayments	(8.29)	NA
(d) Return on Equity Ratio	8.35	11.45	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	(27.11)	There is increase in the networth as compared to previous period and there is slight reduction in PAT for the current period, resulted to decrease in the ratio.
(e) Inventory turnover ratio	13.45	10.31	Cost of goods sold	Average inventory	30.44	Better Inventory Management during the period resulted to increase in the ratio.
(f) Trade Receivables turnover ratio	12.63	5.50	Revenue from operations	Average trade receivables	129.67	Better Receivable Management resulted to increase in the ratio.
(g) Trade payables turnover ratio	6.61	4.15	Purchase of materials and stock in trade	Average trade payables	59.16	Outstanding Payable amount as a percentage of Cost of Goods sold has significantly reduced due to faster payment cycle.
(h) Net capital turnover ratio	12.38	10.26	Revenue from operations	Working Capital = Current Assets - Current Liabilities	20.74	NA
(i) Net profit ratio	8.64%	11.54%	Profit after tax for the current year	Revenue from operations	(25.13)	Margin as a percentage of sales is decreased as compared to last year.

NOTES

to the Standalone Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2022	31 March 2021	Items included in numerator	Items included in denominator	Change in the ratio compared to the preceding year	Explanation for change more than 25%
(j) Return on Capital employed	10.11%	12.71%	Profit before tax and finance costs	Capital Employed = Tangible Networth + Total Debt + Deferred tax liability	(20.48)	NA
(k) Return on investment	3.11%	2.86%	Income generated from invested funds	Average invested funds in treasury investments	8.74	NA

The Company has also made deposits with banks on which it is earning return of around 4%-5%.

Note 54

Previous period's figures have been reclassified/ regrouped wherever necessary.

Notes 3 to 54 form an integral part of the standalone financial statements.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

INDEPENDENT AUDITORS' REPORT

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company"), its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its Joint Operation, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial statements/financial information prepared by the management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Operation as at March 31, 2022, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Operation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to note 47 to the Consolidated Financial Statements which describes that a Search Operation was carried out by the Income Tax Department on the Holding Company and a Subsidiary in November 2018.

The Holding Company has received demand notices during the year and as per Management's assessment no additional provision is required.

The Subsidiary Company filed an application with the Income Tax Settlement Commission (ITSC) in the year 2020-2021 to avoid protracted and expensive litigation. Following the abolition of the ITSC by the Finance Act, 2021, the Subsidiary Company has withdrawn the said application on July 30, 2021. Accordingly, all pending proceedings shall be disposed of by the Income Tax Department in accordance with the provisions of the Income Tax Act, 1961. The uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on consideration of the reports of other auditors, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	OUR PRINCIPAL AUDIT PROCEDURES
Contingent Liabilities The Holding Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Holding Company's tax positions have been challenged by the authorities on a range of matters. Moreover,	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ii. Obtained the Holding Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2021-22 and post year-end status of litigations;

KEY AUDIT MATTER	OUR PRINCIPAL AUDIT PROCEDURES
resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Holding Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Consolidated Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 42, 49 and note 50 to the Consolidated Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	iii. Inquired with the Holding Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Holding Company's assessment of the litigations and claims; iv. Evaluated the Holding Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Holding Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations /disclosures made in the Consolidated Financial Statements; and Assessed the adequacy of the disclosures relating to contingent liabilities in the Consolidated Financial Statements..
Revenue Recognition: as reported by component auditors of Smartchem Technologies Limited Revenue is measured at the fair value of the consideration received or receivable as reduced by dealer discounts and other similar allowances. Subsidy income is booked as revenue when the sale to dealer/ retailer is recognised and is subject to the Company ensuring compliance with relevant regulatory requirements. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership. The application of Indian Accounting Standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized.	**Principle Audit Procedures by component auditors of Smartchem Technologies Limited** i. Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. ii. Analyzed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates. iii. Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account. iv. Performed procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers and in the correct period. v. Performed cut-off procedures to ensure that revenue is accounted in the correct period. vi. Selected a sample of contracts and performed the following procedures: a. Analysed and identified the distinct performance obligations in these contracts. b. Compared such performance obligations with that identified and recorded by the Company. c. Reviewed contract terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. vii. Reviewed disclosures included in the notes to the accompanying financial statements.

KEY AUDIT MATTER	OUR PRINCIPAL AUDIT PROCEDURES
Impairment of Assets: as reported by component auditor of Performance Chemiserve Limited PCL has significant Capital Work in Progress relating to the Ammonia Project. As the amount is significant, an assessment of the carrying value of assets of Ammonia Project was required.	**Principle Audit Procedures by component auditors of Performance Chemiserve Limited** • Evaluated the reasonableness of management's conclusions on key assumptions, including forecast cashflows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary financial information, current market conditions and growth rates. • Assessed the reliability of the management's forecast, whilst considering the risk of management bias. • Evaluated the appropriateness of impairment model prepared by the independent professional.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Joint Operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Operation 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for assessing the ability of the Group and its Joint Operation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group and its Joint Operation or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for overseeing the financial reporting process of the Group and its Joint Operation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint Operation to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

We communicate with those charged with governance of the Holding Company and other companies included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance and based on audit reports of other auditors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS PARAGRAPHS

1. We did not audit the financial statements of nine subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 9,51,140 Lakhs and net assets of ₹ 478,325 Lakhs as at March 31, 2022, revenues from operation of ₹ 598,311 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 47,848 Lakhs and net cash outflows of ₹ 509 Lakhs, for the year ended as on that date. These statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the annual consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

2. The Consolidated Financial Statements include the financial statements of one subsidiary which has not been audited by us, whose financial statements reflect total assets of ₹ 26 Lakhs and net assets of ₹ 26 Lakhs as at March 31, 2022, revenues from operations of ₹ Nil Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ (1) Lakhs and net cash outflows of ₹ (1) Lakhs, for the year ended as on that date. The financial statements information of this subsidiary are management drawn. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

3. We did not audit the financial statements of one joint operation included in the Standalone Financial Statements. The management of the Holding Company recorded its share based on Management drawn financial statements of the joint operation. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

4. The management has not consolidated its Associate, Ishanya Realty Corporation Limited in which the Holding Company holds investment of ₹ 5 Lakhs. According to the information and explanations given to us by the management and in our opinion, the share in the financial profit/(loss) of this Associate is not material to the Group.

   Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial statements/ financial information prepared by the management, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.

g) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us, and on the consideration of reports of the other auditors on separate financial statements; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:

   (i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the

Group and its Joint Operation - Refer Note 42, 49 and 50 to the Consolidated Financial Statements.

(ii) The Group and its Joint Operation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.

(iii) There is no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group and its Joint Operation during the year ended March 31, 2022 except the following:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

(iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

We would like to mention that the Holding Company has advanced or loaned funds to its wholly owned subsidiary for further investment in its step-down subsidiary company as disclosed and reported in/on the Standalone Financial Statements and separate Financial Statements of the subsidiaries. In accordance with the accepted accounting principles, such transactions have been eliminated in the preparation of the Consolidated Financial Statements and hence no reporting is required in the Audit Report on the Consolidated Financial Statements.

(v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and other auditors of subsidiaries included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835AKQDAG3393

Pune
May 25, 2022

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiaries incorporated in India for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The management of the companies incorporated in India included in the Group and its Joint Operation incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Group internal financial controls with reference to the Consolidated Financial Statements 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to Consolidated Financial Statements 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 internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial with reference to Consolidated Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of subsidiaries incorporated in India, referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and subsidiary companies incorporated in India's internal financial controls with reference to Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Consolidated Financial Statements 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements 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 and based on the audit reports of other auditors, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding 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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to four subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 22136835AKQDAG3393

Pune
May 25, 2022

CONSOLIDATED BALANCE SHEET

as at 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,16,836	2,25,347
Capital work-in-progress	4	2,42,654	1,61,574
Investment property	5	3,607	3,607
Right of use of assets	5(a)	37,697	27,100
Goodwill on consolidation	6	4,399	4,368
Other intangible assets	7	1,837	1,663
Intangible asset under development	4a	112	312
Investment in equity accounted investees	8	5	5
Financial assets			
i. Investments	9	248	3
ii. Other financial assets	15	5,257	4,563
Deferred tax assets (net)	26	3,915	4,703
Income tax assets (net)		11,229	11,069
Other non-current assets	16	42,849	29,067
Total non-current assets		**5,70,645**	**4,73,381**
Current assets			
Inventories	17	1,04,489	63,722
Financial assets			
i. Investments	10	87,633	44,920
ii. Trade receivables	11	62,004	92,341
iii. Cash and cash equivalents	13	16,109	15,969
iv. Other bank balances	14	12,766	8,662
v. Loans	12	90	66
vi. Other financial assets	15	5,196	2,813
Other current assets	18	15,485	14,177
Total current assets		**3,03,772**	**2,42,670**
Total assets		**8,74,417**	**7,16,051**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	12,059	10,268
Other equity	20	3,76,363	2,59,991
Equity attributable to owners of the Company		3,88,422	2,70,259
Non controlling interest		11,777	9,701
Total equity		**4,00,199**	**2,79,960**

CONSOLIDATED BALANCE SHEET

as at 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	2,32,135	2,18,659
ii. Lease liabilities	5(a)	5,513	6,619
iii. Other financial liabilities	23	5,064	4,409
Provisions	24	7,402	6,708
Total non-current liabilities		**2,50,114**	**2,36,395**
Current liabilities			
Financial liabilities			
i. Borrowings	22	26,267	32,685
ii. Lease liabilities	5(a)	1,717	1,333
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	6,287	1,518
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,35,278	1,28,158
iv. Other financial liabilities	23	35,318	21,382
Other current liabilities	27	13,208	6,665
Provisions	24	5,542	7,375
Current tax liabilities (net)		487	580
Total current liabilities		**2,24,104**	**1,99,696**
Total liabilities		**4,74,218**	**4,36,091**
Total equity and liabilities		**8,74,417**	**7,16,051**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 55		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations	28	7,66,329	5,80,849
Other income	29	4,393	3,267
Total income		**7,70,722**	**5,84,116**
Expenses			
Cost of materials consumed	30	4,60,296	2,89,212
Purchases of stock-in-trade	31	60,482	84,351
Changes in inventories of finished goods and stock-in-trade	32	(17,858)	6,826
Employee benefits expense	33	49,194	36,513
Finance costs	34	15,482	18,771
Depreciation and amortisation expense	35	23,253	21,195
Other expenses	36	78,620	68,416
Total expenses		**6,69,469**	**5,25,284**
Profit before tax		**1,01,253**	**58,832**
Tax expense			
Current tax	46	31,489	18,672
Deferred tax (credit)/charge	26	1,016	(484)
Total tax expense		**32,505**	**18,188**
Profit for the year		**68,748**	**40,644**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(22)	(840)
Income tax relating to this item	26	11	243
Total (A)		**(11)**	**(597)**
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		169	882
Changes in fair value of investments carried at fair value through OCI		-	(69)
Cash Flow hedge		863	494
Income tax relating to this item		(217)	(107)
Total (B)		**815**	**1,200**
Other comprehensive income for the year (A+B), net of tax liability		**804**	**603**
Total comprehensive income for the year		**69,552**	**41,247**
Profit for the year attributable to:			
-Owners of the Company		67,827	40,031
-Non controlling interests		921	613

