Independent Auditors' Report

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the audit of Consolidated Ind AS financial statements

We have audited the accompanying Consolidated Ind AS financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint operations, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group, its associates and joint operations are responsible for assessing the ability of the Group, its associates and joint operations 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 Group, its associates and joint operations or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of these Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We are also responsible to 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, its associates, and joint operations to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS 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, its associates and joint operations to cease to continue as a going concern.

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

Opinion

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 information of the subsidiaries, associates and joint operations, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint operations as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of matter

1. Corresponding figures for the year ended 31 March 2017 were audited by the predecessor auditor who had expressed an unmodified opinion on those Consolidated Ind AS financial statements vide their report dated 30 June 2017. We draw attention to note 39 of the Consolidated Ind AS financial statements, which more fully explains that the comparative information for the year ended 31 March 2017 has been restated in the special purpose financial statements audited by the predecessor auditors, whose audit report dated, 29 May 2018 expressed an unmodified audit opinion on such special purpose financial statements. Our opinion is not modified in respect of this matter.
2. We draw attention to the following notes to the Consolidated Ind AS financial statements:
    - note 45 which more fully explains that the Department of Fertilisers has released the fertiliser subsidy of Rs. 310 crores based on issue of bank guarantee of an equivalent amount; and
    - note 46 which more fully explains that GAIL, a vendor, has claimed an amount of Rs. 357 crores in respect of supply of gas for manufacture of products other than urea.

Our opinion is not modified in respect of these matters.

Other Matters

1. We did not audit the financial statements and other financial information of eight subsidiaries (including step-down subsidiaries) included in the Consolidated Ind AS financial statements, whose financial statements reflect total assets of Rs 580,330 Lacs and net assets of Rs. 277,611 Lacs as at 31 March 2018, total revenues of Rs. 314,746 Lacs and net cash inflows amounting to Rs. 748 Lacs for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 239 lacs for the year ended 31 March 2018 in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, associates and joint operations is based solely on the reports of the other auditors.
2. Certain of these subsidiaries are located outside India and 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 Group's management has converted the financial statements 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 made by the Group'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 the other auditors and the conversion adjustments prepared by the management of the Group and which have been audited by us.

    Our opinion above on the Consolidated Ind AS 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 / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 information of subsidiaries, associates and joint operations, as noted in the 'other matter' 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 Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies, and joint operations incorporated in India, none of the directors of the Group companies, its associate companies, and joint operations incorporated in India are disqualified as on 31 March 2018 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 financial statements of the Holding Company, its subsidiary companies, associate companies and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and also the other financial information of the subsidiaries, associates and joint operations, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint operations. Refer Note 38 to the Consolidated Ind AS financial statements.

ii. The Group, its associates and joint operations did not have any material foreseeable losses on long-term contracts, including derivative contracts.

iii. Following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Year	Type of dividend	Dividend unpaid (INR in Lacs)	Status
1997-1998	Final	0.37	Not transferred to Investor Education and Protection Fund due to pending litigation on ownership of shares

iv. The disclosures in the Consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm registration No: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Mumbai
Date: 30 May 2018

Annexure "A" to the Independent Auditor's Report on the Consolidated Ind AS financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited

Referred to in paragraph 1(f) in "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the Members of Deepak Fertilisers And Petrochemicals Corporation Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to the financial statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of 31 March 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint operations which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors as mentioned in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements 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 financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Associates LLP
Chartered Accountants
Firm registration No: 116231W/W-100024

Raajnish Desai
Partner
Membership No.: 101190

Place: Mumbai
Date: 30 May 2018

Consolidated Balance Sheet
as at 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Notes	As at 31 March 2018	31 March 2017 Restated (refer note 39)	1 April 2016 Restated (refer note 39)
ASSETS				
Non-current assets				
Property, plant and equipment	2	2,14,383	2,01,910	1,32,399
Capital work-in-progress	3	65,384	38,527	39,620
Investment property	4	511	511	511
Goodwill		2,666	1,460	1,498
Other intangible assets	5	1,322	1,742	511
Financial assets				
i. Investments	6(a)	1,001	1,244	1,472
ii. Loans	8	7	-	-
iii. Other financial assets	11	1,682	2,814	4,291
Deferred tax assets (net)	12	7,847	15,847	26,801
Income tax assets (net)		8,832	6,765	5,776
Other non - current assets	13	42,755	15,640	11,686
Total non-current assets		**3,46,390**	**2,86,460**	**2,24,565**
Current assets				
Inventories	14	76,849	50,453	60,592
Financial assets				
i. Investments	6(b)	37,773	14,161	3,585
ii. Trade receivables	7	1,96,537	1,31,133	1,51,953
iii. Cash and cash equivalents	9	9,184	9,279	21,774
iv. Other bank balances	10	847	523	793
v. Loans	8	446	554	265
vi. Other financial assets	11	1,855	700	1,122
Other current assets	15	29,265	11,550	7,192
Total current assets		**3,52,756**	**2,18,353**	**2,47,276**
Total assets		**6,99,146**	**5,04,813**	**4,71,841**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	8,820	8,820	8,820
Other equity	17	1,95,797	1,92,797	1,85,629
Equity attributable to owners of the Company		2,04,617	2,01,617	1,94,449
Non controlling interest		4,033	790	774
Total equity		**2,08,650**	**2,02,407**	**1,95,223**

Consolidated Balance Sheet

as at 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Notes	As at 31 March 2018	31 March 2017 Restated (refer note 39)	1 April 2016 Restated (refer note 39)
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	18(a)	62,552	47,150	48,843
ii. Other financial liabilities	19	-	129	183
Provisions	20	4,839	4,092	3,777
Total non-current liabilities		**67,391**	**51,371**	**52,803**
Current liabilities				
Financial liabilities				
i. Borrowings	18(b)	2,83,922	1,19,771	1,40,712
ii. Trade payables	21	90,898	43,861	47,730
iii. Other financial liabilities	19	33,852	72,867	21,991
Other current liabilities	22	12,899	12,473	11,782
Provisions	20	956	786	708
Current tax liabilities (net)		578	1,277	892
Total current liabilities		**4,23,105**	**2,51,035**	**2,23,815**
Total liabilities		**4,90,496**	**3,02,406**	**2,76,618**
Total equity and liabilities		**6,99,146**	**5,04,813**	**4,71,841**
Significant accounting policies	1			
The accompanying notes form an integral part of the consolidated Ind AS financial statements	2-48			

As per our report of even date attached

For and on behalf of Board of Directors
Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. MEHTA
Chairman & Managing Director
DIN : 00128204

PRANAY VAKIL
Director
DIN : 00433379

AMITABH BHARGAVA
President & CFO

RAAJNISH DESAI
Partner
Membership No.: 101190

S. R. WADHWA
Director
DIN : 00228201

K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361

Mumbai
Dated: 30 May 2018

Mumbai
Dated: 30 May 2018

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017 Reinstated (refer note 39)
Income			
Revenue from operations	23	6,06,154	4,37,812
Other income	24	2,409	1,586
Total income		**6,08,563**	**4,39,398**
Expenses			
Cost of materials consumed	25	2,37,317	1,47,401
Purchases of stock-in-trade	26	2,27,716	1,35,019
Changes in inventories of finished goods and stock-in-trade	27	(9,539)	11,899
Excise duty		6,668	22,801
Employee benefits expense	28	24,580	21,017
Finance costs	29	17,316	12,147
Depreciation and amortisation expense	30	16,323	13,502
Other expenses	31	64,894	52,336
Total expenses		**5,85,275**	**4,16,122**
Profit before share of (loss) of equity accounted investees and income tax		**23,288**	**23,276**
Share of (loss) of equity accounted investees		(239)	(231)
Profit before tax		**23,049**	**23,045**
Tax expenses			
- Current tax		4,049	4,582
- MAT credit entitlement		(1,700)	(693)
- Deferred tax charge		4,290	3,694
Total tax expense		**6,639**	**7,583**
Profit for the year		**16,410**	**15,462**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(139)	(364)
Income tax relating to these items		48	126
Total (A)		**(91)**	**(238)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(31)	(6)
Changes in fair value of investment through OCI		(63)	44
Income tax relating to these items		33	(13)
Total (B)		**(61)**	**25**

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017 Reinstated (refer note 39)
Other comprehensive income for the year, net of tax liability (A+B)		**(152)**	**(213)**
Total comprehensive income for the year		**16,258**	**15,249**
Profit attributable to:			
-Owners of the Company		16,267	15,431
-Non controlling interests		143	31
Other comprehensive income:			
-Owners of the Company		(148)	(212)
-Non controlling interests		(4)	(1)
Total comprehensive income attributable to:			
-Owners of the Company		16,119	15,219
-Non controlling interests		139	30
		16,258	**15,249**
Earning per Equity Share of ₹ 10 each			
i) Basic (in ₹)		18.60	17.53
ii) Diluted (in ₹)		18.60	17.53
Weighted average number of Equity Shares of ₹ 10 each		8,82,04,943	8,82,04,943
Significant accounting policies	1		
The accompanying notes form an integral parts of the consolidated Ind AS financial statements.	2-48		

As per our report of even date attached

For and on behalf of Board of Directors
Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. MEHTA
Chairman & Managing Director
DIN : 00128204

PRANAY VAKIL
Director
DIN : 00433379

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President & CFO

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Partner
Membership No.: 101190

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Director
DIN : 00228201

K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361

Mumbai
Dated: 30 May 2018

Mumbai
Dated: 30 May 2018

Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

A. Equity Share Capital

	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	8,820	8,820	8,820
Changes in equity shares capital during the year	-	-	-
Balance at the end of the year	**8,820**	**8,820**	**8,820**

