Independent Auditors' Report

To the Members of

Deepak Fertilisers And Petrochemicals Corporation Limited

Report on the audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Deepak Fertilisers And Petrochemicals Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'Standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

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

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

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 entity's ability 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 Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

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

Emphasis of matter

The Standalone Ind AS financial statements for the year ended 31 March 2017 were audited by the predecessor auditor who had expressed an unmodified opinion on those Standalone Ind AS financial statements vide their audit report dated 30 June 2017. We draw attention to note 42 of the Standalone Ind AS financial statements, which more fully explains that the comparative information for the year ended 31 March 2017 has been restated in accordance with "Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors" in the special purpose Ind AS financial statements audited by the predecessor auditor, whose audit report dated 29 May 2018 expressed an unmodified audit opinion on such special purpose Ind AS financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer note 41 of the Standalone Ind AS financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      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 Standalone 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 Standalone 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 Standalone Ind AS financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited – 31 March 2018

With reference to Annexure A referred to in paragraph 1 in "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the Members of the Company on the Standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets, by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties/ lease agreements in respect of immovable properties, are held in the name of the Company except for those immovable properties held in the name of Yerrowda Investments Limited, which is a jointly controlled operation, having book value amounting to INR 15,332 Lacs.

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments, or provided any guarantees or security to which the provisions of Section 185 and 186 of the Act apply. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder.

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Duty of Customs, Duty of Excise, Sales Tax, Value Added Tax, Cess, Goods and Services Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been delays in case of payment of Goods and Service Tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Service tax, Duty of Customs, Duty of Excise, Sales tax, Wealth tax, Value Added Tax, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Sales tax, Value Added Tax, Duty of Customs, Duty of Excise and Goods and Service Tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)*	Amount paid under protest (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax demands	27	27	Assessment Year 2003-2004	Bombay High Court
The Income Tax Act, 1961	Income tax demands	0.9	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax demands	7,826	1,823	Assessment Year 1997-1998, Assessment Years 2012-2013 to 2014-2015	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax demands	12	-	Assessment Year 1993-1994 and 2003-2004	Assessing Officer

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)*	Amount paid under protest (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty demands	279	-	Financial Years 2008-2009 to 2009-2010	Supreme Court
	Excise duty demands	160	-	Financial Years 2002-2003 to 2007-2008	Bombay High Court
The Central Excise Act, 1944	Excise duty demands	2,136	-	Financial Years 2005-2006 to 2015-2016	Central Excise and Service Tax Appellate Tribunal
	Excise duty demands	0.5	-	Financial Year 2015-2016	Commissioner of Central Excise (Appeals)
Finance Act, 1994 (Service Tax)	Service tax Demands	1,907	-	Financial Years 2007-2008 to 2009-10 and Financial Year 2011-2012	Central Excise and Service Tax Appellate Tribunal
	Service tax Demands	69	-	Financial Years 2006-2007, 2007-2008 and 2009-2010	Commissioner of Appeals (Service Tax)
	Service tax Demands	16	-	Financial Years 2004-2005 and 2005-2006	Joint Commissioner (Service Tax)
The Bombay Sales Tax Act, 1959	Sales tax demands	72	-	Financial Year 2004-2005	Commissioner of Sales Tax (Appeals), Pune
The Central Sales Tax Act, 1956	Sales tax demands	775	78	Financial Years 2005-2006 to 2009-2010	Karnataka High Court
The Central Sales Tax Act, 1956	Sales tax demands	1,888	121	Financial Years 2004-2005 to 2006-07, 2010-2011	Maharashtra Sales Tax Tribunal , Mumbai
	Sales tax demands	1,414	-	Financial Years 2012-13 and 2013-14	Commissioner of Sales Tax (Appeals), Pune
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose.	Lease tax on crane hire charges	0.2	-	Financial Year 1989-1990	Dy. Commissioner of Sales Tax, Pune
The Maharashtra Tax on the Entry of Goods in Local Areas of Act, 2002	Entry tax on natural gas procured from outside the Maharashtra	3,272	965	Financial Years 2012-2013 to 2015-2016	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Value Added Tax Act, 2002	VAT demands	226	6	Financial Years 2005-2006 and 2011-2012	Maharashtra Sales Tax Tribunal , Mumbai
	VAT demands	661	377	Financial Year 2012-2013	Commissioner of Sales Tax (Appeals), Pune
The Punjab VAT Act, 2005	VAT demands	2	-	Financial Year 2008-2009	Punjab Value Added Tax Tribunal
Custom Tariff Act, 1975	Tariff heading classification	9,347	-	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibag Division, Marine & Preventive Wing Mumbai

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The money raised by way of term loans have been applied for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934.