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Other comprehensive income (net of tax) attributable to:			
- Owners of the Company		745	294
- Non-controlling interests		59	309
Total comprehensive income for the year attributable to:			
- Owners of the Company		68,572	40,325
- Non-controlling interests		980	922
Earnings per equity share of ₹ 10 each	37		
i) Basic (in ₹)		60.44	41.47
ii) Diluted (in ₹)		58.25	39.20
Significant accounting policies	1-2		
The accompanying notes form an integral part of the consolidated financial statements	3-55		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,01,253	58,832
Adjustments for		
Depreciation and amortisation expense	23,253	21,195
Loss on sale of property, plant and equipment (net)	18	562
Provision for doubtful trade receivables	1,036	2,474
Provision for doubtful advances, loans and other receivable	-	52
Bad debts	-	50
Gain on sale of investments	(1,466)	(1,220)
Changes in fair value of financial assets at fair value through profit or loss	(253)	48
Provision for stores and spares	-	(28)
Provision for loan given to companies	13	-
Provision for capital work in progress	477	1,015
Unrealised (gain) on embedded derivative contracts	320	(788)
Interest income	(1,408)	(923)
Finance costs	15,482	18,771
Unrealized foreign exchange fluctuations loss/(gain) (net)	1,105	(919)
Cash generated from operations before working capital changes	**1,39,830**	**99,122**
Change in trade receivables	29,301	34,810
Change in inventories	(40,767)	4,675
Change in trade payables	11,006	844
Change in other financial liabilities	21,304	2,441
Change in other financial assets	(1,416)	967
Change in other non-current assets	(10,054)	(1,627)
Change in other current assets	(1,308)	696
Change in provisions	(1,161)	(345)
Change in other current liabilities	6,543	460
Cash generated from operations	**1,53,278**	**1,42,043**
Income taxes paid (net)	(32,176)	(17,293)
Net cash generated from operating activities	**1,21,102**	**1,24,750**
Cash flows from investing activities		
Purchase of additional shares in body corporate/subsidiary/associate	(245)	-
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(99,004)	(23,654)
Proceeds from sale of property, plant and equipment	102	270
Proceeds from sale of investments in mutual fund	6,92,950	2,27,002
Purchase of investments in mutual fund	(7,33,944)	(2,70,534)
Loans to employees and other loans given	(37)	-
Proceeds from sale of investment in associate	-	944
Fixed deposit placed	(19,845)	(37,346)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2022	31 March 2021
Fixed deposit matured	15,647	38,757
Interest received	1,419	1,179
Net cash (used in) investing activities	**(1,42,957)**	**(63,382)**
Cash flows from financing activities		
Proceeds from borrowings - non-current	43,131	12,700
Repayment of borrowings - non-current	(19,709)	(13,604)
Proceeds from issue of foreign currency convertible bonds (FCCB)	-	11,150
Proceeds from issue of compulsory convertible debentures	-	10,500
Proceeds from borrowings - current	11,035	48,923
Repayment of borrowings - current	(18,775)	(1,10,054)
Payment of lease liability	(1,691)	(2,144)
Proceeds from QIP issue of Equity shares	51,000	17,623
Payment of share issue expenses	(1,158)	-
Interest paid	(33,122)	(33,758)
Dividends paid	(8,128)	(2,643)
Dividends paid to non-controlling interests	(437)	-
Net cash from (used in) financing activities	**22,146**	**(61,307)**
Net increase in cash and cash equivalents	291	61
Cash and cash equivalents at the beginning of the year	15,818	15,757
Cash and cash equivalents at end of the period	**16,109**	**15,818**
The accompanying notes form an integral part of the consolidated financial statements.		
Reconciliation of cash and cash equivalents as per the Cash flow statement		
Cash and cash equivalents at the end of year	16,109	15,969
Bank overdraft	-	(151)
	16,109	**15,818**

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

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2022	31 March 2021
Balance at the beginning of the year	10,268	8,928
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	10,268	8,928
Changes in equity share capital during the year		
Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	1,244	-
Shares issued by way of conversion of Foreign currency convertible bonds (FCCB)	547	-
Shares issued by way of Right issue during the year	-	1,340
Balance at the end of the year	**12,059**	**10,268**

B. Other Equity

	Reserves and Surplus								Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of defined benefit plans	Fair value through OCI	Effective portion of Cash Flow Hedges			
Balance as at 1 April 2020	**13,761**	**1,950**	**4,167**	**-**	**1,286**	**17,922**	**1,72,011**	**(1,902)**	**(45)**	**-**	**2,09,150**	**4,313**	**2,13,463**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	**13,761**	**1,950**	**4,167**	**-**	**1,286**	**17,922**	**1,72,011**	**(1,902)**	**(45)**	**-**	**2,09,150**	**4,313**	**2,13,463**
Profit for the year	-	-	-	-	-	-	40,031	-	-	-	40,031	613	40,644
Other comprehensive income	-	-	-	-	-	-	-	(597)	521	370	294	309	603
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**40,031**	**(597)**	**521**	**370**	**40,325**	**922**	**41,247**
Premium on allotment of shares under Right issue	16,473	-	-	-	-	-	-	-	-	-	16,473	-	16,473
Share issue expenses	(190)	-	-	-	-	-	-	-	-	-	(190)	-	(190)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus								Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of defined benefit plans	Fair value through OCI	Effective portion of Cash Flow Hedges			
Increase in non-controlling interest due to issuance of share capital	-	-	-	-	-	-	(4,592)	-	-	-	(4,592)	4,592	-
Equity portion of Foreign Currency Convertible Bonds	-	-	-	-	1,504	-	-	-	-	-	1,504	-	1,504
Share warrant forfeiture transferred to Capital reserve	-	-	(4,167)	4,167	-	-	-	-	-	-	-	-	-
Dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(126)	(126)
Dividend paid	-	-	-	-	-	-	(2,679)	-	-	-	(2,679)	-	(2,679)
Balance as at 1 April 2021	**30,044**	**1,950**	**-**	**4,167**	**2,790**	**17,922**	**2,04,771**	**(2,499)**	**476**	**370**	**2,59,991**	**9,701**	**2,69,692**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**30,044**	**1,950**	**-**	**4,167**	**2,790**	**17,922**	**2,04,771**	**(2,499)**	**476**	**370**	**2,59,991**	**9,701**	**2,69,692**
Profit for the year	-	-	-	-	-	-	67,827	-	-	-	67,827	921	68,748
Other comprehensive income	-	-	-	-	-	-	-	(11)	110	646	745	59	804
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**67,827**	**(11)**	**110**	**646**	**68,572**	**980**	**69,552**
Convertible of foreign currency convertible bonds	10,133	-	-	-	(1,286)	-	-	-	-	-	8,847	-	8,847

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus								Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Share Warrants	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of defined benefit plans	Fair value through OCI	Effective portion of Cash Flow Hedges			
Issue of Qualified Institutional Placement (QIP)	49,756	-	-	-	-	-	-	-	-	-	49,756	-	49,756
Share issue expenses	(1,158)	-	-	-	-	-	-	-	-	-	(1,158)	-	(1,158)
Impact of increase in investment in subsidiary	-	-	-	-	-	-	(1,533)	-	-	-	(1,533)	1,533	-
Dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(437)	(437)
Dividend paid	-	-	-	-	-	-	(8,112)	-	-	-	(8,112)	-	(8,112)
Balance as at 31 March 2022	**88,775**	**1,950**	**-**	**4,167**	**1,504**	**17,922**	**2,62,953**	**(2,510)**	**586**	**1,016**	**3,76,363**	**11,777**	**3,88,140**

Note: Refer Note 20 for nature and purpose of other equity.

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

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

1. Corporate Information

Deepak Fertlisers And Petrochemicals Corporation Limited ("the Holding Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Holding Company and its subsidiaries (together referred to as "the Group") is engaged in the business of fertlisers, agri services, bulk chemicals, mining chemicals and value-added real estate.

These consolidated financial statements of the Group as at and for the year ended on 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 25, 2022.

2. Significant Accounting Policies

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

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

2.2A Significant accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

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

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

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. 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 PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures 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.

Provisions for Litigations and Claims

From time to time, the Group 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 charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

Fair value measurement of financial instruments

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

Impairment of financial assets

The Group assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets (including PPE, CWIP and intangible assets)

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

2.2B Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Equity method of accounting (equity accounted investees)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

(All amounts in ₹ Lakhs unless otherwise stated)

Changes in ownership interests:

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

	Name of the Companies	Country of incorporation	Percentage of ownership interest
1	Smartchem Technologies Limited (STL)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%
4	Complete Mining Solution Private Limited (Subsidiary of DMSPL) upto 14.02.2022	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of STL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of STL]	India	93.43%
9	Ishanya Brand Services Limited	India	100.00%
10	Mahadhan Farm Technologies Private Limited (Subsidiary of STL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

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

An asset is treated as current when:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

(b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:

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

Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10
Special Vehicle	10

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

Goodwill

Goodwill on acquisitions of subsidiaries 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 groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups 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.

Name of intangible assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Technical know-how/ engineering fees	3 to 8

(e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

An investment property is dereognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of derecognition.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

(i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment in which the Group operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e.

partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

(j) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life-time ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated Statement of Profit and Loss.

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 drawdown 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(k) Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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.

(l) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the consolidated Statement of Profit and Loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non - accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

(p) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at 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 which is 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 '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 the consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the consolidated Statement of Profit and Loss.

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(r) Cash dividend

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

(s) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

(t) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(v) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Intersegment sales and transfers are reflected at market prices.

Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(w) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree's indentifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer's previously held equity instrument in the acquire (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(x) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(y) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2021-22 and 2020-21.

(z) Recent Pronouncements and note on COVID-19

1. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) on 5 April 2022, vide Notification dated 23 March 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2022 and would thus be applicable for the financial year ending 31 March 2023.

The amendments to Ind ASs are intended to keep the Ind ASs aligned with the amendments made in IFRS.

Ind AS 16, "Property, Plant and Equipment"

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets"

The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

Ind AS 101, "First-time Adoption of Indian Accounting Standards"

The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Ind AS 103, "Business Combination"

The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to:
- substitute the word 'Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)' with the words 'Conceptual Framework of Financial Reporting in Ind AS'.
- add to Ind AS 103 a requirement

that, for transactions and other events within the scope of Ind AS 37 , an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination, add to Ind AS 103 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Ind AS 109, "Financial Instruments"

The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2. Note on COVID-19

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition, impact on leases and impact on effectiveness of its hedges.

The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT AND EQUIPMENT

	Free-hold Land	Lease-hold Land	Lease-hold Improve-ments	Build-ings	Plant and Equipment	Bearer plants	Electric Instal-lation	Furniture and Fixtures	Office Equip-ment	Labora-tory Equip-ment	Vehicles	Total
Gross carrying amount												
As at 1 April 2020	27,120	94	91	53,591	2,17,299	210	5,002	1,389	3,012	631	3,077	3,11,516
Additions	4,068	-	20	47	5,768	-	8	12	243	37	358	10,560
Disposals	-	-	(88)	(186)	(265)	(173)	-	-	(105)	(15)	(697)	(1,530)
Reclassified on account of adoption of Ind AS 116	(8,808)	-	-	-	-	-	-	-	-	-	-	(8,808)
Adjustments	-	(94)	94	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	17	-	975	-	-	-	8	-	55	1,056
Gross carrying amount as at 31 March 2021	**22,380**	**-**	**133**	**53,452**	**2,23,777**	**37**	**5,010**	**1,401**	**3,158**	**653**	**2,793**	**3,12,794**
Accumulated depreciation												
Opening accumulated depreciation	-	(33)	(11)	(6,807)	(54,928)	(17)	(2,375)	(720)	(1,974)	(299)	(1,852)	(69,016)
Depreciation charge for the year	-	-	(16)	(2,441)	(14,912)	(20)	(417)	(134)	(406)	(78)	(502)	(18,926)
On disposals	-	-	-	160	198	-	-	-	88	14	362	822
Exchange differences	-	-	(7)		(262)	-	-	-	(6)	-	(52)	(327)
Accumulated depreciation as at 31 March 2021	-	(33)	(34)	(9,088)	(69,903)	(37)	(2,792)	(854)	(2,298)	(363)	(2,045)	(87,447)
Net carrying amount as on 31 March 2021	**22,380**	**(33)**	**99**	**44,364**	**1,53,873**	**(0)**	**2,218**	**547**	**860**	**290**	**749**	**2,25,347**
Gross carrying amount												
As at 1 April 2021	22,380	-	133	53,452	2,23,777	37	5,010	1,401	3,158	653	2,793	3,12,794
Reclassified to Right to Use of an Asset	(6,978)	-	-	-	-	-	-	-	-	-	-	(6,978)
Additions	1,777	-	-	218	15,016	-	164	1,332	537	79	444	19,567
Disposals	-	-	-	(22)	(55)	-	-	(69)	(75)	-	(275)	(496)
Exchange differences	-	-	2	-	-	-	-	-	-	-	-	2
Gross carrying amount as at 31 March 2022	**17,179**	**-**	**135**	**53,648**	**2,38,738**	**37**	**5,174**	**2,664**	**3,620**	**732**	**2,962**	**3,24,890**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT AND EQUIPMENT

	Free-hold Land	Lease-hold Land	Lease-hold Improve-ments	Build-ings	Plant and Equipment	Bearer plants	Electric Instal-lation	Furniture and Fixtures	Office Equip-ment	Labora-tory Equip-ment	Vehicles	Total
Accumulated depreciation												
Opening accumulated depreciation	-	(33)	(34)	(9,088)	(69,903)	(37)	(2,792)	(854)	(2,298)	(363)	(2,045)	(87,447)
Depreciation charge for the year	-	-	(15)	(2,358)	(17,343)	-	(304)	(159)	(351)	(81)	(337)	(20,948)
On disposals	-	-	-	9	41	-	-	69	68	-	154	341
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	-	(33)	(49)	(11,437)	(87,205)	(37)	(3,096)	(944)	(2,581)	(444)	(2,228)	(1,08,054)
Net carrying amount as on 31 March 2022	**17,179**	**(33)**	**86**	**42,211**	**1,51,532**	**(0)**	**2,078**	**1,720**	**1,039**	**288**	**734**	**2,16,836**

1. 'The above does not include stamp duty on the assets (land and other assets) transferred under a restructuring scheme from Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) to the Subsidiary Company, STL for which an application for adjudication has been made to the Collector of Stamps (Enforcement), Mumbai. The order in respect of the same is awaited. After completion of the aforesaid process, title deeds of leasehold and freehold land will be transferred in the name of STL.
2. 'No proceedings has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
3. 'Refer Note 22 foot note for information on Property, plant and equipment provided as security by the Group.
4. Refer Note 2.3(c) for policy on depreciation.