B. Other Equity

						Items of Other Comprehensive Income (OCI)				Total
	Securities premium reserve	Capital Redemption Reserve	Debenture redemption reserve	General Reserve	Retained earnings	Fair Value through OCI	Other Items of Comprehensive Income	Total attributable to Owners of the Group	Non Controlling Interest	
Balance as at 1 April 2016, as previously reported (refer note 39)	**10,799**	**1,950**	**5,000**	**17,867**	**108,221**	**(40)**	**150**	**143,947**	**774**	**144,721**
Impact of correction of error (refer note 39)	**-**	**-**	**-**	**-**	**41,901**	**27**	**(246)**	**41,682**	**-**	**41,682**
Balance as at 1 April 2016 - Reinstated (refer note 39)	**10,799**	**1,950**	**5,000**	**17,867**	**150,122**	**(13)**	**(96)**	**185,629**	**774**	**186,403**
Profit for the year	-	-	-	-	15,431		-	15,431	16	15,447
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-		(245)	(245)	-	(245)
Fair Valuation of Investment, net of tax	-	-	-	-	-	31	-	31	-	31
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**15,431**	**31**	**(245)**	**15,217**	**16**	**15,233**
Dividends paid	-	-	-	-	25	-	-	25	-	25
Transfer from debenture redemption reserve	-	-	1,250	-	(1,250)	-	-	-	-	-
Deferred Tax on demerger	-	-	-	-	(8,074)	-	-	(8,074)	-	(8,074)
Balance as at 31 March 2017	**10,799**	**1,950**	**6,250**	**17,867**	**156,254**	**18**	**(341)**	**192,797**	**790**	**193,587**
Profit for the year	-	-	-	-	16,267	-	-	16,267	143	16,410
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	(122)	(122)	-	(122)
Fair Valuation of Investment, net of tax	-	-	-	-	-	(30)	-	(30)	-	(30)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**16,267**	**(30)**	**(122)**	**16,115**	**143**	**16,258**
Issue of shares during the year	(263)	-	-	-	-	-	-	(263)	3,100	2,837
Dividends paid	-	-	-	-	(7,292)	-	-	(7,292)	-	(7,292)
Transfer from debenture redemption reserve	-	-	(6,250)	-	6,250	-	-	-	-	-
Transfer to general reserve	-	-	-	55	(55)	-	-	-	-	-
Deferred Tax on demerger	-	-	-	-	(5,560)	-	-	(5,560)	-	(5,560)
Balance at 31 March 2018	**10,536**	**1,950**	**-**	**17,922**	**165,864**	**(12)**	**(463)**	**195,797**	**4,033**	**199,830**

Note (1) Refer note 17 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 and on behalf of Board of Directors
Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

S. C. MEHTA
Chairman & Managing Director
DIN : 00128204

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Partner
Membership No.: 101190

S. R. WADHWA
Director
DIN : 00228201

K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361

Mumbai
Dated: 30 May 2018

Mumbai
Dated: 30 May 2018

Consolidated Statement of Cash Flow

for the year ended 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit before income tax	**23,049**	**23,045**
Adjustments for		
Depreciation and amortisation expense	16,323	13,502
(Gain)/Loss on disposal of property, plant and equipment	112	270
Bad debts and advances written off, allowances for doubtful trade receivable and advances (net)	222	402
Dividend income	(2)	(13)
Gain on sale of investments	(429)	(326)
Interest income	(627)	(721)
Finance costs	17,316	12,147
Unrealised foreign exchange differences	1,450	(537)
Change in operating assets and liabilities, net of effects from purchase and sale of subsidiaries and associates:		
(Increase)/Decrease in trade receivables	(65,626)	20,418
(Increase)/Decrease in inventories	(26,396)	10,139
(Increase)/Decrease in other financial assets	604	1,495
Increase/(Decrease) in other non-current assets	(2,313)	(890)
(Increase)/Decrease in other current assets	(17,715)	(4,358)
Increase/(Decrease) in trade payables	47,037	(3,869)
Increase/(Decrease) in other financial liabilities	2,960	11,380
Increase/(Decrease) in provisions	917	393
(Decrease)/Increase in employee benefit obligations	(170)	(370)
Increase/(Decrease) in derivatives not designated as hedges	(3,168)	1,751
Increase in other current liabilities	389	960
Cash generated from operations	**(6,067)**	**84,818**
Income taxes paid (net)	(6,884)	(5,194)
Net cash flows from operating activities	**(12,951)**	**79,624**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(94,560)	(74,481)
Purchase of investments	(23,432)	(10,348)
Loans repaid / (to) related parties (net)	101	(289)
Proceeds from sale of investments	429	370
Proceeds from minority interest from rights issue	3,085	(16)
Interest received	635	503
Changes in other bank balances	(324)	290
Net cash outflow from investing activities	**(114,066)**	**(83,991)**

Consolidated Statement of Cash Flow
for the year ended 31 March 2018

(All Amounts in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from financing activities		
Proceeds from borrowings	1,78,674	41,305
Repayment of borrowings	(26,935)	(37,055)
Share issue costs	(248)	-
Interest paid	(17,317)	(12,147)
Dividends paid (including dividend distribution tax)	(7,253)	(231)
Net cash inflow (outflow) from financing activities	**126,921**	**(8,128)**
Net increase (decrease) in cash and cash equivalents	**(95)**	**(12,495)**
Cash and cash equivalents at the beginning of the year	9,279	21,774
Cash and cash equivalents at end of the year (refer note no. 9)	**9,184**	**9,279**

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

The accompaying notes forms an integral part of the consolidated Ind AS financial statements.

As per our report of even date attached

For and on behalf of Board of Directors
Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

RAAJNISH DESAI
Partner
Membership No.: 101190

Mumbai
Dated: 30 May 2018

S. C. MEHTA
Chairman & Managing Director
DIN : 00128204

S. R. WADHWA
Director
DIN : 00228201

Mumbai
Dated: 30 May 2018

PRANAY VAKIL
Director
DIN : 00433379

AMITABH BHARGAVA
President & CFO

K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361

Consolidated Notes

To the financial statements for the year ended 31 March 2018

1. CORPORATE INFORMATION

Deepak Fertlisers And Petrochemicals Corporation Limited ("the Company or the Parent Company") is a public limited 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 Group is engaged in the business of fertilisers, agri services, bulk chemicals, mining chemicals and value added real estate.

The consolidated financial statements of the Company as at and for the year ended on 31 March 2018 comprise the Company and its subsidiaries (together referred to as "the Group").

1.1. 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.

1.1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act"), 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 Lacs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than ₹ 50,000.

1.1.2 Significant accounting estimates, assumptions and judgements

The preparation of the Group's 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 liabiltiies 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.

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 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.

(iv) Equity Method

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.

(v) 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 31 March 2018	Percentage of ownership interest 31 March 2017
1	Smartchem Techologies Limited (STL)	India	100.00%	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%	100.00%
4	RungePincockMinarco India Private Limited (Subsidiary of DMSPL)	India	51.00%	51.00%
5	Desai Fruits and Vegetables Private Limited	India	31.90%	37.09%
6	SCM Fertichem Limited	India	100.00%	100.00%
7	Platinum Blasting Servies Pty Limited (PBS)[Subsidiary of STL]	Australia	71.50%	79.27%
8	Australian Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	71.50%	100.00%
9	Performance Chemiserve Private Limited	India	76.02%	-

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.

Litigations

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.

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 and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

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.

1.1.3 Summary of significant accounting policies

(a) Current verus non-current classification

The Group presents assets and liabilities inthe Balance Sheet based on current/ non-currentclassification.

An asset is treated as current when:

- It is expected to be realised or intended to besold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve monthsafter 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 afterthe 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 noncurrent.

Deferred tax assets and liabilities are classified asnon-current assets and liabilities respectively.

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

(b) Revenue recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is made. Revenue is recognized at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is stated inclusive of excise duty and excludes sales tax/ value added tax/ Goods and Service tax. The specific recognition criteria described below must also be met before revenue is recognized.

- Sale of goods: Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

- Rendering of services: Income from services are recognised as and when the services are rendered. Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.

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

- Clean Development Mechanism ('CDM') benefits known as Carbon Credit for wind energy units generated and N2O reduction in its Nitric Acid plant are recognised as revenue when the revenue can be reliably measured and there are no significant uncertainties regarding ultimate collection.

- Credits on account of Duty Drawback and other benefits are accounted for on an accrual basis.

- Dividend income is accounted for when the right to receive the dividend is established, which is generally when the shareholders approve the dividend.

(c) Property, plant and equipment

Items of property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bring the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized in the statement of profit or loss, as incurred. In respect of additions to/ deletions from fixed assets, depreciation is provided on a pro-rata basis with reference to the month of addition/ deletion of the assets. Freehold land is carried at historical cost.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013. As per requirements of the Companies Act, 2013, the Group has also identified significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule II of the Companies Act, 2013. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Name of assets	**Estimated useful life (in years)**
Computers - Servers and Networks	3 – 6
End User Devices such as, desktops, laptops	3 – 6
Vehicles	4 for employee vehicles and 6 – 7 for others
Buildings (other than factory buildings) with RCC frame structure	61
Plant and Machinery	Various estimated lives upto 25. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & Machinery used for generation of power through gas	40

Capitalised machinery spares are depreciated over the remaining useful life of the related machinery/equipment. Leasehold Land is amortised over the lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(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 statement of profit or 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 statement of profit or loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 4
Technical knowhow/ engineering fees	3 to 4
Licence/ franchise fees	3 to 4

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.

(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 capitalisedas 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) Foreign currency transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing rates prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items, at rates different from those at which they were initially recorded, during the year or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/ loss and fair value gain/ loss on derivative contract relating to borrowings are accounted and dislosed under finance cost. Such exchange difference do not include foreign exchange difference regarded as an adjustment to the borrowing cost and capitalized with cost of fixed assets.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the Balance Sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(g) 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 Statement of Profit and Loss. The losses arising from impairment are recognised in the 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 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 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 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 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 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 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 Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in 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 draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 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 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.

(h) Leases

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

Group as a lessee

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

Group as a lessor

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

(i) Inventories

- 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 or net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjused 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.

(j) 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 cash flows 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 cash flows 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 statement of profit and loss.

(k) 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 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.

(l) Employee benefits

Defined contribution schemes

Provident Fund and superannuation are a defined contribution schemes. The contributions to these schemes are charged to the statement of profit and loss in the year in which the employee renders the related services.

Defined benefit schemes

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation based on the projected unit credit method made at the end of the financial year by an independent actuary. The scheme is funded with an Insurance company in the form of qualifying insurance policy.

The defined benefit obligation for post employment pension and medical benefits is also calculated at the end of the financial year by an independent actuary using the projected unit credit method.

The Group has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

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

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 statement of profit and loss.

(n) 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.

(o) 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.

(p) 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 forseeble 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.

Minimum Alternate Tax (MAT)

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

(q) 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.

(r) Investment property

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

(s) 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. Inter-segment 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.

(t) Business combinations

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively;
- Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of a bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(u) 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 contigent 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.

(v) Government grants

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

(w) New Standards issued but yet to be adopted

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Accounting Standards ('Ind AS') and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

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

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is evaluating the impact of this amendment on its financial statements and will apply the standard using the cumulative effective method, with the effect of initially applying IND AS 115 being recognized as an adjustment to the opening balance of retained earnings of the annual reporting period.