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 “B” to the Independent Auditor’s Report on the Standalone Ind AS financial statements of Deepak Fertilisers And Petrochemicals Corporation Limited

Referred to in paragraph 2(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 Standalone 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 financial statements of Deepak Fertilisers And Petrochemical Corporation Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by 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 applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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 Standalone 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone 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, the Company has, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Raajnish Desai
Partner
Membership No.: 101190

Place: Mumbai
Date: 30 May 2018

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 42)	1 April 2016 Restated (refer note 42)
ASSETS				
Non-current assets				
Property, plant and equipment	3	71,653	76,057	62,211
Capital work-in-progress	4	19,391	9,212	17,107
Investment property	5	51	51	51
Other intangible assets	6	165	92	148
Financial assets				
i. Investments	7	83,184	83,184	83,184
ii. Other financial assets	13	1,351	2,474	3,166
Income tax assets (net)		8,422	6,419	5,297
Other non - current assets	14	9,624	5,535	6,161
Total non-current assets		**1,93,841**	**1,83,024**	**1,77,325**
Current assets				
Inventories	15	22,722	14,797	17,781
Financial assets				
i. Investments	8	28,437	12,734	3,585
ii. Trade receivables	9	1,03,630	50,385	29,710
iii. Cash and cash equivalents	11	7,119	7,962	20,599
iv. Other bank balances	12	761	523	793
v. Loans	10	249	55,125	81,078
vi. Other financial assets	13	690	1,191	792
Other current assets	16	7,884	7,787	5,437
Total current assets		**1,71,492**	**1,50,504**	**1,59,775**
Total assets		**3,65,333**	**3,33,528**	**3,37,100**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	8,820	8,820	8,820
Other equity	18	1,52,761	1,47,745	1,38,882
Total equity		**1,61,581**	**1,56,565**	**1,47,702**

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 42)	1 April 2016 Restated (refer note 42)
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	19	19,400	-	24,981
ii. Other financial liabilities	21	-	129	183
Provisions	22	1,587	1,660	1,681
Deferred tax liabilities (net)	24	2,216	2,593	1,836
Total non-current liabilities		**23,203**	**4,382**	**28,681**
Current liabilities				
Financial liabilities				
i. Borrowings	20	1,17,424	1,07,895	1,24,458
ii. Trade payables	23	49,347	22,552	22,615
iii. Other financial liabilities	21	1,420	29,754	2,776
Other current liabilities	25	11,566	11,657	10,140
Provisions	22	312	243	248
Current tax liabilities (net)		480	480	480
Total current liabilities		**1,80,549**	**1,72,581**	**1,60,717**
Total liabilities		**2,03,752**	**1,76,963**	**1,89,398**
Total equity and liabilities		**3,65,333**	**3,33,528**	**3,37,100**
Significant accounting policies	1 - 2			
The accompanying notes form an integral part of the financial statements	3 - 49			

As per our report of even date attached

For and on behalf of Board of Directors of 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

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 Restated (refer note 42)
Income			
Revenue from operations	26	3,21,421	2,15,693
Other income	27	6,642	1,499
Total income		**3,28,063**	**2,17,192**
Expenses			
Cost of materials consumed	28	80,430	58,873
Purchases of stock-in- trade	29	2,03,547	99,333
Changes in inventories of finished goods and stock-in-trade	30	(7,366)	4,270
Excise duty		2,694	10,031
Employee benefits expense	31	6,442	5,932
Finance costs	32	7,068	5,302
Depreciation and amortisation expense	33	5,050	5,292
Other expenses	34	17,105	14,458
Total expenses		**3,14,970**	**2,03,491**
Profit before tax		**13,093**	**13,701**
Tax expenses			
Current tax		2,221	3,823
Deferred tax (credit)/charge		(417)	848
Total tax expense		**1,804**	**4,671**
Profit for the year		**11,289**	**9,030**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		175	(298)
Income tax relating to these items		(61)	103
Total (A)		**114**	**(196)**