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2022	31 March 2021
Projects (Mainly comprising of building and plant and machinery)#*	2,29,788	1,55,667
Others	12,866	5,907
Total	**2,42,654**	**1,61,574**

Includes borrowing cost of ₹ 56,104 Lakhs (31st March 2021 ₹ 38,256 Lakhs)
* Includes salary cost of ₹ 1,949 Lakhs. (31st March 2021 ₹ 1,343 Lakhs)

(a) Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	76,791	23,741	57,220	84,902	2,42,654

CWIP	As on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	27,619	58,377	58,140	17,439	1,61,574

1. Projects temporarily suspended during the year ended 31 March 2022 - Nil (31 March 2021 - Nil).

(b) For capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

For the year ended 31 March 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	-	47,692	47,692
Ammonia project and others	16	1,93,881	-	-	1,93,881
Total	**16**	**1,93,881**	**-**	**47,692**	**2,41,573**

For the year ended 31 March 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	-	37,169	37,169
Ammonia project and others	-	-	1,22,048	-	1,22,048
Total	**-**	**-**	**1,22,048**	**37,169**	**1,59,217**

Note 4a: INTANGIBLE ASSETS UNDER DEVELOPMENT

	31 March 2022	31 March 2021
Intangible assets under development	112	312
Total	**112**	312

Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	95	1	-	16	112

Intangible assets under development	As on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	-	151	-	161	312

1. Projects temporarily suspended during the year ended 31 March 2022 - Nil (31 March 2021 - Nil).
2. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 5: INVESTMENT PROPERTY

	31 March 2022	31 March 2021
Gross carrying amount		
Opening gross carrying amount	3,607	3,607
Additions	-	
Closing gross carrying amount	3,607	3,607
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	**3,607**	3,607

(i) Fair value

	31 March 2022	31 March 2021
Investment properties	12,359	9,480

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2022 is ₹ 12,359 Lakhs (31 March 2021: ₹ 9.480 Lakhs) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Fair value Hierarchy

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

(All amounts in ₹ Lakhs unless otherwise stated)

Description of valuation technique used

The Group obtains independent valuations of its investment property after every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) **The Group has neither earned any rental income nor incurred any direct operating expense on the above properties.**

5 (a): LEASES

A. Right of use assets

Particulars	Land and Building	Furniture & Fixtures	Leasehold Land	Plant and Machinery	Other Equipment	Total
Gross carrying amount						
Balance as at 1 April 2020	5,466	302	11,086	-	3,966	20,820
Add: Additions during the year	8,825	-	436	-	531	9,792
Less: Disposals	(245)	-	-	-	-	(245)
Exchange differences	315	-	8	-	-	323
Gross carrying amount as at 31 March 2021	**14,361**	**302**	**11,530**	**-**	**4,497**	**30,690**
Accumulated amortization						
Balance as at 1 April 2020	(952)	(32)	(176)	-	(565)	(1,725)
Amortisation for the year	(1,102)	(60)	(588)	-	(108)	(1,858)
Exchange differences	(4)	-	(3)	-	-	(7)
Accumulated depreciation as at 31 March 2021	(2,058)	(92)	(767)	-	(673)	(3,590)
Net carrying amount as at 31 March 2021	**12,303**	**210**	**10,763**	**-**	**3,824**	**27,100**
Gross carrying amount						
Balance as at 1 April 2021	14,361	302	11,530	-	4,497	30,690
Add: Additions	9,171	-	3,187	27	34	12,420
Less: Disposals	-	-	-	-	-	-
Exchange differences	65	-	-	-	9	74
Gross carrying amount as at 31 March 2022	**23,598**	**302**	**14,717**	**27**	**4,540**	**43,184**
Accumulated amortization						
Balance as at 1 April 2021	(2,058)	(92)	(767)		(673)	(3,590)
Amortisation for the year	(1,103)	(60)	(127)	(3)	(563)	(1,856)
Exchange differences	(31)	-	-	-	(10)	(41)
Accumulated depreciation as at 31 March 2022	(3,192)	(152)	(894)	(3)	(1,246)	(5,487)
Net carrying amount as at 31 March 2022	**20,406**	**150**	**13,823**	**24**	**3,294**	**37,697**

B. Lease liabilities

Particulars	31 March 2022	31 March 2021
Current	1,717	1,333
Non-Current	5,513	6,619
Total	**7,230**	7,952

C. Interest expenses on lease liabilities

Particulars	31 March 2022	31 March 2021
Interest on lease liabilities	603	644

D. Expenses on short term leases / low value assets

Particulars	31 March 2022	31 March 2021
Short term lease	2,487	1,628
Low value assets	39	-

E. Amounts recognised in the statement of cash flow

Particulars	31 March 2022	31 March 2021
Total cash outflow for leases	1,691	2,144

F. Maturity analysis – contractual undiscounted cash flows

Particulars	31 March 2022	31 March 2021
Less than one year	1,953	1,465
One to five years	5,569	4,577
More than five years	115	2,438
Total undiscounted lease liabilities at 31 March 2022	**7,636**	8,480

Other Information:

The Group has leases mainly for Land, Corporate building, furniture items, machinery and other equipments. These lease contracts provide for payment to increase each year by inflation.

Note 6: GOODWILL ON CONSOLIDATION

	31 March 2022	31 March 2021
Opening balance	4,368	4,093
Adjustment for foreign exchange (Platinum Blasting Services Pty Limited)	31	275
Total	**4,399**	4,368

Goodwill of ₹ 4,399 Lakhs (2021: ₹ 4,368 Lakhs) relates to the CGUs namely Mahadhan Farm Technologies Private Limited ₹ 1,542 Lakhs (31 March 2021: ₹ 1,542 Lakhs), Performance Chemiserve Limited ₹ 1,190 Lakhs (31 March 2021: ₹ 1,190 Lakhs) and Australian Minning Explosives Pty Ltd ₹ 1,667 Lakhs (31 March 2021: ₹ 1,637 Lakhs) respectively.

The management has performed the impairment testing of all the companies identified as CGUs based on the revenue generated, profit earned, return on investment, market valuation of ongoing projects and net worth of these companies. Based on assesment of all these factors, management is of the view that there is no indicator of impairment in any of the companies and did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

Note 7: OTHER INTANGIBLE ASSETS

	Computer Software	Technical Know How / Engineering fees	License Fees	Total
Gross carrying amount as on 1 April 2020	**2,326**	**328**	**1,642**	**4,296**
Additions during the year	100	-	87	187
Gross carrying amount as on 31 March 2021	**2,426**	**328**	**1,729**	**4,483**
Additions during the year	591	-	34	625
Gross carrying amount as on 31 March 2022	**3,017**	**328**	**1,763**	**5,108**
Accumulated Amortisation				
Accumulated amortisation as at 1 April 2020	**879**	**162**	**1,368**	**2,409**
Amortisation charge for the year	268	27	116	411
Accumulated amortisation as at 1 April 2021	**1,147**	**189**	**1,484**	**2,820**
Amortisation charge for the year	330	22	99	451
Closing accumulated amortisation as at 31 March 2021	**1,477**	**211**	**1,583**	**3,271**
Net Block as at 31 March 2021	**1,279**	**139**	**245**	**1,663**
Net Block as at 31 March 2022	**1,540**	**117**	**180**	**1,837**

Refer Note 2.3(d) for policy on amortisation

Note 8: INVESTMENT IN EQUITY ACCOUNTED INVESTEES

	31 March 2022	31 March 2021
Investments in equity shares (unquoted) of Associates (fully paid up) at Cost		
49,994 (31 March 2021: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	5	5
Total (equity instruments)	**5**	**5**
Aggregate amount of unquoted investments	5	5
Aggregate amount of impairment in the value of investments	-	-

The Group has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 9: NON-CURRENT INVESTMENTS

	31 March 2022	31 March 2021
Investment in equity shares (quoted) (fully paid up) (fair value through profit and loss)		
4,715 (31 March 2021: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	3
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
24,50,000 equity shares of Avadda Solar Power Project of ₹10 each	245	-
88,448 (31 March 2021: 88,448) equity shares of Deepak International Limited of AUD 1 each	-	-
Total (equity instruments)	**248**	**3**
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	245	-

* Investment in Deepak International Ltd. of ₹ 69 lakhs has been fair valued at ₹ Nil in PY.

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 10: CURRENT INVESTMENTS

	31 March 2022	31 March 2021
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	87,633	44,920
Total	**87,633**	**44,920**
Aggregate carrying value of unquoted investments	87,633	44,920
Aggregate market value of unquoted investments	87,633	44,920

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 11: TRADE RECEIVABLES

	31 March 2022	31 March 2021
Trade Receivables		
Unsecured, considered good*	62,004	92,341
Unsecured, credit Impaired	5,820	4,784
Less: Impairment loss allowance	(5,820)	(4,784)
Total	**62,004**	**92,341**
Current portion of net trade receivables	62,004	92,341
Non-current portion of net trade receivables	-	-

* Trade Receivables include ₹ 15,868 lakhs (31 March 2021 ₹ 19,032 lakhs) towards fertiliser subsidy receivable from the Government of India.

Movement in allowance for expected credit loss:

	31 March 2022	31 March 2021
Balance at beginning of the year	4,784	2,310
Add: Allowance for expected credit loss	1,077	2,474
Less: Reversed / utilized during the year	(41)	-
Balance as at the end of the year	**5,820**	**4,784**

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer Note 22).

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables– considered good	60,967	257	531	249	-	62,004
(ii) Undisputed Trade Receivables– which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables–credit impaired	66	19	416	3,305	2,015	5,820
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables–which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables–credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(66)	(19)	(416)	(3,305)	(2,015)	(5,820)
Total	**60,967**	**257**	**531**	**249**	**-**	**62,004**

(All amounts in ₹ Lakhs unless otherwise stated)

Trade Receivables ageing schedule

	Outstanding for following periods from due date of payment as on 31 March 2021					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	86,217	1,608	4,448	35	33	92,341
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	125	85	964	2,041	1,569	4,784
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(125)	(85)	(964)	(2,041)	(1,569)	(4,784)
Total	**86,217**	**1,608**	**4,448**	**35**	**33**	**92,341**

Note 12: LOANS

	As on 31 March 2022		31 March 2021	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Advances to employees	87	-	59	-
Other loans	3	-	7	-
Unsecured, considered doubtful				
Other loans	205	-	192	-
Less: Provision for doubtful loans	(205)	-	(192)	-
Total	**90**	**-**	**66**	**-**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 13: CASH & CASH EQUIVALENTS

	31 March 2022	31 March 2021
Balances with banks		
- in current accounts	15,327	10,235
Deposits with original maturity upto three months	780	5,722
Cash on hand	2	12
Total	**16,109**	**15,969**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 14: OTHER BANK BALANCES

	31 March 2022	31 March 2021
Earmarked balances with banks		
Unclaimed dividend	747	731
Deposits with remaining maturity upto 12 months from the reporting date	12,019	7,931
Total	**12,766**	**8,662**

Note 15: OTHER FINANCIAL ASSETS

			31 March 2022		31 March 2021	
			Current	Non Current	Current	Non Current
Unsecured, considered good						
a.	Derivative assets					
	(i)	Foreign-exchange option contracts	723	-	151	-
	(ii)	Commodity hedge contracts	2,444	-	723	-
	(iii)	Embedded Derivative	-	-	788	-
b.	Interest receivable					
	(i)	From bank	4	-	25	-
	(ii)	From others	109	-	124	-
c.	Security deposits		714	3,504	952	2,823
d.	Bank deposits with more than 12 months maturity		-	246	-	136
e.	Amount paid under protest for claims from supplier*			1,507		1,507
f.	Incentive receivable from Government of Gujarat		1,144	-	-	-
Others			58		50	97
Total			**5,196**	**5,257**	**2,813**	**4,563**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

* Included in supplier claim (refer Note 42)

Note 16: OTHER NON-CURRENT ASSETS

	31 March 2022	31 March 2021
Capital advances	9,446	5,718
Balance with government authorities	33,116	23,102
Prepaid Expenses	287	247
Total	**42,849**	**29,067**

Note 17: INVENTORIES

	31 March 2022	31 March 2021
Raw materials [(includes ₹13,206 Lakhs in transit) (31 March 2021 ₹295 Lakhs)]	45,013	22,575
Finished goods	32,480	8,460
Stock-in-trade [(includes ₹ 731 Lakhs) (31 March 2021: ₹ 1,997 Lakhs)]	7,941	14,103
Stores and spares [(includes ₹ 281 Lakhs) (31 March 2021: ₹ 381 Lakhs)]	16,897	16,150
Packing material	2,158	2,434
Total	**1,04,489**	**63,722**

(i) The cost of inventories recognised as an expense includes ₹ 128 Lakhs (31 March 2021: ₹ 382 Lakhs) in respect of write-down of inventories to net realisable value.