Ind AS 21 – The effect of changes in Foreign Exchanges rates

The amendment has been incorporated in Ind AS 21 as Appendix B, which clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix is applicable for accounting periods beginning on or after April 1, 2018.The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its consolidated financial statements.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 2: PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Lease-hold Land	Buildings	Plant and equipment	Electric installation	Furniture & fixtures	Laboratory equipments	Vehicles	Office equipments	Total
Gross carrying amount										
As at 1 April 2016 - Restated (refer note 39)	16,127	1,504	26,989	91,941	2,626	1,039	339	1,553	939	1,43,057
Additions	-	12,495	9,898	58,815	680	20	42	556	710	83,216
Disposals	-	-	-	(466)	-	-	(1)	(139)	(11)	(617)
Adjustments	-	(2)	-	-	-	-	-	-	-	(2)
Gross carrying amount as at 31 March 2017	**16,127**	**13,997**	**36,887**	**1,50,290**	**3,306**	**1,059**	**380**	**1,970**	**1,638**	**2,25,654**
Accumulated depreciation										
Opening accumulated depreciation	-	(22)	(629)	(8,629)	(478)	(139)	(102)	(406)	(253)	(10,658)
Depreciation charge for the year	-	(122)	(1,133)	(10,569)	(494)	(147)	(67)	(453)	(294)	(13,279)
Disposals	-	-	-	98	-	-	1	88	6	193
Accumulated depreciation as at 31 March 2017	**-**	**(144)**	**(1,762)**	**(19,100)**	**(972)**	**(286)**	**(168)**	**(771)**	**(541)**	**(23,744)**
Net carrying amount as at 31 March 2017	**16,127**	**13,853**	**35,125**	**1,31,190**	**2,334**	**773**	**212**	**1,199**	**1,097**	**2,01,910**
Gross Carrying amount										
As at 1 April 2017	16,127	13,997	36,887	1,50,290	3,306	1,059	380	1,970	1,638	2,25,654
Additions	1,802	2,516	4,095	18,748	1,385	51	79	466	438	29,580
Disposals	-	-	(16)	(1,772)	-	(12)	(5)	(247)	(11)	(2,063)
Adjustment (refer footnote 1 below)	652	-	(938)	-	-	-	-	-	-	(286)
Gross carrying amount as at 31 March 2018	**18,581**	**16,513**	**40,028**	**1,67,266**	**4,691**	**1,098**	**454**	**2,189**	**2,065**	**2,52,885**
Accumulated depreciation										
Opening accumulated depreciation	-	(144)	(1,762)	(19,141)	(972)	(286)	(168)	(771)	(541)	(23,785)
Depreciation charge for the year	-	(186)	(1,422)	(12,477)	(543)	(149)	(44)	(492)	(421)	(15,734)
Disposals	-	-	-	552	-	9	4	162	10	737
Adjustments	-	-	286	(6)	-	-	-	-	-	280
Accumulated depreciation as at 31 March 2018	**-**	**(330)**	**(2,898)**	**(31,072)**	**(1,515)**	**(426)**	**(208)**	**(1,101)**	**(952)**	**(38,502)**
Net carrying amount as at 31 March 2018	**18,581**	**16,183**	**37,130**	**1,36,194**	**3,176**	**672**	**246**	**1,088**	**1,113**	**2,14,383**

Notes 1. Buildings gross value of which is ₹ 938 Lacs has been demolished during the year and net value representing the value of the land has been transferred to freehold land.

2. Refer Note 18(b) for information on Property, plant and equipment provided as security against borrowings by the Group.

3. Refer Note 29 for finance cost capitalized.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 3: CAPITAL WORK-IN-PROGRESS

	31 March 2018	31 March 2017	1 April 2016
Projects (mainly comprising buildings and plant and machinery)#	62,397	32,784	36,081
Others	2,987	5,743	3,539
Total	**65,384**	**38,527**	**39,620**

Includes borrowing cost of ₹ 7,099 Lacs (31 March 2017 ₹ 4,552 Lacs, 1 April 2016 ₹ 1,874 Lacs)

Note 4: INVESTMENT PROPERTIES

	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount			
Opening gross carrying amount	511	511	511
Closing gross carrying amount	**511**	**511**	**511**
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount	**511**	**511**	**511**

(i) Fair value

	31 March 2018	31 March 2017	1 April 2016
Investment properties	1,103	1,103	1,103

Estimation of fair value

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

Note 5: OTHER INTANGIBLE ASSETS

	Computer Software	Technical Know How/ Engineering Fees	License/ Franchise Fees	Total
Cost				
Opening as on 1 April 2016	**129**	**332**	**299**	**760**
Additions during the year	544	-	902	1,446
Gross carrying amount as on 31 March 2017	**673**	**332**	**1,201**	**2,206**
Additions during the year	54	-	116	170
Gross carrying amount as on 31 March 2018	**727**	**332**	**1,317**	**2,376**
Accumulated Amortisation				
Opening as on 1 April 2016	**28**	**32**	**189**	**249**
Amortisation charge for the year	60	32	123	215
Closing accumulated amortisation as at 31 March 2017	**88**	**64**	**312**	**464**
Amortisation charge for the year	86	32	472	590
Closing accumulated amortisation as at 31 March 2018	**174**	**96**	**784**	**1,054**
Net Block as at 1 April 2016	**101**	**300**	**110**	**511**
Net Block as at 31 March 2017	**585**	**268**	**889**	**1,742**
Net Block as at 31 March 2018	**553**	**236**	**533**	**1,322**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 6: FINANCIAL ASSETS

Note 6(a): NON - CURRENT INVESTMENTS

	31 March 2018	31 March 2017	1 April 2016
Equity accounted investees - interest in associates			
50,81,363 (31 March 2017 : 50,81,363, 1 April 2016 : 50,81,363) equity shares of Desai Fruit and Vegetables Private Limited of ₹10 each	919	1,158	1,389
49,994 (31 March 2017 : 49,994, 1 April 2016 : 49,994) equity shares of Ishanya Realty Corporation Limited of ₹10 each	5	5	5
49,994 (31 March 2017 : 49,994, 1 April 2016 : 49,994) equity shares of Ishanya Brand Service Limited of ₹10 each	5	5	5
Investments in equity shares of (unquoted) Others (fully paid up)			
88,448 (31 March 2016 : 88,448, 1 April 2015 : 88,448) equity shares of Sterling Pound 1 each of Deepak International Limited	69	69	69
Investments in Equity Shares at Fair Value (Quoted - Fully Paid up)			
4,715 (31 March 2017: 4,715, 1 April 2016: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	7	4
Total	**1,001**	**1,244**	**1,472**
Aggregate amount of quoted investments and market value thereof	3	7	4
Aggregate amount of unquoted investments	998	1,237	1,468
Aggregate amount of impairment in the value of investments	-	-	-

Note 6(b): CURRENT INVESTMENTS

	31 March 2018	31 March 2017	1 April 2016
Quoted			
Investment in Debt Securities (carried at fair value through OCI)	1,636	1,647	1,635
Investment in Government Securities (carried at fair value through OCI)	1,026	1,125	1,083
Unquoted			
Investment in Mutual funds (carried at fair value through profit and loss)	35,111	11,389	867
Total	**37,773**	**14,161**	**3,585**

Note 7: TRADE RECEIVABLES

	31 March 2018	31 March 2017	1 April 2016
Trade Receivables (Unsecured)			
Considered good	1,96,537	1,31,133	1,51,953
Considered doubtful	1,334	1,112	710
Less: Allowance for expected credit loss	(1,334)	(1,112)	(710)
Total	**1,96,537**	**1,31,133**	**1,51,953**

Movement in allowance for expected credit loss:

	31 March 2018	31 March 2017	1 April 2016
Balance at beginning of the year	1,112	710	341
Add: Allowance for expected credit loss	222	402	369
Less: Reversed / utilized during the year	-	-	-
Balance as at the end of the year	**1,334**	**1,112**	**710**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 8: LOANS

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Unsecured, considered good						
Loans to employees	218	-	59	-	95	-
Other loans	228	7	495	-	170	-
Total	**446**	**7**	**554**	**-**	**265**	**-**

Note 9: CASH & CASH EQUIVALENTS

	31 March 2018	31 March 2017	1 April 2016
Balances with banks		-	-
- in current accounts	3,840	6,986	5,973
- in EEFC accounts	224	72	465
- in deposits with original maturity upto three months	3,021	1,046	15,021
Cash on hand	10	6	14
Cheques on hand	2,089	1,169	301
Total	**9,184**	**9,279**	**21,774**

Note 10: OTHER BANK BALANCES

	31 March 2018	31 March 2017	1 April 2016
Earmarked balances with banks			
Unclaimed dividend	647	466	735
Short term deposits with maturity upto twelve months from the reporting date	200	57	58
Total	**847**	**523**	**793**

Note 11: OTHER FINANCIAL ASSETS

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(i) Derivatives not designated as hedge						
Foreign-exchange forward contracts	34	-	-	-	39	-
Foreign currency options	601	-	-	-	583	-
(ii) Others						
Interest receiveable	690	-	698	-	480	-
Balances with banks with original maturity after twelve months from the reporting date(*)	-	8	-	1,167	-	1,867
Security deposits	-	1,358	2	1,282	20	1,944
Others	530	316	-	365	-	480
Total	**1,855**	**1,682**	**700**	**2,814**	**1,122**	**4,291**

* ₹ Nil (31 March 2017 : ₹ 1,159 Lacs, 1st April 2016 : ₹ 1,159 Lacs) kept as fixed deposit with Bank of Baroda, London, as a lien for External Commercial Borrowings.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 12: DEFERRED TAX ASSEST (NET)

Movements during the year ended 31 March 2018:

	1 April 2017	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2018
Property, plant and equipment and investment property	15,803	(249)	-	15,554
Other Intangible assets	26,288	5,875	-	32,163
Financial assets at fair value through profit or loss	(263)	237	-	(26)
Financial assets at fair value through OCI (including derivatives)	(76)	-	(70)	(146)
MAT credit entitlement	(1,105)	(1,700)	-	(2,805)
Deferred tax on entry tax provision	(1,347)	-	-	(1,347)
Provisions	(737)	(627)	-	(1,364)
Others include deferred tax on goodwill and intangible asset	(54,410)	4,534	-	(49,876)
Net deferred tax asset	**(15,847)**	**8,070**	**(70)**	**(7,847)**

Movements during the year ended 31 March 2017:

	1 April 2016 (Restated refer note 39)	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2017
Property, plant and equipment and investment property	14,706	1,097	-	15,803
Other Intangible assets	18,235	8,053	-	26,288
Financial assets at fair value through profit or loss	(346)	83	-	(263)
Financial assets at fair value through OCI (including derivatives)	34	-	(110)	(76)
MAT credit entitlement	(412)	(693)	-	(1,105)
Deferred tax on entry tax provision	(1,347)	-	-	(1,347)
Provisions	(777)	40	-	(737)
Others include deferred tax on goodwill and intangible asset	(56,894)	2,484	-	(54,410)
Net deferred tax asset	**(26,801)**	**11,064**	**(110)**	**(15,847)**