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 Restated (refer note 42)
Items that will be reclassified subsequently to profit or loss			
Changes in fair value of investments other than equity shares carried at fair value through OCI		(63)	44
Income tax relating to these items		22	(15)
Total (B)		**(41)**	**29**
Other comprehensive income for the year (A+B), net of tax liability		**73**	**(166)**
Total comprehensive income for the year		**11,362**	**8,864**
Earning per Equity Share of ₹ 10 each			
i) Basic (in ₹)		12.80	10.24
ii) Diluted (in ₹)		12.80	10.24
Weighted average number of equity shares of ₹ 10 each		8,82,04,943	8,82,04,943
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 49		

As per our report of even date attached

For and on behalf of Board of Directors of 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

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

	Reserves and surplus					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	
Balance as at 1 April 2016, as previously reported (refer note 42)	**10,799**	**150**	**5,000**	**17,710**	**1,14,718**	**-**	**(30)**	**1,48,347**
Impact of correction of errors (refer note 42)	-	-	-	-	(9,447)	-	(18)	(9,465)
Balance as at 1 April 2016 - Restated (refer note 42)	**10,799**	**150**	**5,000**	**17,710**	**1,05,271**	**-**	**(48)**	**1,38,882**
Profit for the year	-	-	-	-	9,030	-	-	9,030
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	-	(196)	(196)
Fair valuation of investment (net of tax)	-	-	-	-	-	29	-	29
Total comprehensive income for the year (restated)	**-**	**-**	**-**	**-**	**9,030**	**29**	**(196)**	**8,863**
Transfer to debenture redemption reserve	-	-	1,250	-	(1,250)	-	-	-
Balance as at 31 March 2017 (restated)	**10,799**	**150**	**6,250**	**17,710**	**1,13,051**	**29**	**(244)**	**1,47,745**
Profit for the year	-	-	-	-	11,289	-	-	11,289
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	-	114	114
Fair valuation of investment (net of tax)	-	-	-	-	-	(41)	-	(41)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**11,289**	**(41)**	**114**	**11,362**
Dividend paid	-	-	-	-	(5,292)	-	-	(5,292)
Tax on dividend					(1,054)	-	-	(1,054)
Utilization of debenture redemption reserve	-	-	(6,250)	-	6,250	-	-	-
Balance as at 31 March 2018	**10,799**	**150**	**-**	**17,710**	**1,24,244**	**(12)**	**(130)**	**1,52,761**

Note (1) Refer note 18 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of Board of Directors of 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

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 Restated (refer note 42)
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	13,093	13,701
Adjustments for		
Depreciation and amortisation expense	5,050	5,292
Loss on disposal of property, plant and equipment	112	12
Gain on sale of investments	(158)	(299)
Changes in fair value of financial assets at fair value through profit or loss	(33)	(6)
Dividend income	(4,518)	(25)
Interest income	(1,398)	(733)
Finance costs	7,068	5,302
Unrealised foreign exchange differences	713	(300)
Cash generated from operations before working capital changes		
(Increase) in trade receivables	(53,245)	(20,675)
(Increase)/decrease in inventories	(7,925)	2,984
Decrease in other financial assets	1,624	293
(Increase) in other non-current assets	(2,347)	(891)
(Increase) in other current assets	(97)	(2,350)
Increase/(decrease) in trade payables	26,795	(63)
(Decrease)/increase in other financial liabilities	(1,773)	469
Increase in provisions	45	25
Increase/(decrease) in employee benefit obligations	65	(247)
(Decrease) in derivatives	(713)	300
(Decrease)/increase in other current liabilities	(91)	1,517
Cash generated from operations	**(17,733)**	**4,306**
Income taxes paid (net)	**(4,184)**	**(5,036)**
Net cash outflow from operating activities	**(21,917)**	**(730)**
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(14,651)	(7,623)
Purchase of investments	(91,798)	(8,815)
Loans to related parties	(52)	(180)
Proceeds from sale of investments	76,245	-
Proceeds from sale of property, plant and equipment	1,159	62
Repayment of loans by related parties	54,928	26,133
Changes in other bank balances	(238)	270
Dividends received from a subsidiary	4,518	25
Interest received	1,398	733
Net cash inflow from investing activities	**31,509**	**10,605**