(ii) Inventories have been offered as security against the working capital facilities provided by the banks. (refer Note 22)

(iii) Refer Note 2.3(l) for policy on valuation of inventories.

Note 18: OTHER CURRENT ASSETS

	31 March 2022	31 March 2021
Advances for supply of goods and services	4,886	2,329
Balances with government authorities (includes GST, Custom duty etc)	8,494	8,476
Prepaid expenses	2,046	2,400
Other receivables	59	972
Total	**15,485**	**14,177**

Note 19: SHARE CAPITAL

	31 March 2022	31 March 2021
Authorised		
13,50,50,000 equity shares of ₹ 10/- each. (31 March 2021: 13,50,50,000 equity shares of ₹ 10/- each)	13,505	13,505
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
12,05,92,948 equity shares of ₹ 10/- each. (31 March 2021: 10,26,77,088 equity shares of ₹ 10/- each)	12,059	10,268
Fully paid-up share capital as at year end	**12,059**	**10,268**

(i) Reconciliation of the number of Equity Shares

	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	10,26,77,088	10,268	8,92,84,425	8,928
Add: Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	1,24,39,029	1,244	-	-
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	54,76,831	547	-	-
Add: Shares issued by way of Right issue during the year	-	-	1,33,92,663	1,340
Balance as at the end of the year	**12,05,92,948**	**12,059**	**10,26,77,088**	**10,268**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Terms and rights attached to equity shares

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

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

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

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

	31 March 2022		31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,35,92,875	36.15%	4,35,92,875	42.46%
Robust Marketing Services Private Limited	1,08,52,301	9.00%	1,07,59,301	10.48%

Shares held by promoters Promoter Name	As on 31 March 2022		As on 31 March 2021		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	8,78,913	0.73%	8,78,913	0.86%	-0.13%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S Mehta	1,15,000	0.10%	1,15,000	0.11%	-0.02%
5) Nova Synthetic Limited	4,35,92,875	36.15%	4,35,92,875	42.46%	-6.31%
6) Sofotel Infra Private Limited	19,41,546	1.61%	19,41,546	1.89%	-0.28%
7) Robust Marketing Services Private Limited	1,08,52,301	9.00%	1,07,59,301	10.48%	-1.48%

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract/agreement without payment being received in cash is 54,76,831 equity shares.

Note 20: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

(ii) Nature and purpose of other equity

(a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.

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

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

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

(e) **Other comprehensive income :** This represents equity instruments carried at fair value through OCI, foreign currency exchange differences, Hedge income and remeasurement of employee benefits (gratuity & post retirement benefit).

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

FINANCIAL LIABILITIES

Note 21: NON-CURRENT BORROWINGS

		Terms of repayment & Maturity date	Coupon/Interest rate	31 March 2022	31 March 2021
Secured					
Term loans					
(i)	State Bank of India (refer note 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	10.25% per annum	11,921	18,073
(ii)	Export Import Bank of India (Loan 1) (refer note 1)		9.60% to 9.80% per annum	2,860	4,288
(iii)	Export Import Bank of India (Loan 2) (refer note 2)	Repayable in 28 quarterly instalments starting from June 2020 onwards.	9.55% to 9.75% per annum	25,642	27,049
(iv)	Bank of Baroda (refer note 3)	Repayable in quarterly instalment starting from March 2023	9.90% per annum	77,104	68,694
(v)	Export Import Bank of India (Loan 3) (refer note 3)	Repayable in quarterly instalment starting from March 2023	9.90% per annum	34,292	18,215
(vi)	Bank of Baroda (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.15% to 9.40% per annum	16,454	19,302
(vii)	Export Import Bank of India (Loan 4) (refer note 4)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.85% to 9.35% per annum	18,913	22,179
(viii)	Bank of Baroda (refer note 6)	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	10,620	16,722
(ix)	Term Loan - State Bank of India, Sydney (refer note 5)	Repayable from calendar year 2018 to 2022	4.55% per annum	1,777	5,483
(x)	Bank of Baroda (refer note 6)	Repayable in 20 quarterly instalments starting from June 2023 onwards.	8.50% per annum	22,379	-
Unsecured					
(i)	Foreign currency convertible bonds - IFC (refer note 7)		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per annum and Compound Interest : Upto March 12, 2021 : 1.75% compound interest per annum From March 13, 2021 onwards : 2.25% compound interest per annum	9,479	18,140

(All amounts in ₹ Lakhs unless otherwise stated)

	Terms of repayment & Maturity date	Coupon/Interest rate	31 March 2022	31 March 2021
(ii) Compulsory convertible debentures - International Finance Corporation (IFC), USA (refer note 8)		8% per annum (IRR : 15.25%)	23,862	22,180
Total			**2,55,303**	**2,40,325**
Less: Current maturities of long-term debt (included in note 23)			23,168	21,666
Total			**2,32,135**	**2,18,659**

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

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

3) The term loan from Bank of Baroda and Exim Bank has been availed for financing of Ammonia Project at Taloja. The term loan is secured by first charge by way of hypothecation in favour of all lenders movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

4) The term loans from Bank of Baroda (Dahej) and Export Import Bank of India (Dahej) have been availed for financing of Nitric Acid project at Dahej. The term loans are secured by pari pasu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

5) The term loan availed from State Bank of India, Sydney is secured by pari pasu first charge on the movable and immovable fixed assets of the subsidiary, second charge on current assets of subsidiary.

6) The term loan from Bank of Baroda has been availed to shore up the net working capital of the Group. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

7) The FCCB's will be pari-passu with the senior unsecured creditors of the Group. The Group has received Tranche 2 subscription amount $15,000,000 during current financial year (31 March 2020: Trache 1 $15,000,000). Foreign Currency Convertible Bonds ("FCCBs") issued by the Group to International Finance Corporations ("IFC") have been bifurcated into equity and liability components as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial Instruments. The FCCBs are convertible into equity shares of the Group at a predetermined price of ₹ 195 per share (₹ 250 per share till July 16, 2020) at the option of IFC and carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the FCCB's will rank paripassu in all respects with the existing shares of the Group. In the event of non-conversion till the end of the stipulated period, the amount raised through the issue of FCCBs is repayable in full to IFC. The FCCBs carry a coupon rate of 4.5% simple interest p.a.(5% p.a. upto March 12, 2021), payable semi annually and 2.25% compound interest p.a.(1.75% p.a. upto March 12, 2021), payable on redemption.

8) The Subsidiary Company (Smartchem Technologies Limited) has received tranche 2 subscription amount of INR 1,050,000,000 during this financial year. Compulsory Convertible debentures ("CCD's") issued by the Subsidiary Company to International Finance Corporations ("IFC") have been shown as liability as per the principles of the Indian Accounting Standards. The financial liability component has been measured at amortized cost in the financial statements as per Ind AS 109, Financial

(All amounts in ₹ Lakhs unless otherwise stated)

Instruments. IFC have the right to voluntary convert the CCD's, Also, the IFC CCDs shall compulsorily convert into common equity shares at the end of 10 years from the date of investment, IFC shall be entitled to receive such number of common equity shares as per conversion formula, the fair value of which will provide IFC with an IRR of [15] % on its investment, the IFC investment carry several rights and obligations including adherence to specific financial covenants. The shares issued upon conversion of the CCD's will rank pari passu in all respects with the existing shares of the Subsidiary Company. The CCD's carry a coupon rate of 8% simple interest p.a., payable semi annually and XIRR of 15.25%.

9) International Finance Corporation (IFC), holder of Foreign Currency Convertible Bonds (FCCB), had sent a notice on 23rd June 2021, for conversion of first tranche of USD 15 million FCCB into 54,76,831 Equity Shares of the Group, at the rate of ₹ 195 Per equity share, in accordance with section 4.01 (conversion option) of the FCCB Subscription agreement dated 10th May 2019 as amended on 19th June 2019 and on 15th September 2019. The Group has converted the said FCCB and issued 54,76,831 fully paid-up Equity Shares on 1st July 2021, which are rank pari-passu in all respects with the existing equity shares of the Group and are listed on BSE and NSE.

10) The Group has used the borrowings taken from banks and financial institution for the specific purposes for which they were taken as at the balance sheet date.

Note 22: CURRENT BORROWINGS

	31 March 2022	31 March 2021
From banks		
Secured		
- Current maturities of non-current borrowings	23,168	21,666
- Short term loan	3,099	10,868
- Cash credit facilities	-	151
Total	**26,267**	**32,685**

RECONCILIATION OF BORROWINGS AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"

Particulars	31 March 2022	31 March 2021
Non-current borrowings (refer note 21)	2,32,135	2,18,659
Current borrowings (refer note 22)	26,267	32,685
Interest accrued (refer note 23)	1,042	1,257
	2,59,444	**2,52,601**
Cash and Non-cash adjustments		
Classification of Non-Current Borrowings to Other Equity	-	(1,504)
Deferred Income Tax related to above Items	-	(505)
Conversion of Foreign Currency Conversion Bonds to Equity Share Capital and Securities Premium	(9,394)	-
Foreign currency translation differences	921	(93)
Proceeds from borrowings	54,166	83,273
Repayment of borrowings	(38,484)	(1,23,658)
Repayment of Book Overdraft	(151)	-
(Decrease)/ Increase in interest accrued	(215)	295
Movement of borrowings (net)	**6,843**	**(42,192)**

(All amounts in ₹ Lakhs unless otherwise stated)

Short term loan from various banks is due within 180 days from the draw down date, carrying variable interest rate and is secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

Cash credit is repayable on demand and carries variable rate of interest. Average interest rate is 8.50%. Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first pari passu charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Note 23: OTHER FINANCIAL LIABILITIES

	31 March 2022	31 March 2021
Non-current		
Security deposits	4,947	4,292
Embedded Derivative liability	117	117
Total	**5,064**	**4,409**
Current		
Interest accrued	1,042	1,257
Security deposits	2,478	2,276
Capital creditors	16,270	10,654
Commission payable to executive directors	9,591	1,944
Derivative not designated as hedge-Embedded Derivative liability	-	-
Foreign Currency Options	-	-
Salary payables	5,372	5,037
Others	565	214
Total	**35,318**	**21,382**

Note 24: PROVISIONS

	31 March 2022		31 March 2021	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	835	4,405	757	4,148
Compensated absences	520	2,214	592	1,782
Defined pension benefits	324	266	283	306
Total (A)	**1,679**	**6,885**	**1,632**	**6,236**
Provisions for tax contingencies#	3,863	-	5,743	-
Provision for site restoration*	-	517	-	472
Total (B)	**3,863**	**517**	**5,743**	**472**
Total (A+B)	**5,542**	**7,402**	**7,375**	**6,708**

(All amounts in ₹ Lakhs unless otherwise stated)

Movement in Provisions for tax contingencies

	Tax contingencies#	Site restoration*	Compensated absences
As at 1 April 2020	**5,656**	**427**	**3,014**
Additional provisions recognised	87	45	-
Unused amounts reversed	-	-	(640)
As at 1 April 2021	**5,743**	**472**	**2,374**
Additional provisions recognised	-	45	360
Unused amounts reversed	(1,880)	-	-
As at 31 March 2022	**3,863**	**517**	**2,734**

The provision is mainly on account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

(A) Defined Contribution Plans (refer Note 33)

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

Particulars	31 March 2022	31 March 2021
Employer's contribution to provident fund	946	809
Employer's contribution to employee's pension scheme	284	264
Employer's contribution to superannuation fund	766	938
Employer's contribution to employee state insurance	10	7
Total	**2,007**	**2,018**

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.90% p.a. (31 March 2021: 6.60% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2021: 60 years), withdrawal rate is 8% p.a. (31 March 2021: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2021: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2021: 8% p.a), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 6.60% p.a. (31 March 2021: 6.40% p.a).