Note 13: OTHER NON-CURRENT ASSETS

	31 March 2018	31 March 2017	1 April 2016
Capital advances	35,604	10,802	7,738
Balances with government authorities	7,123	4,658	3,886
Prepaid Expenses	28	180	62
Total	**42,755**	**15,640**	**11,686**

Note 14: INVENTORIES

	31 March 2018	31 March 2017	1 April 2016
Raw materials Includes ₹ 2,689 Lacs (31 March 2017 ₹ 2,365 Lacs, 1 April 2016 ₹ 92 Lacs) in transit	22,115	7,144	10,170
Finished goods	16,356	14,344	4,947
Stock-in-trade Includes ₹ 670 Lacs (31 March 2017 ₹ 18 Lacs, 1 April 2016 Nil) in transit	20,647	13,258	33,401
Stores and spares Includes ₹101 Lacs (31 March 2017 ₹ 138 Lacs, 1 April 2016 ₹ 275 Lacs) in transit	15,888	13,820	10,446
Packing materials	1,843	1,887	1,628
Total	**76,849**	**50,453**	**60,592**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 15: OTHER CURRENT ASSETS

	31 March 2018	31 March 2017	1 April 2016
Advances for supply of goods and services	10,863	3,043	2,896
Balances with government authorities	13,249	6,571	2,659
Prepaid expenses	3,997	1,541	1,101
Other receivables	1,156	395	536
Total	**29,265**	**11,550**	**7,192**

Note 16: SHARE CAPITAL

	31 March 2018	31 March 2017	1 April 2016
Authorised			
12,50,50,000 equity shares of ₹ 10/- each.	12,505	12,500	12,500
(31 March 2017: 12,50,00,000 equity shares of ₹ 10/- each)			
(1 April 2016: 12,50,00,000 equity shares of ₹ 10/- each)			
10,00,000 Cumulative redeemable preference shares of ₹100/- each.	1,000	1,000	1,000
(31 March 2017 : 10,00,000 Cumulative redeemable preference shares of ₹100/- each.)			
(1 April 2016 : 10,00,000 Cumulative redeemable preference shares of ₹ 100/- each.)			
	13,505	**13,500**	**13,500**
Issued, subscribed and fully paid-up			
8,82,04,943 equity shares of ₹ 10/- each.	8,820	8,820	8,820
(31 March 2017 : 8,82,04,943 equity shares of ₹ 10/- each)			
(1 April 2016 : 8,82,04,943 equity shares of ₹ 10/- each)			
	8,820	**8,820**	**8,820**

(i) Reconciliation of the number of Equity Shares

	31 March 2018		31 March 2017	
Equity Shares	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Balance as at the beginning and at the end of the year	8,82,04,943	8,820	8,82,04,943	8,820
	8,82,04,943	**8,820**	**8,82,04,943**	**8,820**

Terms and rights attached to equity shares

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

The Group 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 ensuing Annual General Meeting.

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

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

	31 March 2018		31 March 2017		1 April 2016	
	Number of shares	**% Holding**	**Number of shares**	**% Holding**	**Number of shares**	**% Holding**
Nova Synthetic Limited	4,25,94,071	48.29%	4,25,94,071	48.29%	1,72,67,000	19.58%
Fidelity Puriton Trust-Fidelity Low Priced Stock Fund	23,84,903	2.70%	72,00,000	8.16%	75,69,000	8.58%
Mr. S C Mehta	1,506	0.00%	1,506	0.00%	2,12,84,000	24.13%

(All Amounts in ₹ Lacs unless otherwise stated)

Note 17: OTHER EQUITY

Nature and purpose of other equity

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

(b) **Capital redemption reserve:** The 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) **Debenture redemption reserve:** The Group has issued non convertible debentures and as per the provisions of the Act the Group is required to create debenture redemption reserve out of the divisble profits at least equal to 25% of the nominal value of debenture issued. The Debenture redemption reserve is allowed to be released to retained earnings on completion of the redemption of debentures.

(d) **General reserve:** This represents appropriation of profits by the Group and is available for distribution of dividend.

(e) **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 shareholders.

After the reporting date, the following dividend (excluding dividend distribution tax) was proposed by the Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as a liability. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2018	31 March 2017
₹ 6 per equity share (31 March 2017 : ₹ 6 per equity share)	5,292	5,292

Note 18: FINANCIAL LIABILITIES

Note 18 (a) NON - CURRENT BORROWINGS

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017	1 April 2016
Secured						
External commercial borrowings (ECBs)						
Bank of Baroda,London	30 June 2017	Repayable in 20 quarterly installments commencing from 30th September, 2012 and last installment is paid on 30th June, 2017	At variable interest rate of LIBOR + 325 bps payable quarterly (average for the year 4.32% (3.80%).	-	1,943	6,596
HSBC Bank (Mauritius) Ltd.	29 July 2016	Repayable in 6 equal half yearly installments commencing from 31st January, 2014 and last installment is paid on 29th July, 2016	At variable interest rate of LIBOR + 300 basis points payable half yearly. the Group has taken interest rate swap from floating to fixed rate of 6.09%.	-	-	2,755
Debentures						
2,500, 9.71% Redeemable Privately Placed NCDs of ₹ 10 Lacs each	18 Jan 2018	Redeemed in single installment on 18th January, 2018	9.71% per annum payable annually.	-	24,992	24,981
Term loans				-	-	-
State Bank of India		Repayable in 28 quarterly installments starting from Jun 2017 onwards.	At variable average interest rate payable monthly (average for the year: 9.66% (Previous Year : 9.95%))	38,570	42,516	10,000
Kotak Mahindra Bank				-	-	6,364
Export Import Bank of India				8,572	9,453	3,636

(All Amounts in ₹ Lacs unless otherwise stated)

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017	1 April 2016
Bank of Baroda (Dahej)		Redeemable in quarterly installment starting from June 2021	9.05% per annum payable annually	9,000	-	-
Export Import Bank of India (Dahej)		Redeemable in quarterly installment starting from June 2021	9.25% per annum payable annually	10,400	-	-
Westpac (PBSPL)		Repayable in 2 years from Feb. 2016.	At variable average interest rate payable monthly	293	1,829	1,876
Term Loan - State Bank of India, Sydney		Repayable from calendar year 2018 to 2022	At variable average interest rate: 4.55% (Previous Year: 4.76%)	2,452	776	43
Total				**69,287**	**81,509**	**56,251**
Less: Current maturities of long-term debt (included in note 19)				6,735	34,359	7,408
Total				**62,552**	**47,150**	**48,843**

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 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.

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

The term loan availed from State Bank of India, Sydney is secured by pari passu first charge on the movable amd immovable fixed assets of the subsidiary, second charge on current assets of subsidiary.

Note 18 (b) CURRENT BORROWINGS

	31 March 2018	31 March 2017	1 April 2016
Loans repayable on demand			
From banks			
Secured			
-Buyer's credit	71,497	38,981	30,276
-Short term loan	83,133	-	10,256
-Cash credit facilities	21	417	1,006
Bills discounting	2,487	15,895	-
Unsecured			
-Commercial paper	1,22,500	64,478	99,174
-Loans from associates	4,284	-	-
Total	**2,83,922**	**1,19,771**	**1,40,712**

Note:

Buyer’s credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year 1.92 % (31st March 2017 - 1.15 %, 1st April 2016 - 0.75%) and are secured by a first charge by way of hypothecation of stocks of raw materials, consumable stores and book debts.

Short term loan from bank is repayable on 24 May 2018 carries interest rate for the year of 9.34% (1 April 2016 - 9.45%) and is secured by a first charge by way of hypothecation of stocks of raw materials, finished goods and consumable stores and book debts.

Cash credit is repayable on demand and carry variable rate of interest (Average interest rate for the year is 8.39% (31 March 2017 - 9.44%, 1 April 2016 - 9.93%). Cash credit facilities sanctioned by banks including working capital demand loans are secured by a first charge by way of hypothecation of stocks of raw materials, stock-in-process, consumable stores and book debts.

Commercial paper borrowings carry variable interest rate. Average rate for the year is 7.04% (31 March 2017 - 7.38% , 1 April 16 - 8.51%)

Debtors bill discounting facility is availed at interest rate of 8.5% and is secured by hypothecation of debtors and stocks.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 19: OTHER FINANCIAL LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Non-current			
Security deposits	-	26	85
Retention money	-	81	30
Others	-	22	68
Total	-	129	183
Current			
Current maturities of non-current borrowings	6,735	34,359	7,408
Interest accrued	593	783	850
Security deposits	4,135	3,212	2,806
Capital creditors	2,143	15,350	3,384
Due to related parties	799	1,023	758
Foreign-exchange forward contracts payables(net)	25	1,108	516
Others (*)	19,422	17,032	6,269
Total	**33,852**	**72,867**	**21,991**

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

Note 20: PROVISIONS

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for employee benefits						
Gratuity	320	2,259	258	1,981	235	1,506
Compensated absences	515	2,040	458	1,631	455	1,667
Defined pension benefits	121	167	70	152	18	300
Total (A)	**956**	**4,466**	**786**	**3,764**	**708**	**3,473**
Other Provisions						
Provision for site restoration (refer note below)	-	373	-	328	-	304
Total (B)	**-**	**373**	**-**	**328**	**-**	**304**
Total (A+B)	**956**	**4,839**	**786**	**4,092**	**708**	**3,777**

Movement in provision for site restoration	
As at 1 April 2016	**304**
Additional provisions recognised	24
As at 31 March 2017	**328**
Additional provisions recognised	45
As at 31 March 2018	**373**

(A) Defined Contribution Plans

The Group has 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 2018	31 March 2017
Employer's contribution to provident fund	615	555
Employer's contribution to employee's pension scheme	221	207
Employer's contribution to superannuation fund	505	507
Employer's contribution to employee state insurance	13	7

(All Amounts in ₹ Lacs unless otherwise stated)

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.50% p.a. (31 March 2017: 7.80% p.a.;1 April 2016: 8.00% 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 2017: 60 years; 1 April 2016: 60 years) and mortality table is as per IALM (2006-08) (31 March 2017: IALM (2006-08); 1 April 2016: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 5% p.a. (31 March 2017: 5% p.a.; 1 April 2016: 5% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.The plans assets are maintained with Life Insurance Corporation of India 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 7.50% p.a. (31 March 2017: 7.80% p.a.; 1 April 2016: 8.00% p.a.).