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 Restated (refer note 42)
Cash flows from financing activities		
Proceeds from borrowings - current	23,333	43,879
Proceeds from borrowings - non current	19,400	-
Repayment of borrowings - current	(38,796)	(60,431)
Interest paid	(8,026)	(5,960)
Dividends paid (including dividend distribution tax)	(6,346)	-
Net cash (outflow) from financing activities	**(10,435)**	**(22,512)**
Net (decrease) in cash and cash equivalents	(843)	(12,637)
Cash and cash equivalents at the beginning of the year (refer note 11)	7,962	20,599
Cash and cash equivalents at end of the year (refer note 11)	**7,119**	**7,962**

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

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

As per our report of even date attached

For and on behalf of Board of Directors of 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
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Director
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K. SUBHARAMAN
EVP-Legal and Company Secretary
Membership No: FCS:4361

Mumbai
Dated: 30 May 2018

Mumbai
Dated: 30 May 2018

Notes

To the financial statements for the year ended 31 March 2018

1. CORPORATE INFORMATION

Deepak Fertlisers And Petrochemicals Corporation Limited ("the Company") is a Company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were authorized for issue in accordance with the resolution of the Directors on May 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under 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 standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value

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

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates 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 Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

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

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

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

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

Litigations

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

Fair value measurement of financial instruments

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

Impairment of financial assets

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

2.3 Summary of significant accounting policies

(a) Current verus non-current classification

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

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or

- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as noncurrent.

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

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

(b) Revenue recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company 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.
- <u>Sale of goods:</u> 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.
- <u>Rendering of services:</u> 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- Clean Development Mechanism ('CDM') benefits known as Carbon Credit for wind energy units generated and N_2O 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 Company 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 Company 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 years for employee vehicles and 6 – 7 years for others
Buildings (other than factory buildings) with RCC frame structure	61
Plant and Machinery	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & Machinery used for generation of power through gas	40

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
Licence/ franchise fees	3 to 4

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) 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.

(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 Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the 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 Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries and associates

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

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

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in 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 drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Leases

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

Company as a lessee

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

Company as a lessor

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

(i) 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 Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the 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 defined contribution schemes. The contributions to the 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 Company 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 Company. 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 Company 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 Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. 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 Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the 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 Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the company.

(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 Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(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 Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(s) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(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 Company 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 Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment

still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of 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 Company or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contigent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(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 Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(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 Company 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 Company 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 Company is evaluating the impact of this amendment on its standalone financial statements.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 3: PROPERTY, PLANT AND EQUIPMENT

	Free-hold 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 42)	14,053	1,171	21,446	24,759	1,644	831	253	1,034	675	65,866
Additions	-	12,489	721	5,094	222	12	9	377	550	19,474
Disposals	-	-	-	(53)	-	-	(1)	(118)	(2)	(174)
Gross carrying amount as at 31 March 2017	**14,053**	**13,660**	**22,167**	**29,800**	**1,866**	**843**	**261**	**1,293**	**1,223**	**85,166**
Accumulated depreciation										
Opening accumulated depreciation	-	(17)	35	(2,707)	(328)	(107)	(87)	(279)	(165)	(3,655)
Depreciation charge for the year	-	(110)	(818)	(3,592)	(338)	(114)	(51)	(316)	(215)	(5,554)
Disposals	-	-	-	31	-	-	1	67	1	100
Accumulated depreciation as at 31 March 2017	**-**	**(127)**	**(783)**	**(6,268)**	**(666)**	**(221)**	**(137)**	**(528)**	**(379)**	**(9,109)**
Net carrying amount as at 31 March 2017	**14,053**	**13,533**	**21,384**	**23,532**	**1,200**	**622**	**124**	**765**	**844**	**76,057**
Gross carrying amount										
As at 1 April 2017	14,053	13,660	22,167	29,800	1,866	843	261	1,293	1,223	85,166
Additions	-	-	399	1,471	34	15	-	356	238	2,513
Disposals	-	-	(16)	(1,744)	-	(12)	(5)	(220)	(11)	(2,008)
Adjustment (refer footnote 1 below)	652	-	(938)	-	-	-	-	-	-	(286)
Gross carrying amount as at 31 March 2018	**14,705**	**13,660**	**21,612**	**29,527**	**1,900**	**846**	**256**	**1,429**	**1,450**	**85,385**
Accumulated depreciation										
Opening accumulated depreciation	-	(127)	(783)	(6,268)	(666)	(221)	(137)	(528)	(379)	(9,109)
Depreciation charge for the year (net of recharges - refer footnote 2 below)	-	(152)	(782)	(3,595)	(317)	(113)	(25)	(341)	(314)	(5,639)
Disposals	-	-	-	551	-	9	4	162	10	736
Adjustment	-	-	286	(6)	-	-	-	-	-	280
Accumulated depreciation as at 31 March 2018	-	(279)	(1,279)	(9,318)	(983)	(325)	(158)	(707)	(683)	(13,732)
Net carrying amount as on 31 March 2018	**14,705**	**13,381**	**20,333**	**20,209**	**917**	**521**	**98**	**722**	**767**	**71,653**