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year	9,878	8,796
Current service cost	716	737
Interest cost	624	537
Actuarial loss	136	595
Benefits paid	(847)	(787)
Present value of obligation at the end of the year	10,507	9,878

(All amounts in ₹ Lakhs unless otherwise stated)

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the end of the year	10,507	9,878
Fair value of plan assets at the end of the year	5,267	4,973
Net liabilities recognised in the Balance Sheet	5,240	4,905

Fair value of Plan assets :

Particulars	31 March 2022	31 March 2021
Plan assets at the beginning of the year	4,973	4,579
Interest income	74	49
Expected return on plan assets	263	250
Contribution by employer	757	765
Actual benefits paid	(847)	(702)
Actuarial gain/(loss)	47	32
Plan assets at the end of the year	5,267	4,973

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

Particulars	31 March 2022	31 March 2021
Current service cost	716	737
Interest cost	299	243
Expense recognised in the Statement of Profit and Loss	1,015	980

Amount recognised in the other comprehensive income:

Particulars	31 March 2022	31 March 2021
Actuarial loss on defined benefit obligation	136	78
Actuarial (gain) on plan assets	(58)	(12)
Amount recognised in the Other Comprehensive Income	78	66

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	31 March 2022	31 March 2021
Experience Loss on plan liabilities	291	520
Demographic Loss on plan liabilities	-	174
Financial (Gain) / Loss on plan liabilities	(154)	(99)
Experience (Gain) / Loss on plan assets	(49)	(86)
Financial Loss on plan assets	(10)	50

Categories of the fair value of total plan assets:

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	5,267	4,973
(%) of total plan assets	100%	100%

(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis :

Particulars	31 March 2022		31 March 2021	
Assumptions	Discount rate		Discount rate	
Sensitivity level	**1.00% increase**	**1.00% decrease**	**1.00% increase**	**1.00% decrease**
Impact on defined benefit (decrease)/ increase	(481)	533	(466)	516

Particulars	31 March 2022		31 March 2021	
Assumptions	Future salary increase		Future salary increase	
Sensitivity level	**1.00% increase**	**1.00% decrease**	**1.00% increase**	**1.00% decrease**
Impact on defined benefit (decrease)/ increase	434	(401)	422	(389)

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

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	2,464	2,314
Later than 1 year and not later than 5 years	5,783	5,135
Later than 5 year and not later than 9 years	7,211	6,958
Total expected payments	**15,458**	**14,406**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.22 years (31 March 2021: 8.22 years)

RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme posses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

(All amounts in ₹ Lakhs unless otherwise stated)

2. Asset Risks

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India and partly managed by a private sector insurer viz;India First Life Insurance.

The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

ii. Defined pension benefits

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

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 6.90% p.a. (31 March 2021: 6.46% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2021: 60 years), withdrawal rate is 8% p.a. (31 March 2021: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2020: IALM (2012-14)).

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

Particulars	31 March 2022	31 March 2021
Present value of obligation at the beginning of the year	589	274
Current service cost	81	51
Past service cost	-	-
Interest cost	37	16
Actuarial loss	(55)	281
Benefits paid	(62)	(33)
Present value of obligation at the end of the year	590	589

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

Particulars	31 March 2022	31 March 2021
Current service cost	81	51
Interest cost	37	16
Expense recognised in the Statement of Profit and Loss	118	68

Amount recognised in the other comprehensive income:

Particulars	31 March 2022	31 March 2021
Remeasurements Cost / (Credit)	(56)	281
Amount recognised in the Other Comprehensive Income	(56)	281

Sensitivity analysis :

Particulars	31 March 2022		31 March 2021	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(142)	198	(140)	196

(All amounts in ₹ Lakhs unless otherwise stated)

Note 25: TRADE PAYABLES

Particulars	31 March 2022	31 March 2021
Trade payables		
(a) total outstanding dues of micro and small enterprises	6,287	1,518
(b) total outstanding dues of creditors other than micro and small enterprises	1,35,278	1,28,158
Total	**1,41,565**	**1,29,676**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of principal and interest outstanding during the year is given below :

Particulars	31 March 2022	31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	6,287	1,518
- Principal amount outstanding (whether due or not) to micro and small enterprises	5,682	1,269
- Interest due thereon	6	24
The amount of interest paid by the Group 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	61,759	9,015
Amount of interest due and payable on delayed payments	350	127
Amount of interest accrued and remaining unpaid as at year end	605	249
The amount of further interest remaining due and payable even in the succeeding year	-	-

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

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

Trade Payables aging schedule

Particulars	As on 31 March 2022 - Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) MSME	5,588	436	152	112	6,288
(ii) Others	1,25,256	31	613	839	1,26,739
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) Unbilled dues	8,383	122	33	-	8,538
Total	**1,39,227**	**589**	**798**	**951**	**1,41,565**

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars		As on 31 March 2021 - Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i)	MSME	917	518	29	56	1,519
(ii)	Others	1,12,832	5,023	1,462	410	1,19,727
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
(v)	Unbilled dues	8,114	207	97	12	8,430
Total		**1,21,863**	**5,748**	**1,587**	**478**	**1,29,676**

Note 26: DEFERRED TAX ASSETS (NET)

Particulars		31 March 2022	31 March 2021
The balance comprises temporary differences attributable to:			
(a)	Deferred tax assets	56,753	59,506
(b)	Deferred tax liabilities	(52,838)	(54,803)
Net deferred tax assets		**3,915**	**4,703**

Movements during the year ended 31 March 2022

Particulars	1 April 2021	Credit/ (charge) in the statement of Profit and Loss	Credit/ (Charge) in equity	Credit/(charge) in the Other Comprehensive Income	31 March 2022
Property, plant and equipment, investment property and intangibles assets	(53,820)	1,417	-	-	(52,403)
Business loss	43,556	(640)	-	-	42,916
Financial assets at fair value through profit or loss	689	88	-	11	788
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,303	124	-	-	2,427
Foreign Currency Convertible Bonds	(876)	49	392	-	(435)
Impairment Provision	255	120	-	-	375
Financial assets at fair value through OCI	(107)	-	-	(217)	(324)
Deferred Tax on Consolidation	11,803	(1,664)	-	-	10,139
Others	901	(510)	42	-	433
Net deferred tax assets	**4,703**	**(1,016)**	**434**	**(206)**	**3,915**

Movements during the year ended 31 March 2021:

Particulars	1 April 2020	Credit/ (charge) in the statement of Profit and Loss	Credit/ (charge) in equity	Credit/(charge) in the Other Comprehensive Income	31 March 2021
Property, plant and equipment, investment property and intangibles assets	(54,365)	545	-	-	(53,820)
Business loss	33,930	9,626	-	-	43,556
Financial assets at fair value through profit or loss	668	(93)	-	114	689
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,300	(126)	-	129	2,303
MAT credit	3,460	(3,460)	-	-	-
Foreign Currency Convertible Bonds	(459)	88	(505)	-	(876)
Impairment Provision	-	255	-	-	255
Financial assets at fair value through OCI	-	-	-	(107)	(107)
Deferred Tax on Consolidation	19,084	(7,281)	-	-	11,803
Others	(29)	930	-	-	901
Net deferred tax assets	**4,589**	**484**	**(505)**	**136**	**4,703**

Note 27: OTHER CURRENT LIABILITIES

Particulars	31 March 2022	31 March 2021
Advances from customers	4,749	1,546
Unclaimed dividend [#]	747	731
Statutory dues payable	5,562	2,527
Other payables	2,150	1,861
Total	**13,208**	**6,665**

[#] ₹ 119 Lakhs (31 March 2021 ₹ 100 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group except for ₹ 0.37 Lakhs (31 March 2021 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 28: REVENUE FROM OPERATIONS

Particulars	31 March 2022	31 March 2021
Sale of products		
Finished goods	5,87,089	4,22,247
Traded goods	67,109	89,489
Subsidy on traded fertilisers	9,123	7,016
Subsidy on manufactured fertilisers	1,00,263	60,515
Power generated from windmills	305	253
Revenue from realty business	855	786
Other operating revenues		
Incentive income*	1,144	-
Others	441	543
Total	**7,66,329**	**5,80,849**

* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant

(All amounts in ₹ Lakhs unless otherwise stated)

Contracts with customer

Particulars	31 March 2022	31 March 2021
Revenue recognised from contracts with customers	7,66,329	5,80,849
Disaggregation of revenue		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	4,34,812	2,65,708
(ii) Sale of fertilisers	2,52,540	2,17,054
Sale of traded goods -		
(i) Industrial Chemicals	21,143	49,897
(ii) Fertilisers	54,509	46,214
(iii) Value added real estate (VARE) - Sale of furniture	580	394
- Revenue from power generated from windmills	305	253
- Income from realty operation	855	786
- Other operating revenues	1,585	543
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	5,820	4,784

Details of contract balances:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance of receivables	92,341	1,39,626
Closing balance of receivables	62,004	92,341

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract liabilities at the beginning of the year	4,749	1,546
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	4,749	1,546
Increase due to cash received, excluding amounts recognised as revenue during the year	4,749	1,546
Contract liabilities at the end of the year	4,749	1,546

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Group satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customer. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Group is obliged for refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

(All amounts in ₹ Lakhs unless otherwise stated)

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	31 March 2022	31 March 2021
Contract price	8,05,894	6,07,942
Less:		
Amount recognised as Discounts / shortages	39,565	27,093
Revenue recognised in statement of profit and loss	7,66,329	5,80,849

Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 29: OTHER INCOME

	31 March 2022	31 March 2021
Interest income from financial assets measured at amortized cost	1,408	922
Fair value loss on financial assets mandatorily measured at fair value through profit or loss	253	-
Net gain on sale of investments	1,465	1,172
Gain on disposal of property, plant and equipment	33	-
Unwinding of discount on security deposits	342	113
Foreign exchange fluctuation gain (net)	-	394
Other non-operating income	892	667
Total	**4,393**	**3,267**

Note 30: COST OF MATERIALS CONSUMED

	31 March 2022	31 March 2021
Raw materials as at the beginning of the year	22,575	22,861
Add: Purchases during the year	4,82,734	2,88,926
Less: Raw material as at the end of the year	45,013	22,575
Total	**4,60,296**	**2,89,212**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 31: PURCHASE OF STOCK-IN-TRADE

	31 March 2022	31 March 2021
Purchases of stock-in-trade	60,482	84,351
Total	**60,482**	**84,351**

Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2022	31 March 2021
Opening balance		
Finished goods	8,460	21,650
Stock-in-trade	14,103	7,739
Total opening balance	**22,563**	**29,389**
Closing balance		
Finished goods	32,480	8,460
Stock-in-trade	7,941	14,103
Total closing balance	**40,421**	**22,563**
Total changes in inventories of stock-in-trade and finished goods	**(17,858)**	**6,826**

Note 33: EMPLOYEE BENEFITS EXPENSES

	31 March 2022	31 March 2021
Salaries, wages and bonus	44,588	32,132
Contribution to provident fund & other funds	2,007	2,018
Gratuity (refer note 24)	1,015	980
Post-employment pension benefits (refer note 24)	118	68
Staff welfare expenses	1,466	1,315
Total	**49,194**	**36,513**

Note 34: FINANCE COSTS

	31 March 2022	31 March 2021
Interest cost on financial liabilities measured at amortized cost	30,594	24,960
Less: Interest capitalised	(17,848)	(12,466)
Finance charges on finance leases	603	644
Increases in the decommissioning liabilities	45	45
Interest others	807	3,525
Other borrowing costs	1,093	2,096
Exchange differences regarded as an adjustment to borrowing costs	188	(33)
Total	**15,482**	**18,771**

Note 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2022	31 March 2021
Depreciation on property, plant and equipment	20,948	18,926
Amortisation on right of use asset	1,856	1,858
Amortisation on intangible assets	451	411
Total	**23,253**	**21,195**

Note 36: OTHER EXPENSES

	31 March 2022	31 March 2021
Consumption of stores and spares	11,152	9,477
Power, fuel and water*	9,622	8,309
Repairs to :		
- Building	1,135	706
- Plant and machinery	8,821	7,085
- Others	1,945	1,705
Rent	1,221	1,277
Insurance	2,476	2,167
Rates, taxes and duties	2,477	2,379
Travelling and conveyance	904	529
Legal and professional fees	5,418	3,444
Payments to auditors	90	96
Directors' sitting fees	106	132
Carriage outward (net)	18,516	19,740
Warehouse and handling charges	609	768
Loss on disposal of property, plant and equipment	18	562
Commission on sales	418	377
Sales and promotion expenses	2,126	1,205
Donations	28	-
Utility services	1,312	1,299
Communication expenses	191	57
Corporate social responsibility expenditure	389	166
Bad debts	37	50
Provision for doubtful debts	1,036	2,474
Provision for doubtful loans	13	54
Foreign exchange fluctuations loss (net)	4,346	-
Miscellaneous expenses@	4,214	4,358
Total	**78,620**	**68,416**

* MSEB electricity duty provision taken for the period April 15 to March 22 for ₹ 1,703 Lakhs (31 March 2021 : ₹ NIL). The same has been reduced from contingent liability.

@ Miscellaneous expenses include Provision for impairment of capital work-in-progress amounting to ₹ 477 Lakhs (31 March 2021 : ₹ 1,015 Lakhs).