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the beginning of the year	5,536	4,626	4,098
Current service cost	524	385	368
Interest cost	398	349	314
Actuarial loss	159	482	56
Benefits paid	(217)	(306)	(210)
Present value of obligation at the end of the year	6,399	5,536	4,626

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the end of the year	6,399	5,536	4,626
Fair value of plan assets at the end of the year	3,820	3,297	2,885
Net (asset)/liabilities recognised in the Balance Sheet	2,579	2,239	1,741

Fair value of Plan assets :

Particulars	31 March 2018	31 March 2017
Plan assets at the beginning of the year	3,296	2,885
Expected return on plan assets	266	97
Contribution by employer	569	618
Actual benfits paid	(311)	(303)
Acturial gain/(loss)	-	-
Plan assets at the end of the year	3,820	3,297

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

Particulars	31 March 2018	31 March 2017
Current service cost	524	385
Interest cost	398	349
Expense recognised in the Statement of Profit and Loss	922	734

Amount recognised in the other comprehensive income:

Particulars	31 March 2018	31 March 2017
Remeasurements cost / (credit)	157	473
Actuarial (gain)/loss on plan assets	(9)	-
Amount recognised in the Other Comprehensive Income	148	473

(All Amounts in ₹ Lacs unless otherwise stated)

Sensitivity analysis :

Particulars	As at 31 March 2018		As at 31 March 2018	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(346)	347	309	(285)

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

ii. Defined pension benefits

The 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 years. 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 7.50% p.a. (31 March 2017: 7.80% p.a.:1 April 2016: 8.00% 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 2017: 60 years; 1 April 2016: 60 years) and mortality table is as per IALM (2006-08) (31 March 2017: IALM (2006-08); 1 April 2016: IALM (2006-08)).

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of obligation at the beginning of the year	222	318	277
Current service cost	81	70	67
Past service cost	-	(61)	-
Interest cost	16	24	22
Actuarial loss	(10)	(108)	(38)
Benefits paid	(21)	(21)	(9)
Present value of obligation at the end of the year	288	222	318

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

Particulars	31 March 2018	31 March 2017
Current service cost	81	70
Past service cost	-	(61)
Interest cost	16	24
Expense recognised in the Statement of Profit and Loss	97	33

Amount recognised in the other comprehensive income:

Particulars	31 March 2018	31 March 2017
Remeasurements Cost / (Credit)	(9)	(109)
Actuarial (gain)/loss on plan assets	-	-
Amount recognised in the Other Comprehensive Income	(9)	(109)

Sensitivity analysis :

Particulars	As at 31 March 2018	
Assumptions	Discount rate	
Sensitivity level	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(64)	87

(All Amounts in ₹ Lacs unless otherwise stated)

Note 21: TRADE PAYABLES

	31 March 2018	31 March 2017	1 April 2016
Current			
Trade payables			
Due to micro and small enterprises	57	143	44
Due to others	90,841	43,718	47,686
Total	**90,898**	**43,861**	**47,730**

Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises.

	31 March 2018	31 March 2017	1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount outstanding (whether due or not) to micro and small enterprises	57	143	44
- Interest due thereon	1	2	4
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	44	113	133
Amount of interest due and payable on delayed payments	1	2	4
Amount of interest accrued and remaining unpaid as at year end	1	2	4
The amount of further interest remaining due and payable even in the succeeding year	-	-	-

Details of Micro and Small Enterprises as defined 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 it whether they are covered as Micro or Small 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.

Note 22: OTHER CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April, 2016
Advances from customers	2,896	2,753	2,510
Unclaimed dividend (#)	561	524	793
Statutory dues payables	7,368	6,781	6,373
Other payables (*)	2,074	2,415	2,106
Total	**12,899**	**12,473**	**11,782**

(#) ₹ 67 Lacs (31 March 2017 ₹ 52 Lacs, 1 April 2016 ₹ 42 Lacs) transferred to the Investor Education and Protection Fund during the year

(*) Other payables includes ₹ 1,665 Lacs (31 March 2017 ₹ 2,155 Lacs, 1 April 2016 ₹ 1,778 Lacs) related to employee dues.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 23: REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
Sale of products		
Finished goods	369,719	263,544
Traded goods	234,731	171,518
Revenue from realty business	675	555
Other operating revenues	1,029	2,195
Total	**606,154**	**437,812**

Note 24: OTHER INCOME

	31 March 2018	31 March 2017
Rental income	2	13
Interest Income	627	721
Fair value gain on financial assets measured at fair value through profit or loss	40	10
Net gain on sale of investments	429	326
Other non-operating income	1,311	516
Total	**2,409**	**1,586**

Note 25: COST OF MATERIALS CONSUMED

	31 March 2018	31 March 2017
Raw materials as at the beginning of the year	7,144	10,170
Add: Purchases during the year	2,52,288	1,44,375
Less: Raw materials as at the end of the year	22,115	7,144
Total	**2,37,317**	**1,47,401**

Note 26: PURCHASE OF TRADED GOODS

	31 March 2018	31 March 2017
Purchases of stock-in-trade	2,27,716	1,35,019
Total	**2,27,716**	**1,35,019**

Note 27: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	31 March 2018	31 March 2017
Opening balance		
Finished goods	14,344	4,947
Stock-in-trade	13,258	33,401
Total opening balance	**27,602**	**38,348**
Closing balance		
Finished goods	16,356	14,344
Stock-in-trade	20,647	13,258
Total closing balance	**37,003**	**27,602**
(Increase)/ decrease in excise duty on stock of finished goods	(180)	42
Cost of Trial Run	42	1,111
Total changes in inventories of finished goods and stock-in-trade	**(9,539)**	**11,899**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 28: EMPLOYEE BENEFIT EXPENSE

	31 March 2018	31 March 2017
Salaries, wages and bonus	21,362	18,075
Contribution to provident fund & other funds	2,175	1,981
Staff welfare expenses	1,043	961
Total	**24,580**	**21,017**

Note 29: FINANCE COSTS

	31 March 2018	31 March 2017
Interest and finance charges #	24,415	16,699
	24,415	**16,699**
Less: Amount capitalised	(7,099)	(4,552)
Total	**17,316**	**12,147**

Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ 1,346 Lacs (31 March 2017 : ₹ 677 Lacs).

Note 30: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2018	31 March 2017
Depreciation of property, plant and equipment	15,728	13,300
Amortisation of intangible assets	595	202
Total	**16,323**	**13,502**

Note 31: OTHER EXPENSES

	31 March 2018	31 March 2017
Power, fuel and water	8,315	4,737
Consumption of stores and spares	5,362	5,078
Rent	2,123	2,244
Repairs to :		
- Building	814	929
- Plant and machinery	5,130	4,087
- Others	1,134	902
Insurance	927	1,040
Rates, taxes and duties	1,315	2,439
Travelling and conveyance	1,044	1,003
Legal and professional fees	3,172	3,292
Payments to auditors (refer note 32(a) below)	89	92
Directors' sitting fees	74	56
Carriage outward (Net)	23,860	15,697
Loss on sales of fixed assets	112	270
Commission on sales	711	732
Sales and promotion expenses	1,485	1,712
Utility services	1,079	963
Communication expenses	283	382
Corporate social responsibility expenditure (refer note 32(b) below)	177	613
Foreign exchange fluctuation loss (Net)	3,315	1,544
Miscellaneous expenses	4,373	4,524
Total	**64,894**	**52,336**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 32(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2018	31 March 2017
Payment to auditors		
As auditor:		
Audit fee	63	52
Tax audit fee	6	7
In other capacities		
Taxation matters	7	12
Certification fees/Other Matters	9	18
Re-imbursement of expenses	4	3
Total*	**89**	**92**

*Include ₹ 23 Lacs (31 March, 2017 ₹ 82) paid to the erstwhile auditors.

Note 32(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2018	31 March 2017
Contributions to Ishanya Foundation	153	588
Others	24	25
Total	**177**	**613**
Amount required to be spent as per Section 135 of the Act	345	397
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	177	613

Note 33: DISCLOSURE OF SPECIFIED BANK NOTES (SBN) IN FINANCIAL STATEMENTS (AMENDMENT TO SCHEDULE III)

The MCA has amended Division I and Division II of the Schedule III. As per the amendment, each Group needs to disclose the details of Specified Bank Notes held and transacted during the period from 8 November 2016 to 30 December 2016 in the prescribed format.

	Specified Bank Notes Amount (₹)	Other Denomination Notes Amount (₹)	Total
Closing Cash in hand as on 08.11.2016	2,78,500	1,46,601	4,25,101
Add: Permitted receipts	43,000	14,72,758	15,15,758
Less: Permitted payments	1,000	14,77,257	14,78,257
Less: Amount deposited in banks	3,20,500	10,810	3,31,310
Closing Cash in hand as on 31.12.2016	-	1,31,292	1,31,292

Note 34: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2018			31 March 2017			1 April 2016		
	Fair value through P&L	Fair value through OCI	Amortised cost	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									
Investments in associates and others	1,001	-	-	1,244	-	-	1,472	-	-
- Mutual funds	35,111	-	-	11,389	-	-	867	-	-
- Debt and Government securities	-	2,662	-	-	2,772	-	-	2,718	-
Trade receivables	-	-	1,96,537	-	-	1,31,133	-	-	1,51,953
Cash and cash equivalents	-	-	9,184	-	-	9,279	-	-	21,774
Other bank balances	-	-	847	-	-	523	-	-	793
Loans	-	-	453	-	-	554	-	-	265
Other financial assets									

(All Amounts in ₹ Lacs unless otherwise stated)

	31 March 2018			31 March 2017			1 April 2016		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
- Derivative financial assets, not designated as hedges	635	-		-	-	-	622	-	-
- Security deposits	-	-	1,358	-	-	1,284	-	-	1,964
- Interest receivable	-	-	690	-	-	698	-	-	480
- Balance with banks	-	-	8	-	-	1,167	-	-	1,867
- Others	-	-	846	-	-	365	-	-	480
Total financial assets	**36,747**	**2,662**	**2,09,923**	**12,633**	**2,772**	**1,45,003**	**2,961**	**2,718**	**1,79,576**
Financial liabilities									
Borrowings	-	-	3,53,209	-	-	2,01,280	-	-	1,96,963
Trade payables	-	-	90,898	-	-	43,861	-	-	47,730
Other financial liabilities									
- Derivative financial liabilities, not designated as hedges	25	-	-	1,108	-	-	516	-	-
- Interest accrued	-	-	593	-	-	783	-	-	850
- Security deposit	-	-	4,135	-	-	3,212	-	-	2,806
- Capital creditors	-	-	2,143	-	-	15,350	-	-	3,384
- Others	-	-	20,221	-	-	18,184	-	-	7,210
Total financial liabilities	**25**	**-**	**4,71,199**	**1,108**	**-**	**2,82,670**	**516**	**-**	**2,58,943**

(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 2018				31 March 2017				1 April 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL												
Investment in equity	-	-	1,001	1,001	-	-	1,244	1,244	-	-	1,472	1,472
Mutual funds - Growth plan	35,111	-	-	35,111	11,389	-	-	11,389	867	-	-	867
Financial Investments at FVOCI												
Debts & Government Securities	2,662	-	-	2,662	2,772	-	-	2,772	2,718	-	-	2,718
Derivatives not designated as hedges												
Foreign exchange forward contracts/options	-	635	-	635	-	-	-	-	-	622	-	622
Total financial assets	**37,773**	**635**	**1,001**	**39,409**	**14,161**	**-**	**1,244**	**15,405**	**3,585**	**622**	**1,472**	**5,679**
Financial liabilities												
Derivatives												
Foreign exchange forward contracts/option contracts	-	25	-	25	-	1,108	-	1,108	-	516	-	516
Total financial liabilities	**-**	**25**	**-**	**25**	**-**	**1,108**	**-**	**1,108**	**-**	**516**	**-**	**516**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017

(iii) Valuation process to determine fair value

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

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

(All Amounts in ₹ Lacs unless otherwise stated)

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

Note 35: 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 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 risks 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 and investments.