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 Depreciation amounting to ₹ 665 Lacs (31 March 2017 : ₹ 357 Lacs) has been recharged to 100% subsidiary Smartchem Technologies Limited as sharing for common facilities.

Refer Note 19 foot note for information on Property, plant and equipment are provided as security by the Company.

Refer Note 32 for finance cost capitalized.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 4: CAPITAL WORK-IN-PROGRESS

	31 March 2018	31 March 2017	1 April 2016
Projects (Mainly comprising of building and plant & machinery) #	18,751	8,384	14,538
Others	640	828	2,569
Total	**19,391**	**9,212**	**17,107**

Includes borrowing cost of ₹ 958 Lacs (31 March 2017 ₹ 658 Lacs, 1 April 2016 ₹ NIL)

Note 5: INVESTMENT PROPERTIES

	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount			
Opening gross carrying amount	51	51	51
Closing gross carrying amount	**51**	**51**	**51**
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount	**51**	**51**	**51**

(i) Fair value

	31 March 2018	31 March 2017	1 April 2016
Investment properties	513	513	513

Estimation of fair value

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

Note 6: INTANGIBLE ASSETS

	Computer Software	License/ Franchise Fees	Total
Cost			
Opening as on 1 April 2016	**41**	**200**	**241**
Additions during the year	37	-	37
Gross carrying amount as on 31 March 2017	**78**	**200**	**278**
Additions during the year	20	129	149
Gross carrying amount as on 31 March 2018	**98**	**329**	**427**
Accumulated Amortisation			
Opening as on 1 April 2016	**18**	**75**	**93**
Amortisation charge for the year	21	72	93
Closing accumulated amortisation as at 31 March 2017	**39**	**147**	**186**
Amortisation charge for the year	25	51	76
Closing accumulated amortisation as at 31 March 2018	**64**	**198**	**262**
Net Block as at 1 April 2016	**23**	**125**	**148**
Net Block as at 31 March 2017	**39**	**53**	**92**
Net Block as at 31 March 2018	**34**	**131**	**165**

(All Amounts in ₹ Lacs unless otherwise stated)

FINANCIAL ASSET

Note 7: NON-CURRENT INVESTMENTS

	31 March 2018	31 March 2017	1 April 2016
Investments carried at cost			
Investments in equity shares (unquoted) of Subsidiaries (fully paid up)			
1,70,50,000 (31 March 2017: 1,70,50,000, 1 April 2016: 1,70,50,000) equity shares of Smartchem Technology Limited (wholly owned subsidiary) of ₹ 10 each	80,724	80,724	80,724
1,60,000 (31 March 2017: 1,60,000, 1 April 2016: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of ₹ 10 each	20	20	20
9,998 (31 March 2017: 9,998, 1 April 2016: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1	1
43,350 (31 March 2017: 43,350, 1 April 2016: 43,350) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4	4
Investments in equity shares (unquoted) of Associates (fully paid up)			
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	2,356	2,356	2,356
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 Services Limited of ₹ 10 each	5	5	5
4,000 (31 March 2017: 4,000, 1 April 2016: 4,000) equity shares of Mumbai Modern Terminal Market Complex Private Limited of ₹ 10 each	0	0	0
Investments in equity shares (unquoted) of Others (fully paid up)			
88,448 (31 March 2017: 88,448, 1 April 2016: 88,448) equity shares of Deepak International Limited of ₹ 10 each	69	69	69
Total	**83,184**	**83,184**	**83,184**
Aggregate amount of unquoted investments	83,184	83,184	83,184

Note 8: 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)	25,775	9,962	867
Total	**28,437**	**12,734**	**3,585**

Note 9: TRADE RECEIVABLES

	31 March 2018	31 March 2017	1 April 2016
Trade receivables (Unsecured)			
Considered good	1,03,630	50,385	29,710
Considered doubtful	229	113	101
Less: Allowance for expected credit loss	(229)	(113)	(101)
Total	**1,03,630**	**50,385**	**29,710**