Note 37: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity shareholders of the group by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2022	31 March 2021
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	67,827	40,031
Add: Adjustment for interest on Foreign currency convertible bonds post tax	820	1,073
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for diluted EPS	68,647	41,104
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	11,22,26,183	9,65,31,814
Add: Adjustment for Foreign currency convertible bonds	56,19,423	83,24,718
Weighted average number of equity shares for diluted EPS	11,78,45,606	10,48,56,532
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	60.44	41.47
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	58.25	39.20

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2022			31 March 2021		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in associates	3	245		3		-
- Mutual funds	87,633	-	-	44,920	-	-
Trade receivables	-	-	62,004	-	-	92,341
Cash and cash equivalents	-	-	16,109	-	-	15,969
Other bank balances	-	-	12,766	-	-	8,662
Loans	-	-	90	-	-	66
Other financial assets						
- Derivative financial assets, not designated as hedges	723	-	-	151	-	-
- Derivative financial asset, designated as hedges	1,581	863	-	229	494	-
- Embedded derivative	-	-	-	788	-	-
- Others	-	-	7,286	-	-	5,714
Total financial assets	**89,940**	**1,108**	**98,255**	**46,091**	**494**	**1,22,752**
Financial liabilities						
Borrowings	-	-	2,35,234	-	-	2,29,678
Lease Liabilities	-	-	7,230	-		7,952
Trade payables	-	-	1,41,565	-	-	1,29,676
Other financial liabilities						
- Current maturities of long term debt	-	-	23,168	-	-	21,666
- Capital creditors	-	-	16,270	-	-	10,654
- Security deposits	-	-	7,425	-	-	6,568
- Interest accrued	-	-	1,042	-	-	1,257
- Embedded derivative	117	-	-	117	-	-
- Others	-	-	15,528	-	-	7,195
Total financial liabilities	**117**	**-**	**4,47,462**	**117**	**-**	**4,14,646**

(All amounts in ₹ Lakhs unless otherwise stated)

(ii) Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

Financial assets and liabilities measured at fair value	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Equity instruments other than investments in associates	3	-	0	3	3	-	-	3
Mutual funds	87,633	-	-	87,633	44,920	-	-	44,920
Foreign exchange forward contracts/options								
Financial Investments at FVOCI								
Equity instruments	-	-	245	245	-	-	-	-
Derivatives								
Foreign exchange forward contracts/options	-	723	-	723	-	151	-	151
Commodity Hedge contract	-	2,444	-	2,444	-	723	-	723
Embedded derivative	-	-	-	-	-	788	-	788
Total financial assets	**87,636**	**3,167**	**245**	**91,048**	**44,923**	**1,662**	**-**	**46,585**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/options	-	-	-	-	-	-	-	-
Embedded derivative	-	117	-	117	-	117	-	117
Total financial liabilities	**-**	**117**	**-**	**117**	**-**	**117**	**-**	**117**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

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

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

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

d) The Group enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 39: FINANCIAL RISK MANAGEMENT

Risk management framework

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

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

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

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

i. Credit risk

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

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

Trade receivables and other financial assets:

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

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

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue.

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), ₹ 1,037 Lakhs (31 March 2021: ₹ 6,123 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2022 or 31 March 2021.

(All amounts in ₹ Lakhs unless otherwise stated)

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	4,784	2,310
Add: Provided during the year (net of reversal)	1,077	2,474
Less: Amount written off	(41)	-
Balance at the end of the year	5,820	4,784

Expected credit loss on financial assets other than trade receivables:

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

ii. Liquidity Risk

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

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

Exposure to liquidity risk

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

31 March 2022	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,58,402	26,267	1,05,110	1,27,025	2,58,402
Lease Liabilities	7,230	1,717	5,509	4	7,230
Trade payables	56,744	56,744	-	-	56,744
Interest accrued	1,006	1,006			1,006
Security deposits	7,425	2,478	4,947		7,425
Capital creditors	16,270	16,270	-	-	16,270
Foreign exchange forward contracts	-	-	-	-	-
Other financial liabilities	28,079	27,962	17	100	28,079
Total non-derivative liabilities	**3,75,156**	**1,32,444**	**1,15,583**	**1,27,129**	**3,75,156**
Derivatives financial liabilities					
Interest accrued	36	36	-	-	36
Trade payables	84,821	84,821	-	-	84,821
Total derivative liabilities	**84,857**	**84,857**	**-**	**-**	**84,857**

(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2021	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,51,344	32,685	1,07,551	1,11,108	2,51,344
Lease Liabilities	7,952	1,333	6,619	-	7,952
Trade payables	65,069	65,069	-	-	65,069
Interest accrued	1,211	1,211	-	-	1,211
Security deposits	6,568	2,276	4,292	-	6,568
Embedded derivative	117	-	17	100	117
Capital creditors	10,654	10,654	-	-	10,654
Other financial liabilities	7,195	7,195	-	-	7,195
Total non-derivative liabilities	**3,50,110**	**1,20,423**	**1,18,479**	**1,11,208**	**3,50,110**
Derivatives financial liabilities					
Interest accrued	46	46	-	-	46
Trade payables	64,607	64,607	-	-	64,607
Total derivative liabilities	**64,653**	**64,653**	**-**	**-**	**64,653**

iii. Market risk

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

a. Currency risk

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

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

Exposure to currency risk

(i) The Group's exposure to foreign currency risk at the end of the reporting period is presented in Note no 44.

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

	Impact on profit after tax	
	31 March 2022	31 March 2021
USD sensitivity		
₹/USD-appreciated by 1% (31 March 2020-1%)	(708)	620
₹/USD-depreciated by 1% (31 March 2020-1%)	708	(620)
EUR sensitivity		
₹/EUR-appreciated by 1% (31 March 2020-1%)	-	-
₹/EUR-appreciated by 1% (31 March 2020-1%)	-	-

b. Interest rate risk

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

Exposure to interest rate risk

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

	31 March 2022	31 March 2021
Variable rate borrowings	2,34,540	2,21,664
Fixed rate borrowings	23,862	29,680
Total borrowings	**2,58,402**	**2,51,344**

(ii) Sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2022 would decrease / increase by ₹ 1,173 Lakhs (for the year ended 31 March 2021: decrease / increase by ₹ 1,108 Lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Note 40 : CAPITAL MANAGEMENT

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

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

	31 March 2022	31 March 2021
Net debt	2,29,527	2,26,713
Total equity	4,00,199	2,79,960
Net debt to equity ratio	**0.57**	**0.81**

(b) Dividends

Particulars	31 March 2022	31 March 2021
(i) Equity shares Final dividend for the year ended 31 March 2021 of ₹ 7.50 per fully paid equity share (31 March 2020 of ₹ 3 per fully paid equity share)	8,112	2,679
(ii) Dividend not recognised at the end of the reporting period Since year end the directors have recommended the payment of a final dividend of ₹ 9.00 per fully paid equity share (31 March 2021 : ₹ 7.50 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	10,853	7,701

(All amounts in ₹ Lakhs unless otherwise stated)

Note 41(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

A.	**Associates**	**F.**	**Key management personnel**
1.	Ishanya Realty Corporation Limited	(a)	**Executive directors**
B.	**Jointly Controlled Entity**		Mr. Sailesh Mehta
1.	Yerrowda Investments Limited		Mr. Yeshil Mehta
C.	**Entities over which key managerial personnel are able to exercise significant influence:**		
1.	Ishanya Foundation	(b)	**Non-executive directors**
2.	Robust Marketing Services Private Limited		Mrs. Parul Sailesh Mehta
3.	Deepak Agro Solution Ltd		Mr. Madhumilan Parshuram Shinde
4	M/s. Juris Corp, Advocates and Solicitors		Mr Tapan Kumar Chatterjee
5.	Nova Synthetic Limited		Mr. Ashok Shah
D.	**Entities over which relatives of key managerial personnel are able to exercise significant influence:**		
1.	Deepak Nitrite Limited	(c)	**Non-executive Independent directors**
E.	**Relatives of key management personnel**		Mr. Berjis Minoo Desai (up to 27 December 2021)
1.	Ms. Rajvee Mehta		Mr. Jayesh Shah (w.e.f 20 December 2021)
			Mr. Ashok Kumar Purwaha
			Mr. Alok Perti (with effect from 1 November 2021)
			Mr. Amit Biswas
			Mr. Partha Sarathi Bhattacharyya
			Mr. Bhuwan C Tripathi
			Mr. Sujal Shah (w.e.f 30/06/2020)
			Ms. Varsha Vasant Purandare (w.e.f 31/01/2021)
			Mr. Sewak Ram Wadhwa
			Mr. Urmilkumar Purushottamdas Jhaveri
		(d)	**Company Secretary**
			Mr. K Subharaman (upto 06/11/2020)
			Mr. Gaurav Munoli (From 07/11/2020 to 03/02/2021)
			Mr. Ritesh Chaudhry (w.e.f 03/02/2021)
			Mr. Pankaj Gupta
		(e)	**Chief Finance Officer**
			Mr. Amitabh Bhargava

The above list includes the Companies with whom the Group has entered into the transactions during the year.

(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2022					31 March 2021				
		Entity with Joint Control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with Joint Control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
1.	**Sale of goods**										
	Deepak Nitrite Limited	-	-	-	12,794	12,794	-	-	-	7,839	7,839
	Ishanya Foundation	-	-	-	5	5	-	-	-	-	-
2.	**Rendering of services/reimbursement of expenses**										
	Ishanya Foundation	-	-	-	4	4	-	-	-	-	-
	Yerrowda Investments Limited	4	-	-	-	4	24	-	-	-	24
	Deepak Agro Solution Limited	-	-	-	3	3	-	-	-	-	-
3.	**Interest on loan taken**										
	Deepak Agro Solution Limited	-	-	-	-	-	-	-	-	(15)	(15)
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	(421)	(421)
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	(112)	(112)
4.	**Purchase of goods and services**										
	Ishanya Foundation	-	-	-	(2)	(2)	-	-	-	(3)	(3)
	Deepak Nitrite Limited	-	-	-	(123)	(123)	-	-	-	-	-
6.	**Receiving of services/reimbursement of expenses**										
	M P Shinde	-	(35)	-	-	(35)	-	(20)	-	-	(20)
	M/s. Juris Corp, Advocates and Solicitors	-	-	-	(3)	(3)	-	-	-	-	-
7.	**Donation given**										
	Ishanya Foundation	-	-	-	(379)	(379)	-	-	-	(128)	(128)
8.	**Remuneration & commission (including perquisites)**										
	Mr. Sailesh Mehta	-	(7,232)	-	-	(7,232)	-	(1,318)	-	-	(1,318)
	Mr. Yeshil Mehta	-	(3,337)	-	-	(3,337)	-	(1,077)	-	-	(1,077)
	Mr. Amitabh Bhargava	-	**(655)	-	-	**(655)	-	(292)	-	-	(292)
	Mr. K Subharaman	-	-	-	-	-	-	(65)	-	-	(65)
	Mr. Ritesh Chaudhry	-	(60)	-	-	(60)	-	(10)	-	-	(10)
	Mr. Pankaj Gupta	-	(69)	-	-	(69)	-	(53)	-	-	(53)
	Mr. Gaurav Munoli	-	-	-	-	-	-	(5)	-	-	(5)
	Ms. Rajvee Sailesh Mehta	-	-	(39)	-	(39)	-	-	(30)	-	(30)
	Other directors commission	-	(242)	-	-	(242)	-	(292)	-	-	(292)
9.	**Lease rental income**										
	Deepak Nitrite Ltd.	-	-	-	14	14	-	-	-	7	7
10.	**Lease rental expenses**										
	Mr Sailesh Mehta	-	(17)	-	-	(17)	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	(48)	(48)	-	-	-	(99)	(99)

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2022					31 March 2021				
		Entity with Joint Control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Entity with Joint Control	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
11.	**Loan or Advances Taken**										
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	12,500	12,500
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	7,500	7,500
12.	**Loan or Advances Repaid**										
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	(12,500)	(12,500)
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	(7,500)	(7,500)
13.	**Shares Allotted in Right Issue**										
	Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	4,917	4,917
	Nova Synthetic Limited	-	-	-	-	-	-	-	-	7,562	7,562
14.	**Amount outstanding**										
	Remunerations payable										
	Mr. Sailesh Mehta	-	(6,118)	-	-	(6,118)	-	(679)	-	-	(679)
	Mr. Yeshil Mehta	-	(3,231)	-	-	(3,231)	-	(973)	-	-	(973)
	Other directors commission	-	(242)	-	-	(242)	-	(292)	-	-	(292)
	Trade receivables										
	Deepak Nitrite Ltd.	-	-	-	433	433	-	-	-	1,390	1,390
	Yerrowda Investments Limited	-	-	-	-	-	8	-	-	-	8
	Deepak Agro Solution Limited	-	-	-	-	-	-	-	-	5	5
	Deposits Receivables										
	Mr. Sailesh Mehta	-	2,110	-	-	2,110	-	1,500	-	-	1,500
	Robust Marketing Services Private Limited	-	-	-	650	650	-	-	-	650	650
	Deposits Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Deepak Nitrite Limited	-	-	-	(4)	(4)	-	-	-	-	-
	Corporate Guarantee Given										
	Deepak Nitrite Limited	-	-	-	1,786	1,786	-	-	-	-	-

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

* Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 85 Lakhs (31 March 2021 : ₹ 132 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for Group as a whole, the said amounts are not included above.