The carrying amount of financial assets mainly comprising of trade receivables, represents the maximum credit risk exposure.

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for credit worthiness 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.

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 model. The balance past due for more than 6 month (net of expected credit loss allowance), is ₹ 4,988 lacs (31 March 2017: ₹ 6,610 lacs, 1 April 2016: ₹ 3,198 lacs)

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

	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	1,112	710	341
Add: Provided during the year (net of reversal)	222	402	369
Less: Amount written off	-	-	-
Balance at the end of the year	1,334	1,112	710

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.

Credit risk on cash and cash equivalents is limited as the Group invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investments in liquid mutual fund units, quoted bonds issued by government and quasi-government organisations.

(All Amounts in ₹ Lacs unless otherwise stated)

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 daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Parent Company's 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 2018	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	2,82,247	2,57,307	11,083	13,857	2,82,247
Trade payables	57,957	57,957	-	-	57,957
Other financial liabilities	27,117	27,117	-	-	27,117
Total	**3,67,321**	**3,42,381**	**11,083**	**13,857**	**3,67,321**
Derivatives financial liabilities					
Foreign exchange forward contracts					
Borrowings	70,962	70,962	-	-	70,962
Trade payables	32,941	32,941	-	-	32,941
Total	**1,03,903**	**1,03,903**	**-**	**-**	**1,03,903**

31 March 2017	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	1,61,646	1,33,628	28,018	-	1,61,646
Trade payables	28,181	28,181	-	-	28,181
Other financial liabilities	38,637	38,508	129	-	**35,584**
Total	**2,28,464**	**2,00,317**	**28,147**	**-**	**2,28,464**
Derivatives financial liabilities					
Foreign exchange contract used for hedging					
Borrowings	39,634	39,634	-	-	39,634
Trade payables	15,680	15,680	-	-	15,680
Total	**55,314**	**55,314**	**-**	**-**	**55,314**

1 April 2016	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial libilities					
Borrowings	161,641	133,863	27,778	-	161,641
Trade payables	27,760	27,760	-	-	27,760
Other financial liabilities	14,767	14,584	183	-	14,767
Total non-derivative liabilities	**204,168**	**176,207**	**27,961**	**-**	**204,168**
Derivatives (net settled)					
Foreign Exchange Forward and Option Contracts					
Borrowings	35,322	35,322	-	-	35,322
Trade payables	19,969	19,969	-	-	19,969
Total derivative liabilities	**55,291**	**55,291**	**-**	**-**	**55,291**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates the 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.

(All Amounts in ₹ Lacs unless otherwise stated)

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 41.

(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 increase/(decrease)	
	31 March 2018	31 March 2017
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2017-1%)	1,664	856
₹/USD -depreciated by 1% (31 March 2017-1%)	(1,664)	(856)
EUR sensitivity		
₹/EUR-appreciated by NIL (31 March 2017-1%)	NIL	21
₹/EUR-depreciated by NIl (31 March 2017-1%)	NIL	(21)

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 and LIBOR rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

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

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

	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowings	2,63,283	1,60,371	1,61,705
Fixed rate borrowings	89,925	40,908	35,258
Total borrowings	**3,53,209**	**2,01,279**	**1,96,963**

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 for the year ended 31 March 2018 would decrease / increase by ₹ 1,303 lacs (31 March 2017: decrease / increase by ₹ 789 lacs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Note 36: 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 on 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).

(All Amounts in ₹ Lacs unless otherwise stated)

The gearing ratios were as follows:

	31 March 2018	31 March 2017	1 April 2016
Net debt	3,43,178	1,91,478	1,74,396
Total equity	2,08,650	2,02,407	1,95,223
Net debt to equity ratio	**1.64**	**0.95**	**0.89**

(b) Dividends

	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹ 6 per equity share paid during the year	5,292	-
(ii) Dividend not recognised at the end of the reporting period	5,292	-
In addition to the above dividends, post the year end the directors have recommended the payment of a final dividend of ₹ 6 per fully paid equity share (31 March 2017 : ₹ 6). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	5,292	5,292

Note 37(a): NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

A. ASSOCIATES

1 Ishanya Brand Services Limited
2 Ishanya Realty Corporation Limited
3 Mumbai Modern Terminal Market Complex Private Limited
4 Desai Fruits and Vegetables Private Limited

B. JOINTLY CONTROLLED OPERATIONS

1 Yerrowda Investments Limited

C. KEY MANAGEMENT PERSONNEL

(a) Executive directors

Mr Sailesh Chimanlal Mehta
Mr Yeshil Mehta

(b) Non-executive directors

Mrs Parul Sailesh Mehta
Mr Partha Sarathi Bhattacharyya
Mr Rajendra Ambalal Shah
Mr Madhumilan Parshuram Shinde
Mr Tapan Kumar Chatterjee

Non-executive Independent directors

Mr Berjis Minoo Desai (From 07 July 2017)
Mr Ashok Kumar Purwaha (From 07 July 2017)
Mr Mahesh Ramchand Chhabria (From 07 July 2017)
Mr Sewak Ram Wadhwa
Mr Anil Chandanmal Singhvi (From 07 July 2017)
Mr Urmilkumar Purushottamdas Jhaveri
Mr Anil Sachdev
Mr Pranay Dhansukhlal Vakil
Mr D. Basu (till 8 June 17)
Mr N C Singhal (till 7 May 2017)
Dr. S Rama Iyer (till 2 June 2017)

(c) Company Secretary

Mr K Subharaman
Mr. Mandar Velankar (w.e.f. 9 August 2017)
Mr Nandan Shah (upto 9 August 2017)

(d) Chief Finance Officer

Mr Vipin Agarwal (upto 2 November 2017)
Mr Amitabh Bhargava (w.e.f. 2 November 2017)
Mr. Debasish Banerjee (w.e.f. 9 August 2017)

D. ENTITIES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE:

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

E. ENTERPRISES OVER WHICH RELATIVES OF KEY MANAGEMENT PERSONAL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE

1 Deepak Nitrite Limited

F. SHAREHOLDERS WHO CAN EXERCISE SIGNIFICANT INFLUENCE

1 Nova Synthetic Limited

(All Amounts in ₹ Lacs unless otherwise stated)

Note 37(b) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2018						31 March 2017					
		Associates	Jointly Controlled Operations	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	Associates	Jointly Controlled Operations	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**												
	Mahadhan Farm Technologies Private Limited	-	-	-	698	-	698	-	-	-	805	-	805
	Deepak Nitrite Limited	-	-	-	-	7,443	7,443	-	-	-	-	6,092	6,092
2	**Rendering of services/reimbursement of expenses incurred on behalf of related party**												
	Desai Fruits and Vegetables	-	-	-	-	-	-	12	-	-	-	-	12
	Ishanya Foundation	-	-	-	4	-	4	-	-	-	6	-	6
3	**Interest on loan given**												
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	12	-	-	-	-	12
4	**Purchase of goods and services**												
	Mahadhan Farm Technologies Limited	-	-	-	(1,578)	-	(1,578)	-	-	-	(1,807)	-	(1,807)
	Ishnaya Foundation	-	-	-	-	-	-	-	-	-	-	-	-
5	**Purchase of Merchandise Exports from India Scheme (MEIS) scripts and Duty Entitlement Pass Book and License (DEPB)**												
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	(43)	-	-	-	-	(43)
6	**Receiving of services/reimbursement of expenses incurred on behalf of Group**												
	Yerrowda Investments Limited	-	(86)	-	-	-	(86)	(10)	-	-	-	-	(10)
7	**Donation given**												
	Ishanya Foudation	-	-	-	(153)	-	(153)	-	-	-	(588)	-	(588)
8	**Remuneration (including perquisites)**												
	Mr Sailesh Chimanlal Mehta	-	-	(656)	-	-	(656)	-	-	(1,174)	-	-	(1,174)
	Mr.Yeshil Mehta	-	-	(52)	-	-	(52)	-	-	-	-	-	-
	Mr Vipin Agarwal	-	-	(97)	-	-	(97)	-	-	(115)	-	-	(115)
	Mr Amitabh Bhargava	-	-	(76)	-	-	(76)	-	-	-	-	-	-
	Mr Debashish Banerjee	-	-	(47)	-	-	(47)	-	-	-	-	-	-
	Mr K Subharaman	-	-	(68)	-	-	(68)	-	-	(36)	-	-	(36)
	Mr Mandar Velankar	-	-	(17)	-	-	(17)	-	-	(14)	-	-	(14)
	Mr Nandan Shah	-	-	(4)	-	-	(4)	-	-	(9)	-	-	(9)

(All Amounts in ₹ Lacs unless otherwise stated)