Movement in allowance for expected credit loss:

	31 March 2018	31 March 2017	1 April 2016
Balance at beginning of the year	113	101	99
Add: Allowance for expected credit loss	116	12	2
Less: Reversed / utilized during the year	-	-	-
Balance as at the end of the year	**229**	**113**	**101**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 10: LOANS

	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Loan to related parties (refer note 44)	-	54,907	81,005
Loan to employees	90	38	73
Other loans	159	180	-
Total	**249**	**55,125**	**81,078**

Note 11: CASH AND CASH EQUIVALENTS

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- in current accounts	2,222	5,738	4,855
- in EEFC accounts	9	18	410
- in deposits with original maturity upto three months	3,021	1,046	15,020
Cash on hand	5	5	14
Cheques in hand	1,862	1,155	300
Total	**7,119**	**7,962**	**20,599**

Note 12: OTHER BANK BALANCES

	31 March 2018	31 March 2017	1 April 2016
Earmarked balances with banks			
Unclaimed dividend	561	466	735
Deposits with maturity upto 12 months from the reporting date	200	57	58
Total	**761**	**523**	**793**

Note 13: OTHER FINANCIAL ASSETS

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Interest receivable	519	-	1,191	-	792	-
Deposit with banks with maturity after twelve months from the reporting date(*)	-	-	-	1,159	-	1,159
Security deposits	-	1,040	-	956	-	1,542
Others	171	311	-	359	-	465
Total	**690**	**1,351**	**1,191**	**2,474**	**792**	**3,166**

* ₹ 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.

Note 14: OTHER NON - CURRENT ASSETS

	31 March 2018	31 March 2017	1 April 2016
Capital advances	2,474	732	2,249
Balance with government authorities	7,123	4,622	3,850
Prepaid expenses	27	181	62
Total	**9,624**	**5,535**	**6,161**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 15: INVENTORIES

	31 March 2018	31 March 2017	1 April 2016
Raw materials Includes ₹161 Lacs(31 March 2017 ₹ 114 Lacs, 1 April 2016 ₹ 92 Lacs) in transit	1,277	683	212
Finished goods	641	2,639	338
Stock-in-trade Includes ₹ 212 Lacs (31 March 2017 ₹ Nil, 1 April 2016 ₹ Nil) in transit	14,993	5,796	12,308
Stores and spares Includes ₹101 Lacs (31 March 2017 ₹ 138 Lacs, 1 April 2016 ₹ 275 Lacs) in transit	5,541	5,667	4,896
Packing material	270	12	27
Total	**22,722**	**14,797**	**17,781**

Note 16: OTHER CURRENT ASSETS

	31 March 2018	31 March 2017	1 April 2016
Advances for supply of goods and services	4,640	-	2,045
Balances with government authorities	1,407	6,488	2,633
Prepaid expenses	1,775	1,292	447
Other receivables	62	7	312
Total	**7,884**	**7,787**	**5,437**

Note 17: 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 Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuring Annual General Meeting.

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

(All Amounts in ₹ Lacs unless otherwise stated)

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

	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%

Note 18: 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 Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) **Debenture redemption reserve:** The Company has issued non convertible debentures and as per the provisions of the Act the Company is required to create debenture redemption reserve out of the divisible 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 Company and is available for distribution of dividend.

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

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**

FINANCIAL LIABILITIES

Note 19: NON-CURRENT BORROWINGS

	Maturity date	Terms of repayment	Coupon/ Interest rate	31 March 2018	31 March 2017	1 April 2016
Secured						
Debentures						
2500, 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						
Bank of Baroda	31 Dec 2027	Redeemable in quarterly installment starting from June 2021	9.05% per annum payable annually	9,000	-	-
Export Import Bank Of India	31 Dec 2027	Redeemable in quarterly installment starting from June 2021	9.25% per annum payable annually	10,400	-	-
Total				**19,400**	**24,992**	**24,981**
Less: Current maturities of long-term debt (included in note 21)				-	24,992	-
Total				**19,400**	**-**	**24,981**

The term loan has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 20: CURRENT BORROWINGS

	31 March 2018	31 March 2017	1 April 2016
Loans repayable on demand			
From banks			
Secured			
-Buyer's credit	32,437	27,126	15,048
-Short term loan	10,000	-	9,251
-Cash credit facilities (refer note below)	-	396	985
Bills discounting	2,487	15,895	-
Unsecured			
Commercial paper	72,500	64,478	99,174
Total	**1,17,424**	**1,07,895**	**1,24,458**

Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year 1.73 % (31 March 2017 - 1.17%, 1 April 2016 - 0.77%) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Short term loan from bank is repayable on 24 May 2018, carries interest rate of 7.90% (1 April 2016 - 9.45%) and is secured by a first charge by way of hypothecation of stock of raw materials, finished goods and consumable stores and book debts.