Note : The Group has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 21 point no. 6)

** Includes ₹ 200 Lakhs paid as one time retention bonus on completion of four years as per terms of appointment.

Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2022	31 March 2021
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts*	13,849	14,519
Income Tax Demands	6,612	7,295
Excise/Service Tax/Custom Demands#	5,444	5,320
Sales Tax/ VAT Demands/GST	8,892	11,979
Local Body Tax	2,141	2,176
Penalty on Entry Tax	1,551	1,551
Total	**38,489**	**42,840**
B. Capital Commitments		
Related to Projects	1,05,129	1,31,072
Related to Realty	6	551
C. Other Commitments*		
Other Commitment	18,064	18,824
Total	**1,23,199**	**1,50,447**

Includes ₹ 1,881 Lakhs (31 March 2021 : ₹1,881 Lakhs) which pertains to service tax liabilities. The Holding Company has received a favourable order from CESTAT against which the department has gone into appeal.

* During the previous year, the Holding company has received a letter of waiver from a supplier for offtake liability and consequently, the Holding company now has to complete its purchase obligation over a period of eight years.

Note 43: ISSUE OF SHARES (QUALIFIED INSTITUTIONAL PLACEMENT)

The Holding company has issued 1,24,39,029 equity shares of face value of ₹ 10 each through Qualified Institutional Placement, QIP (on 22 October 2021 at an issue price of ₹ 410 per equity share (including premium of ₹ 400 per equity share). Total amount raised through QIP amounts to ₹ 51,000 Lakhs.

Following are the details of utilization of proceeds of ₹ 49,880 Lakhs post meeting issue expenses:

Agreed Purpose	Actual utilization	Amount
1) Investment in subsidiaries, associate and joint affiliates	Investment in PCL through STL for Ammonia project.	12,500
2) Working capital requirements	Working Capital	37,380
Total		**49,880**

As on 31 March 2022, funds have been fully utilized for the agreed purpose.

Note 44: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2022		31 March 2021	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Hedged Position*				
Creditors (in USD)	1,118	84,821	884	64,607
Interest on borrowing (USD)	0	36	1	46

	31 March 2022		31 March 2021	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Unhedged Position				
Creditors (in USD)	3	233	5	400
Creditors (in EURO)	1	43	-	41
Interest accrued (in EURO)	-	-	-	19
Creditors (in GBP)	-	-	-	1
Borrowings and interest (USD)	131	9,950	256	18,755
Exports receivable (in USD)	(3)	(261)	(13)	(1,020)

less than ₹ 50,000/-

* The above transactions are hedged by following derivative contracts

Particulars	31 March 2022		31 March 2021	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	126	9,586	297	21,676
Options Contracts - USD	991	75,271	588	42,977
Total	**1,118**	**84,857**	**885**	**64,653**

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

Unhedged Foreign Currency exposure is as under:

Particulars	Amount in foreign currency	31 March 2022	Amount in foreign currency	31 March 2021
Payables and borrowings (including interest)	135	10,226	261	19,216
Receivables and bank balances	(3)	(261)	(13)	(1,020)

Note 45: IMPACT OF HEDGING ACTIVITIES

The Holding company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the Holding company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of Propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the Holding company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The Holding company therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2022 amd 31 March 2021 in relation to commodity rate hedge.

(All amounts in ₹ Lakhs unless otherwise stated)

A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2022

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge - Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	6000	1,006	-	30 June 2022	1:2.7	USD 605	USD 520
Butane	MT	9000	1,438	-	30 June 2022	1:2.7	USD 615	USD 530

As on 31 March 2021

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge - Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	3000	315	-	31 July 2021	1:4.4	USD 399	USD 351.6
Butane	MT	4500	408	-	31 July 2021	1:4.4	USD 398	USD 352.6

B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk 31 March 2022	3,869	-	3,006	Cost of material consumed
Commodity rate risk 31 March 2021	1,192	-	698	Cost of material consumed

C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
As at 1 April 2020	**-**
Add: Changes in fair value of commodity hedge contracts	1,192
Less: Amount reclassified to profit or loss	698
Less: Deferred tax relating to OCI gain	124
As at 31 March 2021	**370**
Add: Changes in fair value of commodity hedge contracts	3,869
Less: Amount reclassified to profit or loss	3,006
Less: Deferred tax relating to above	217
As at 31 March 2022	**1,015**

(All amounts in ₹ Lakhs unless otherwise stated)

Note 46: INCOME TAXES

A. Components of Income Tax Expenses

	31 March 2022	31 March 2021
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current tax on profits for the year	31,489	18,672
Total (A)	**31,489**	**18,672**
Deferred tax (credit)/charge	1,016	(484)
Total (B)	**1,016**	**(484)**
Total (A+B)	**32,505**	**18,188**
II. Tax on Other Comprehensive Income		
Deferred Tax		
Loss on remeasurement of defined benefit obligations	(11)	(243)
Gain on debt instruments through other comprehensive income	217	107
Total	**206**	**(136)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2022 and 31 March 2021

Particulars	31 March 2022	31 March 2021
Accounting profit before tax	1,01,253	58,832
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) (A)	**25,485**	**14,808**
Effects of non-deductible business expenses	106	(118)
Long term capital profit not subjected to income tax	-	(131)
Permanent adjustment of PPE Block	-	(165)
Impact on current and deferred tax of earlier years	-	1,259
Deferred tax recognized on reasonable certainity	(640)	(5,652)
Deferred tax asset reversal on Goodwill	-	5,617
Tax rate difference	7,254	2,391
Others	300	179
Total (B)	**7,020**	**3,380**
Income Tax expense reported in the statement of profit or loss (A+B)	**32,505**	**18,188**

Note 47

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Holding Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal. The assessments for the material subsidiary company, M/s Smartchem Technologies Limited for the block period (Assessment Year 2013-2014 to Assessment Year 2019-2020) are pending before the Assessing Officer as timeline to complete the same is in July 2022.

Based on advice of the independent tax experts, management is of the view that aforesaid matters will not have any significant impact on the Group's financial position and hence no further provision has been recognised as of 31 March 2022.

(All amounts in ₹ Lakhs unless otherwise stated)

Note 48 : CONSOLIDATED SEGMENT REPORTING

Sr. No.	Particulars		Chemicals	Fertilisers	Realty	Windmill	Common	Total
1.	**Revenue**							
	a)	**External Sales**						
	I)	**Manufactured**	**4,34,812**	**2,52,540**	**855**	**305**		**6,88,512**
		Previous Year	*2,65,708*	*2,17,054*	*786*	*253*	-	*4,83,801*
	ii)	**Traded**	**21,143**	**54,509**	**580**	**-**	**-**	**76,232**
		Previous Year	*49,897*	*46,214*	*394*	-	-	*96,505*
	b)	**Inter-segment sales**	-	-	-	-	-	-
		Previous Year	-	-	-	-	-	-
	c)	**Other operating income**	1,577	8	-	-	-	1,585
		Previous Year	*144*	*399*	-	-	-	*543*
	d)	**Unallocated Corporate other income**	**-**	**-**	**-**	**-**	**4,393**	**4,393**
		Previous Year	-	-	-	-	*3,267*	*3,267*
		Total Income	**4,57,532**	**3,07,057**	**1,435**	**305**	**4,393**	**7,70,722**
		Previous Year	*3,15,749*	*2,63,667*	*1,180*	*253*	*3,267*	*5,84,116*
2.	**Segment Result**		**1,16,457**	**29,023**	**(1,148)**	**(116)**		**1,44,216**
	Previous Year		*74,439*	*19,751*	*(1,806)*	*(176)*		*92,208*
3.	**Interest**		**-**	**-**	**-**	**-**	**15,482**	**15,482**
	Previous Year		-	-	-	-	*18,771*	*18,771*
4.	**Unallocated Corporate expenses**		**-**	**-**	**-**	**-**	**27,481**	**27,481**
	Previous Year		-	-	-	-	*14,605*	*14,605*
5.	**Profit before share of (loss) of equity accounted investees and income tax**		**-**	**-**	**-**	**-**	**-**	**1,01,253**
	Previous Year		-	-	-	-	-	*58,832*
6.	**Other Information**							
	a)	**Segment Assets**	**4,99,294**	**2,00,005**	**19,101**	**1,226**	**1,54,791**	**8,74,417**
		Previous Year	*3,80,269*	*1,92,756*	*21,937*	*1,423*	*1,19,666*	*7,16,051*
	b)	**Segment Liabilities**	**2,38,131**	**1,89,432**	**513**	**-**	**46,142**	**4,74,218**
		Previous Year	*2,02,749*	*1,75,120*	*887*	*108*	*57,227*	*4,36,091*
	c)	**Capital Expenditure incurred during the year**	**97,923**	**6,666**	**2**	**-**	**655**	**1,05,246**
		Previous Year	*10,456*	*6,134*	*18*	-	*1,870*	*18,478*
	d)	**Depreciation/ Amortisation**	**16,534**	**5,508**	**982**	**228**	**-**	**23,253**
		Previous Year	*13,101*	*6,656*	*1,213*	*225*	-	*21,195*

Segment information

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

Segment	Products covered
a) Chemicals	Ammonia, Methanol, Dilute nitric acid, Concentrated nitric acid, CO_2, Technical ammonium nitrate, Iso-propyl alcohol, Propane, Bulk and Speciality Chemical.
b) Bulk Fertilisers	Nitro phosphate, Mutriate of potash, Diammonium phosphateAP, Ammonium Sulphate, Mixtures, Single super phosphate, Sulphur, Micronutrients, SSF, Bio Fertilisers
c) Realty	Real Estate Business
d) Windmill	Windmill Power

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

Note 49

GAIL has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014 (inclusive of interest till 2016), alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the subsidiary company, Smartchem Technologies Limited (STL) 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 STL; as per the industrial license, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration.

Claims by GAIL were divided into two parts by STL while challenging arbitration. Claim under Gas Sales and Transportation Agreement of 2006 is non-arbitrable. Similarly, the claim for the period from 2011 to 2013; are barred by limitation. Accepting STL's stand, the Arbitration Tribunal has rejected the claims of GAIL vide orders dated 05.09.2017 and 13.12.2017. Thereafter GAIL filed Arb Appeal (COMM) NO. 3/2018 challenging the order dated 05.09.2017 and OMP (COMM) No. 31/2018 before Hon'ble Delhi High Court, which dismissed both the appeals vide its order dated 20.12.2018 and upheld the order of Arbitrator.

Consequently, GAIL has preferred a Special Leave petition before the Hon'ble Supreme Court against dismissal of Arb Appeal (COMM) 3/2018 and also preferred an appeal before Divisional bench of Hon'ble Delhi High Court against dismissal of OMP (COMM) No 31/2018. Both the petitions are pending adjudication as at the reporting date.

Note 50

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Holding company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 51

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 52: TRANSACTIONS WITH STRUCK OFF COMPANIES

Group entity having transaction with struck of companies	Entity relation	Name of struck off company	Nature of transactions	Balance outstanding	Relationship with struck off company
Deepak Fertilisers And Petrochemicals Corporation Limited	Holding Company	Complete Mining Solutions Pvt. Ltd.	Reimbursements	Nil	Step-down subsidiary
Deepak Fertilisers And Petrochemicals Corporation Limited	Holding Company	Argus Media Singapore Gro	Subscription	Nil	Vendor
Smartchem Technologies Limited	Wholly owned subsidiary	Access Computech Private Limited	AMC for tea smart card reader software	Nil	Vendor

(All amounts in ₹ Lakhs unless otherwise stated)

Note 53: ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

For the year ended 31 March 2022

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	68%	2,72,667	29%	19,778	83%	671	29%	20,449
Subsidiaries								
Indian								
Smartchem Technologies Limited	82%	3,28,356	11%	44,404	4%	(36)	64%	44,368
Deepak Mining Services Private Limited	0%	(51)	0%	(2)	0%	-	0%	(2)
SCM Fertichem Limited	0%	(79)	0%	7	0%	-	0%	8
Ishanya Brand Services Limited	0%	252	0%	(1)	0%	-	0%	(1)
Performance Chemiserve Limited	35%	1,41,924	0%	513	0%	-	1%	513
Mahadhan Farm Technologies Private Limited	0%	234	0%	228	0%	-	0%	229
Foreign								
Deepak Nitrochem Pty Limited	0%	26	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited	2%	7,684	0%	1,643	14%	110	3%	1,753
	120%	4,78,346	12%	46,793	9%	74	67%	46,867
Non-controlling interests in all subsidiaries	3%	11,777	1%	921	7%	59	1%	980
Adjustment arising out of Consolidation	90%	(3,62,591)	58%	1,256	0%	-	2%	1,256
Total after elimination on account of consolidation	**100%**	**4,00,199**	**100%**	**68,748**	**100%**	**804**	**100%**	**69,552**