Note 37(b) RELATED PARTY TRANSACTIONS

		31 March 2018						31 March 2017					
Sr. No.	Nature of Transactions	Associates	Jointly Controlled Operations	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	Associates	Jointly Controlled Operations	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
9	**Sitting Fees paid to Non-Executive Directors**	-	-	(73)			(73)	-	-	(43)	-	-	(43)
10	**Lease rental (expenses) / income**		-								-	-	-
	Deepak Nitrite Limited	-	-	-		8	8	-	-	-	-	8	8
	Robust Marketing Services Private Limited	-	-	-	(66)	-	(66)	-	-	-	(67)	-	(67)
	Mr Sailesh Chimanlal Mehta	-	-	(16)	-	-	(16)	-	-	(24)	-	-	(24)
11	**Loans given**												
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	(247)	-	-	-	-	(247)
12	**Loans received back**												
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	247	-	-	-	-	247
13	**Amount outstanding**												
	Trade payables	-	-										
	Yerrowda Investments Limited	-	(54)	-	-	-	(54)	-	(56)	-	-	-	(56)
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	(11)	-			-	(11)
	Mahadhan Farm Technolgies Limited	-	-	-	-	(143)	(143)	-	-	-	-	(33)	(33)
	Commission payable												
	Mr Sailesh Chimanlal Mehta	-	-	(312)	-	-	(312)	-	-	(873)	-	-	(873)
	Deposit receivables												
	Mr Sailesh Chimanlal Mehta	-	-	200	-	200	-	-	-	200	-	-	200
	Trade receivables												
	Deepak Nitrite Limited	-	-	-	-	2418	2418	-	-	-	-	879	879
	Ishanya Foundation	-	-	-	1	-	1	-	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	653	-	653	-	-	-	653	-	653

Note : Figures in bracket are outflows.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 38: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2018	31 March 2017	1 April 2016
A. Contingent liabilities			
Claims by suppliers	40,107	41,597	3,573
Income tax demands	7,890	3,973	3,937
Excise/Service Tax/Custom demands*	12,662	12,449	12,407
Sales tax/ VAT demands	4,454	6,204	5,369
Entry tax	-	3,272	-
Penalty levied by Competition Commission of India and contested by the Parent Company	200	200	200
Total	**65,313**	**67,695**	**25,486**
B. Commitments			
Related to projects	31,396	2,526	28,106
Related to realty	403	**35**	**104**
Other capital commitment		-	811
Total	**31,799**	**2,561**	**29,021**

*Includes customs duty amounting to ₹ 9,347 Lacs on duty free import of fertiliser during the period 2005-06 to 2009-10. Under the applicable policy of Government on subsidy, any customs duty needs to be reimbursed by Government.

Note 39: RESTATEMENT DUE TO CORRECTION OF ERRORS

During the year 2017-2018, the Group discovered certain errors (refer table iii) in it's financial statements as of 1 April 2016. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarizes the impact on the financial statements.

(i) The comparative information for the year ended 31 March 2017 has been restated as follows:

A. Balance Sheet as at 31 March 2017

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Assets				
Non-current assets				
Property, plant and equipment	c	1,99,142	2,768	2,01,910
Capital work-in-progress		38,527	-	38,527
Investment property		2,124	(1,613)	511
Goodwill		1,455	5	1,460
Other intangible assets		1,746	(4)	1,742
Financial assets				
i. Investments		1,244	-	1,244
ii. Other financial assets		2,789	25	2,814
Deferred tax assets (net)	a, d	-	15,847	15,847
Income tax assets (net)	a	-	6,765	6,765
Other non-current assets		11,700	3,940	15,640
Total non-current assets		2,58,727	27,733	2,86,460
Current assets				
Inventories		50,453	-	50,453
Financial assets				
i. Investments		14,161	-	14,161
ii. Trade receivables		1,18,337	12,796	1,31,133
iii. Cash and cash equivalents		9,241	38	9,279
iv. Other bank balances		523	-	523
v. Loans		426	128	554
vi. Other financial assets		850	(150)	700
Current tax assets (net)	a	4,579	(4,579)	-
Other current assets		14,404	(2,854)	11,550
Total current assets		2,12,974	5,379	2,18,353
Total assets		**4,71,701**	**33,112**	**5,04,813**

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	Foot note reference	As previously reported	Adjustments	As restated
EQUITY AND LIABILITIES				
Equity				
Equity share capital		8,820	-	8,820
Other equity	a,b,c	1,61,214	31,583	1,92,797
Equity attributable to owners of Company		1,70,034	31,583	2,01,617
Non controlling interest		790	-	790
Total equity		1,70,824	31,583	2,02,407
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings		47,160	(10)	47,150
ii. Other financial liabilities		154	(25)	129
Other non-current liabilities		350	(350)	-
Provisions		3,022	1,070	4,092
Deferred tax liabilities (net)	a, d	11,895	(11,895)	-
Total non-current liabilities		62,581	(11,210)	51,371
Current liabilities				
Financial liabilities				
i. Borrowings		1,03,876	15,895	1,19,771
ii. Trade payables		41,518	2,343	43,861
iii. Other financial liabilities		71,861	1,006	72,867
Other current liabilities		8,796	3,677	12,473
Provisions		5,265	(4,479)	786
Current tax liabilities (net)	a	6,980	(5,703)	1,277
Total current liabilities		2,38,296	12,739	2,51,035
Total liabilities		3,00,877	1,529	3,02,406
Total equity and liabilities		**4,71,701**	**33,112**	**5,04,813**

B. Statement of Profit and loss for the year ended 31 March 2017

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Income				
Revenue from operations		4,37,812	-	4,37,812
Other income		1,586	-	1,586
Total Income		4,39,398	-	4,39,398
Expenses				
Cost of materials consumed		1,47,401	-	1,47,401
Purchases of stock-in-trade		1,35,019	-	1,35,019
Changes in inventories of finished goods and stock-in-trade		11,899	-	11,899
Excise duty		22,801	-	22,801
Employee benefits expense		21,017	-	21,017
Finance costs		12,147	-	12,147
Depreciation and amortisation expense	c	13,644	(142)	13,502
Other expenses		52,336	-	52,336
Total expenses		4,16,264	(142)	4,16,122
Profit before share of (loss) of equity accounted investees and income tax		23,134	(142)	23,276
Share of (loss) of equity accounted investees and income tax		(231)	-	(231)
Profit before tax		**22,903**		**23,045**
Tax expense				
- Current tax	a	5,550	(968)	4,582
- MAT credit entitlement	a	-	(693)	(693)
- Deferred tax (credit)/charge	a, d	(217)	3,911	3,694
Total tax expense		5,333	2,250	7,583
Profit for the year		17,570	(2,250)	15,462

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Other comprehensive income ('OCI')				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligations	a	(373)	9	(364)
Income tax relating to these items	a	129	(3)	126
Total (A)		(244)	6	(238)
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operatins	a	-	(6)	(6)
Changes in fair value of investments other than equity shares carried at fair value through OCI	a	54	(10)	44
Income tax relating to these items	a	(19)	6	(13)
Total (B)		35	(10)	25
Other comprehensive income for the year (A+B), net of tax liability		(209)	4	(213)
Total comprehensive income for the year		17,361	(2,254)	15,249
Earning per equity share of ₹10 each				
(i) Basic (in ₹)		19.64		17.53
(ii) Diluted (in ₹)		19.64		17.53
Weighted average number of equity shares of ₹ 10 each		8,82,04,943		8,82,04,943

(ii) The comparative information as of 1 April 2016 has been restated as follows:

A. Balance Sheet as at 1 April 2016

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Assets				
Non-current assets				
Property, plant and equipment	c	1,29,737	2,662	1,32,399
Capital work-in-progress		39,620	-	39,620
Investment property		2,162	(1,651)	511
Goodwill		1,493	5	1,498
Other intangible assets		513	(2)	511
Financial assets				
i. Investments		1,472	-	1,472
ii. Other financial assets		3,552	739	4,291
Deferred tax assets (net)	a, d	-	26,801	26,801
Income tax assets (net)	a	-	5,776	5,776
Other non-current assets		8,231	3,455	11,686
Total non-current assets		1,86,780	37,785	2,24,565
Current assets				
Inventories		60,592	-	60,592
Financial assets				
i. Investments		3,585	-	3,585
ii. Trade receivables		1,54,805	(2,852)	1,51,953
iii. Cash and cash equivalents		22,464	(690)	21,774
iv. Other bank balances		792	1	793
v. Loans		219	46	265
vi. Other financial assets		991	131	1,122
Current tax assets (net)	a	4,497	(4,497)	-
Other current assets		10,667	(3,475)	7,192
Total current assets		2,58,612	(11,336)	2,47,276
Total assets		**4,45,392**	**26,449**	**4,71,841**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		8,820	-	8,820
Other equity	a,b,c,d	1,43,948	41,681	1,85,629
Equity attributable to owners of Company		1,52,768	41,681	1,94,449
Non controlling interest		774	-	774
Total equity		1,53,542	41,681	1,95,223

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings		48,843	-	48,843
ii. Other financial liabilities		213	(30)	183
Other non-current liabilities		320	(320)	-
Provisions		3,099	678	3,777
Deferred tax liabilities (net)	a, d	12,236	(12,236)	-
Total non-current liabilities		**64,711**	**(11,908)**	**52,803**
Current liabilities				
Financial liabilities				
i. Borrowings		1,40,712	-	1,40,712
ii. Trade payables		47,015	715	47,730
iii. Other financial liabilities		21,683	308	21,991
Other current liabilities		7,283	4,499	11,782
Provisions		3,978	(3,270)	708
Current tax liabilities (net)	a	6,468	(5,576)	892
Total current liabilities		2,27,139	(3,324)	2,23,815
Total liabilities		2,91,850	(15,232)	2,76,618
Total equity and liabilities		**4,45,392**	**26,449**	**4,71,841**

(iii) Reconciliation of opening Other Equity

Particulars	Foot note reference	Other Equity Restated as of 1 April 2016	Other Equity Restated as of 31 March 2017
Opening other equity as per signed financial statement		**1,43,947**	**1,61,214**
Impact of correction of errors			
- Adjustment on account of adjusting event	a	1,426	1,317
- Adjustment on account of entry tax (net of tax)	b	(3,853)	(3,853)
- Reclassification of land and building	c	1,012	1,154
- Deferred tax on consolidation on goodwill	d	(40,267)	(30,201)
Total effects of errors		(41,682)	(31,583)
Restated balance		**1,85,629**	**1,92,797**

(iv) The comparative information for the year ended 31 March 2017 and opening retained earning as at 1 April 2016 have been restated in relation to the consolidated financial statements due to the following;

a. The Company had proposed a Scheme of Arrangement (Scheme) for demerger of fertilisers and technical ammonium nitrate (TAN) business into a wholly owned subsidiary Company, M/s. Smartchem Technologies Limited. The National Company Law Tribunal (NCLT) on 30th March,2017 granted approval to the Scheme and the Order of NCLT was received by the Company on 13th April, 2017. Post compliance of further requirements of the Order, the Company filed the same with Registrar of Companies on 1st May, 2017. The Scheme as approved by NCLT, provides that the demerger will be effective retrospectively from 1st January, 2015. To give effect of the scheme of TAN and Fertilisers business as an 'adjusting event' with an effective date of 1 January 2015 based on a re-examination of Ind AS 10 by Management in view of clarifications issued by Ind AS Transition Facilitation Group ("ITFG") 14 issue no 4 issued on 1st February 2018.