(All amounts in ₹ Lakhs unless otherwise stated)

For the year ended 31 March 2021

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	72%	2,01,094	51%	20,899	11%	(67)	51%	20,832
Subsidiaries								
Indian								
Smartchem Technologies Limited	101%	2,83,988	7%	20,041	35%	(212)	48%	19,829
Deepak Mining Services Private Limited	0%	(49)	0%	(29)	0%	-	0%	(29)
SCM Fertichem Limited	0%	(88)	0%	(65)	0%	-	0%	(65)
Ishanya Brand Services Limited	0%	253	0%	(111)	0%	-	0%	(111)
Performance Chemiserve Limited	25%	69,979	0%	268	0%	-	1%	268
Mahadhan Farm Technologies Private Limited	0%	5	0%	118	0%	-	0%	118
Foreign								
Deepak Nitrochem Pty Limited	0%	26	0%	-	0%	-	0%	-
Platinum Blasting Services Pty Limited	2%	6,238	0%	1,077	95%	573	4%	1,650
	129%	3,60,352	8%	21,299	60%	361	53%	21,660
Non-controlling interests in all subsidiaries	3%	9,701	2%	613	51%	309	2%	922
Adjustment arising out of Consolidation	104%	(2,91,187)	39%	(2,167)	0%	-	5%	(2,167)
Total after elimination on account of consolidation	**100%**	**2,79,960**	**100%**	**40,644**	**100%**	**603**	**100%**	**41,247**

NOTES

to the Consolidated Financial Statements for the year ended 31st March 2022
(All amounts in ₹ Lakhs unless otherwise stated)

Note 54 : GROUP INFORMATIONS

Particulars of subsidiaries and joint operation which have been considered in the preparation of the Consolidated Financial Statements:

	Country of incorporation	Nature of business	% Equity interest	
			31 March 2022	31 March 2021
Subsidiaries				
Direct				
Smartchem Technologies Limited	India	Manufacturing and Trading	100.00	100.00
Deepak Mining Services Private Limited	India	Services	100.00	100.00
Deepak Nitrochem Pty Limited	Australia	Services	100.00	100.00
SCM Fertichem Limited	India	Farm and Trading	100.00	100.00
Ishanya Brand Services Limited	India	Trading	100.00	100.00
Indirect				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	93.43	88.91
Australian Mining Explosives Pty Ltd.	Australia	Services	65.00	65.00
Complete Mining Solution Private Limited (upto 14.02.2022)	India	Services	-	100.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	100.00
Entity with joint control				
Yerrowda Investments Limited	India	Realty	85.00	85.00

The Group has not consolidated its associate, Ishanya Realty Corporation Limited in which it holds 49.99% (₹ 5 Lakhs) as it has not started its operations yet and does not have any material impact on the consolidated financial statements.

Complete Mining Solutions Private Limited, step-down subsidiary of the Holding Company, has been struck off from the register of companies (from the record of Registrar of Companies, Ministry of Corporate Affairs, Government of India) and the said Company is dissolved on 14 February 2022.

Note 55

Previous period's figures have been reclassified/ regrouped wherever necessary.

Notes 3 to 55 form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2022

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Ritesh Chaudhry
Vice-President and
Head-Legal and Secretarial
Membership No: A19966

Place: Pune
Date: 25 May 2022

Leadership **Team**

S. C. Mehta
Chairman &
Managing Director

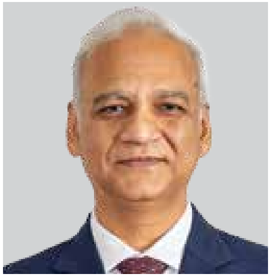
Amitabh Bhargava
President – Finance & CFO

Arun Vijayakumar
President – Projects

Debasish Banerjee
President – Strategic Projects

Mahesh Girdhar
President – Crop Nutrition
Business

Mahesh M.
CEO - Creaticity



Mukul Agrawal
President – Manufacturing

Naresh Kumar Pinisetti
President – Corporate
Governance

Pandurang Landge
President – Commercial &
Strategic Growth

Rajiv Rao
President – Industrial
Chemicals

Ritesh Chaudhry
Vice President &
Head- Legal & Secretarial &
Company Secretary

Romy Sahay
President – Human
Resource

Tarun Sinha
President – Technical
Ammonium Nitrate

Company **Information**

C. K. Mehta
Chairman Emeritus

BOARD OF DIRECTORS

S. C. Mehta
Chairman & Managing Director

Parul S. Mehta
Non-Executive Woman Director

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

Partha Bhattacharyya
Independent Director

Berjis Desai
Independent Director
(Upto 27th December, 2021)

Ashok Kumar Purwaha
Independent Director

Alok Perti
Independent Director
(Upto 21st April, 2022)

Dr. Amit Biswas
Independent Director
(Upto 21st April, 2022)

Bhuwan Chandra Tripathi
Independent Director

Sujal Shah
Independent Director

Varsha Purandare
Independent Woman Director

Jayesh Shah
Independent Director
(w.e.f. 20th December, 2021)

COMPANY SECRETARY AND
COMPLIANCE OFFICER

Ritesh Chaudhry
Vice President & Head - Legal &
Secretarial & Company Secretary

MANAGEMENT TEAM

Amitabh Bhargava
President – Finance & CFO

Arun Vijayakumar
President – Projects

Debasish Banerjee
President – Strategic Projects

Mahesh Girdhar
President – Crop Nutrition Business

Mahesh M.
CEO - Creaticity

Mukul Agrawal
President – Manufacturing

Naresh Kumar Pinisetti
President – Corporate Governance

Pandurang Landge
President – Commercial &
Strategic Growth

Rajiv Rao
President – Industrial Chemicals

Romy Sahay
President – Human Resource

Tarun Sinha
President – Technical Ammonium
Nitrate

BANKERS

Bank of Baroda
Kotak Mahindra Bank Ltd
IDFC FIRST Bank Ltd
AXIS Bank Ltd
HDFC Bank Ltd
State Bank of India
Bank of India
INDUSIND Bank Ltd
IDBI Bank Ltd
EMIRATES NBD Bank
EXPORT IMPORT Bank of India

LEGAL ADVISORS

Crawford Bayley & Co.
Zeus Law Associates
H&Co. Legal
Lakshmi Kumaran & Sridharan
Attorneys
Argus Partners
Link Legal

AUDITORS

P G BHAGWAT LLP
Chartered Accountants

SECRETARIAL AUDITOR

SVD & Associates
Company Secretaries

COST AUDITOR

Harshad S. Deshpande &
Associates
Cost Accountants

INTERNAL AUDITOR

Ernst & Young LLP

REGISTERED AND CORPORATE OFFICE

Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036, Maharashtra.
CIN: L24121MH1979PLC021360
E-mail: investorgrievance@dfpcl.com
Website: www.dfpcl.com
Phone: +91 20 6645 8000

PLANTS:

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

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

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

Plot No. D - II / 7A, Dahej GIDC
Industrial Estate, Village Rahiyad,
Taluka Vagra,
District Bharuch – 392 130,
Gujarat.

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

Sai Hira, Survey No. 93, Mundhwa, Pune – 411 036,
Maharashtra, India. CIN: L24121MH1979PLC021360

www.dfpcl.com

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L24121MH1979PLC021360

2. Name of the Company: Deepak Fertilisers And Petrochemicals Corporation Limited

3. Registered and Corporate Address: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036, Maharashtra

4. Website: www.dfpcl.com

5. E-mail: investorgrievance@dfpcl.com

6. Financial Year Period: 2021 -2022

7. Sector(s) that company is engaged in (industrial activity code-wise): Industrial Chemicals (NIC Code 46691)

8. List three key products/services that the Company manufactures/ provides (as in balance sheet):
   - Iso Propyl Alcohol (IPA)
   - Nitric Acid
   - Methanol

9. Total number of locations where business activity is undertaken by the Company:

   Number of locations: 3

     - Registered and Corporate Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036

- MIDC Industrial Area, Taloja, Maharashtra

- Plot No. D - II / 7A, Dahej GIDC Industrial Estate, Village Rahiyad, Taluka Vagra,
  District Bharuch – 392 130, Gujarat.

10. Markets served by the Company (Local / State / National / International):

    National and International

Section B: Financial Details of the Company

1. Paid up Capital: Rs. 120.59 Crore

2. Total Turnover: Rs. 2,289.44 Crore

3. Total Profit after Taxes: Rs. 197.78 Crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

   Please refer to the Annual Report on CSR forming part of the Annual report.

5. List of activities in which expenditure in 4 above has been incurred:

   Please refer to the CSR Report

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

   Yes.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

   Yes, the Material Subsidiary Company viz. Smartchem Technologies Limited has commenced participating in Business Responsibility activities of the Company.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

   Business responsibility related activities are limited to its own business of the Company.

Section D: Business Responsibility Information

1. Details of Director / Directors responsible for the implementation of Business Responsibility Policy:

DIN:	00128204
Name:	Shri S. C. Mehta
Designation:	Chairman and Managing Director

2. Details of Business Responsibility Head:

DIN:	Not Applicable
Name:	Shri Amitabh Bhargava
Designation:	Chief Financial Officer
Phone:	020 - 66458000
Email Id:	amitabh.bhargava@dfpcl.com

3. Principle wise BR policies: Included in this report

4. Governance related to BR: Included in this report

Section E: Principle wise Performance: Included in this report:

Preface:

As per the Amended Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued by SEBI, annual report of top 1000 listed entities based on market capitalization calculated as on March 31 of every year shall contain, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective.

The business responsibility reporting requirement is in line with "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" notified by Ministry of Corporate Affairs, Government of India, in July 2011.

Principle wise BR Policies

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

DFPCL is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct ("Code") for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on periodical basis. No Complaints linked to the Code of Conduct adherence were received in the reporting year.

This Policy is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to encourage the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

DFPCL has put in place a Whistle Blower Policy, which lays down the process to report any unethical behaviour or violation of the Code of Conduct. Employees can report to the Management any instances of unethical behaviour, or suspected fraud or violation of the Code of Conduct or ethics policy. Adequate measures are in place to ensure safeguards against victimisation for employees who report any unethical behaviour.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

DFPCL believes that aligning business actions with sustainability goals ensures a long-term growth for the Company. DFPCL is committed to make use of environment friendly and cost-effective technology/process to reduce energy intensity, toxicity and waste. It also always strives to make the products which are safe for use. Energy consumption is constantly monitored at the plants with a view to achieve overall reduction in its use. The processes are also reviewed and modified so as to reduce the requirement of water from time to time.

Principle 3:

Businesses should promote the well-being of all employees

DFPCL is committed to professional development and growth of employees through selecting the right candidate for right job, monitoring performance for optimum utilization of their potential, providing growth opportunities and inculcating the culture of mutual faith and accountability. DFPCL is also committed to the holistic growth of employees by motivating them to perform at the peak of their potential by imparting necessary guidance and training at all levels and providing them with opportunities for enhancing their knowledge and honing their skills.

The policies and procedures in the Company are aligned to meet employees’ well-being, diversity, non-discrimination, safety and health so as to have a healthy, cordial and harmonious relationships and value enhancement at all levels.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

DFPCL remain deeply concerned about the healthy engagement with its various stakeholders like employees, suppliers, stockists, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities. The Company continues its engagement with them through various mechanisms such as supplier/vendor meets, customer/employee satisfaction surveys, investor forums, consultations with local communities etc. The Company endevours to encourage there is no discrimination against socially disadvantaged sections in the workplace. The Company makes best efforts to balance between needs of multiple stakeholders in the best possible manner.

Principle 5:

Businesses should respect and promote human rights.

DFPCL believes that human rights are fundamental, inherent, universal, indivisible and interdependent in nature and hence, continuously strive to balance the employees' basic human rights as a part of its holistic concern for all its stakeholders.

Principle 6:

Businesses should respect, protect, and make efforts to restore the environment:

DFPCL is committed to safety and preservation of environment and also believes in conservation of natural resources and minimizing hazardous impact on the ecological environment. The Company always believes in using natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies.

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

DFPCL believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc. on the policies framed by the competent authorities. The Company may either itself or through various association/forums/chambers make such representations etc. before the competent authorities. The Company's engagement with the relevant association/forums/chambers etc. is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Principle 8:

Businesses should support inclusive growth and equitable development

DFPCL's philosophy for delineating its responsibility as a corporate citizen is covered through its CSR policy which encompasses guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large.

The Company has in place a Corporate Social Responsibility Policy framed as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and is carrying out various CSR Activities in accordance with the Schedule VII of the Companies Act, 2013.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customers are one of the most important stakeholders. The foundation of the Company is based on the trust, satisfaction and loyalty of our consumers across the world. The Company continuously strives to make available its products that are safe and competitively priced for the benefits of its customers / end users. The Company actively interacts with its customers through a variety of platforms such as dealers meet.

****