b. Provision of ₹ 5,200 Lacs adjusted against opening retained earnings as on 1 April 2016, for entry tax and Maharashtra Value Added Tax retention amounts based on demand notices raised by the Sales tax authorities, contested by the Company, for the years 2012-2016 since the matters pertains to the prior years.

c. Reclassification of an amount of ₹ 7,963 Lacs classified as building in the previous years to land as required by Ind AS 16, and accordingly reversal of accumulated depreciation on building of ₹ 1,012 Lacs in retained earnings as of 1 April 2016 and reversal of depreciation on buildings of ₹ 142 Lacs charged during the year ended 31 March 2017.

d. Based on a re-examination of Ind AS 12 Income Taxes by Management in view of clarifications issued by ITFG 10 Issue no: 3 issued on 5 July 2017, a deferred tax asset of ₹ 40,267 Lacs has been recorded in the opening other equity as at 1 April 2016, for the unamortised amount of intangible assets and goodwill created due to demerger of TAN and fertilisers business in the Standalone Ind AS financial statements of Smartchem Technologies Limited.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 40: LEASES

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Minimun Lease rental payable			
Not later than 1 year	539	439	456
Later than 1 year and not later than 5 years	133	123	65
Later than 5 years	-	-	-
Total	**672**	**562**	**521**

Note 41: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2018		31 March 2017	
	Amount in Foreign Currency Lacs	Equivalent Amount in INR Lacs	Amount in Foreign Currency Lacs	Equivalent Amount in INR Lacs
Hedged Position*				
Foreign Currency Loans (in USD)	-	-	30	1,969
Creditors (in USD)	477	31,124	235	15,229
Creditors (in AED)	102	1,816	-	-
Creditors (in EURO)	-	-	6	450
Buyers Credit (in EURO)	-	-	9	654
Buyers Credit (in USD)	1,089	70,962	571	37,012
Un-hedged Position				
Creditors (in USD)	104	6,807	45	2,642
Creditors (in AED)	103	1,823	-	-
Creditors (in EURO)	-	-	5	321
Buyers Credit (in USD)	16	1,047	23	1,509
Exports (in USD)	23	1,482	17	1,080
Bank Balance (in USD)	0	9	31	2,043

*The above transactions are hedged by following derivative contracts

Particulars	31 March 2018		31 March 2017	
	Amount in Foreign Currency Lacs	Equivalent Amount in INR Lacs	Amount in Foreign Currency Lacs	Equivalent Amount in INR Lacs
Forward Contracts -USD	1,035	67,436	836	54,210
Forward Contracts -AED	102	1,816	-	-
Forward Contracts -EURO	-	-	16	1,104
Options Contracts - USD	532	34,650	-	-
Total	**1,669**	**1,03,902**	**852**	**55,314**

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

(All Amounts in ₹ Lacs unless otherwise stated)

Note 42: INCOME TAXES

A. Components of Income Tax Expenses	31 March 2018	31 March 2017
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	4,849	4,582
Adjustments/(credits) related to previous year - (net)	(800)	-
MAT credit entitlement	(1,700)	(693)
Total (A)	**2,349**	**3,889**
Deferred tax charge	4,290	3,694
Total (B)	**4,290**	**3,694**
Total (A+B)	**6,639**	**7,583**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	48	126
(Gain)/Loss on debt instruments through other comprehensive income	33	(13)
Total	**81**	**113**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2018 and 31 March 2017

Particulars	31 March 2018	31 March 2017
Accounting profit before tax	23,288	23,276
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%) (A)	**8,060**	**8,055**
Effects of income not subject to tax		
- Profit from power generation division	(182)	(197)
- Dividend income	-	(9)
Effects of non-deductible expenses	58	326
Reversal of earlier year tax provision	(800)	-
Others	(497)	(592)
Total (B)	**(1,421)**	**(472)**
Income Tax expense reported in the statement of profit or loss (A+B)	**6,639**	**7,583**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 43: BUSINESS COMBINATION

(a) Summary of acquisition

On 13 April 2017, the Parent Company, through its wholly owned subsidiary Smartchem Technologies Limited acquired 76% of issued share capital of Performance Chemiserve Private Limited, engaged in the business of drumming of chemicals, Iso Propyl Alocohol and Methanol. Further on 15 September 2017, right shares issued by Peformance Chemiserve Private Limited has been subscribed in proportion to the shareholding pattern.

For the year ended 31 March 2018, Performance Chemiserve Private Limited contributed revenue of ₹ 723 Lacs and profit of ₹ 552 Lacs after tax to the Group's results.

Identifiable assets and liabilities

The following table summarizes the amounts of assets and liabilities at the date of acquisition:

	Performance Chemiserve Private limited (PCPL) Amount in Lacs
Non current assets	
Property, plant and equipment	26
Deferred tax asset (net)	2
Financial assets	-
(i) Loans	7
(ii) Other financial assets	3
Current assets	
Financial assets	
(i) Trade receivables	18
(ii) Bank balances	864
(iii) Other financial assets	2
Other current assets	17
Total assets	**939**
Non current liabilities	
Financial liabilities	
(i) Other financial liabilities	-
Current liabilities	
Financial liabilities	
(i) Trade payables	1
Other current liabilities	-
Total Liabilities	**1**
Net asset values as on the date of acquisition	**938**

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 18 Lacs. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable

Goodwill on acquisition of Performance Chemiserve Private Limited was ₹1,189 Lacs. The goodwill on acquisition is attributable to drumming business and expected synergies arising from acquisition. No amount of goodwill is expected to be deductible for tax purpose.

As on the reporting date, the initial accounting for the business combination is incomplete on account of certain adjustments pertaining to the measurement of the identifiable assets acquired and liabilities assumed by way of this business combination during the measurement period.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 44: CONSOLIDATED SEGMENT REPORTING

ANNEXURE-A

Sr No	Particulars	Chemicals	Fertilisers	Realty	Others	Eliminations	Common	Total
1	**Revenue**							
	a) **External Sales**							
	I) **Manufactured**	**2,19,727**	**1,48,546**	**-**	**711**	**-**	**-**	**3,68,985**
	Previous Year	*2,00,978*	*60,264*	*-*	*761*	*-*	*-*	*2,62,003*
	ii) **Traded**	**2,02,410**	**32,046**	**1,685**	**-**	**-**	**-**	**2,36,141**
	Previous Year	*1,14,998*	*57,628*	*988*	*-*	*-*	*-*	*1,73,614*
	b) **Inter-segment sales**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*-*	*-*
	c) **Other operating income**	**911**	**118**			**-**	**-**	**1,029**
	Previous Year	*2,099*	*96*			*-*	*-*	*2,195*
	d) **Unallocated Corporate other income**	**-**	**-**		**-**	**-**	**2,409**	**2,409**
	Previous Year	*-*	*-*		*-*	*-*	*1,586*	*1,586*
	Total Revenue	**4,23,048**	**1,80,710**	**1,685**	**711**	**-**	**2,409**	**6,08,563**
	Previous Year	*3,18,075*	*1,17,988*	*988*	*761*	*-*	*1,586*	*4,39,398*
2	**Segment Result**	**51,335**	**3,674**	**(1,596)**	**323**	**-**	**2,409**	**56,144**
	Previous Year	*50,629*	*(792)*	*(1,835)*	*381*	*-*	*1,586*	*49,969*
3	**Unallocated Corporate expenses**	**-**	**-**	**-**	**-**	**-**	**32,856**	**32,856**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*26,693*	*26,693*
4	**Net profit**	**-**	**-**	**-**	**-**	**-**	**-**	**23,288**
	Previous Year	*-*	*-*	*-*	*-*	*-*	*-*	*23,276*
5	**Other Information**							
	a) **Segment Assets**	**3,17,714**	**1,74,726**	**23,568**	**2,726**	**-**	**1,80,411**	**6,99,145**
	Previous Year	*2,08,440*	*1,70,137*	*24,106*	*2,379*	*-*	*99,751*	*5,04,813*
	b) **Segment Liabilities**	**1,55,159**	**1,36,459**	**993**	**46**	**-**	**1,97,838**	**4,90,495**
	Previous Year	*39,915*	*59,965*	*901*	*58*	*-*	*2,01,567*	*3,02,406*
	c) **Capital Expenditure incurred during the year**	**36,840**	**4,634**	**971**			**9,698**	**52,143**
	Previous Year	*38,070*	*32,984*	*586*	*-*	*-*	*11,791*	*83,431*
	d) **Depreciation/ Amortisation**	**9,092**	**5,037**	**1,114**	**225**		**855**	**16,323**
	Previous Year	*10,037*	*1,167*	*1,211*	*225*	*-*	*862*	*13,502*

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
a) Chemicals	Ammonia, Methanol, DNA, CNA, CO_2, TAN, IPA, Propane, Bulk and Speciality Chemicals
b) Bulk Fertilisers	NP, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers, Fruits,Vegetables, Pesticides
c) Realty	Real Estate Business
d) Others	Windmill Power

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

(All Amounts in ₹ Lacs unless otherwise stated)

Note 45: The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy, due to the Group in accordance with applicable Nutrient Based Subsidy (NBS) scheme of GOI, alleging undue gain arising to the Group on account of supply of cheap domestic gas since challenged by the Group before the Honourable High Court of Bombay. Based on the directive of the Honourable Court, DoF agreed to release subsidy withheld except a sum of ₹ 310 Crores pending final decision, which has been released during the month of January 2018 against a Bank Guarantee of equal amount.

Note 46: GAIL has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014, alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the Group and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that the Group; as per the Industrial License, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration Accepting the Group's stand, the Arbitration Tribunal has rejected the claim of GAIL. However, GAIL has preferred an appeal before Honourable Delhi High Court.

Note 47: The previous year figures have been audited by a firm other than B S R & Associates LLP.

Note 48: Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached

For and on behalf of Board of Directors
Deepak Fertilisers And Petrochemicals Corporation Limited

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231W/W-100024

RAAJNISH DESAI
Partner
Membership No.: 101190

Mumbai
Dated: 30 May 2018

S. C. MEHTA
Chairman & Managing Director
DIN : 00128204

S. R. WADHWA
Director
DIN : 00228201

Mumbai
Dated: 30 May 2018

PRANAY VAKIL
Director
DIN : 00433379

AMITABH BHARGAVA
President & CFO

K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361