Cash credit is repayable on demand and carries 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 and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

Commercial paper borrowings carry variable interest rate. Average rate for the year is 6.77% (31 March 2017 - 7.38% , 1 April 16 - 8.51%).

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

Note 21: 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 long-term debt	-	24,992	-
Interest accrued	221	588	642
Security deposits	377	351	486
Capital creditors	335	2,033	570
Due to related parties	462	1,023	758
Foreign-exchange forward contracts payables(net)	25	767	320
Total	**1,420**	**29,754**	**2,776**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 22: PROVISIONS

	31 March 2018		31 March 2017		1 April 2016	
	Current	Non- Current	Current	Non-Current	Current	Non-Current
Provision for employee benefits						
Gratuity	-	-	-	269	-	160
Compensated absences	244	1,128	205	965	238	1,044
Defined pension benefits	68	86	38	98	10	174
Total (A)	**312**	**1,214**	**243**	**1,332**	**248**	**1,378**
Other provisions						
Provision for site restoration (refer note below)	-	373	-	328	-	303
Total (B)	**-**	**373**	**-**	**328**	**-**	**303**
Total (A+B)	**312**	**1,587**	**243**	**1,660**	**248**	**1,681**

Movement in provision for site restoration	
As at 1 April 2016	**303**
Additional provisions recognised	25
As at 31 March 2017	**328**
Additional provisions recognised	45
As at 31 March 2018	**373**

(A) Defined Contribution Plans

The Company 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 Company has contributed following amounts to:

Particulars	31 March 2018	31 March 2017
Employer's contribution to provident fund	188	168
Employer's contribution to employee's pension scheme	53	53
Employer's contribution to superannuation fund	191	151
Employer's contribution to employee state insurance	1	1

(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 Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.50% p.a. (31 March 2017: 7.80% p.a.; 1 April 2016: 8.00% p.a.).

(All Amounts in ₹ Lacs unless otherwise stated)

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	3,565	3,045	2,699
Current service cost	285	247	247
Interest cost	256	226	208
Actuarial (gain)/loss	(145)	350	101
Benefits paid	(311)	(303)	(210)
Present value of obligation at the end of the year	3,650	3,565	3,045

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	3,650	3,565	3,045
Fair value of plan assets at the end of the year	3,820	3,296	2,885
Net (asset)/liabilities recognised in the Balance Sheet	(170)	269	160

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	96
Contribution by employer	569	618
Actual benfits paid	(311)	(303)
Acturial gain/(loss)	-	-
Plan assets at the end of the year	3,820	3,296

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

Particulars	31 March 2018	31 March 2017
Current service cost	285	247
Interest cost	256	226
Expense recognised in the Statement of Profit and Loss	541	473

Amount recognised in the other comprehensive income:

Particulars	31 March 2018	31 March 2017
Remeasurements cost/(credit)	(145)	340
Actuarial (gain)/loss on plan assets	(9)	-
Amount recognised in the Other Comprehensive Income	(154)	340

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	(179)	197	165	(153)

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.

(All Amounts in ₹ Lacs unless otherwise stated)

ii. Defined pension benefits

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

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)).

Particulars	**31 March 2018**	**31 March 2017**	**1 April 2016**
Present value of obligation at the beginning of the year	136	184	169
Current service cost	44	38	37
Past service cost	-	(36)	-
Interest cost	10	14	13
Actuarial loss	(21)	(42)	(26)
Benefits paid	(15)	(22)	(9)
Present value of obligation at the end of the year	154	136	184

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

Particulars	**31 March 2018**	**31 March 2017**
Current service cost	44	38
Past service cost	-	(36)
Interest cost	10	14
Expense recognised in the Statement of Profit and Loss	54	16

Amount recognised in the other comprehensive income:

Particulars	**31 March 2018**	**31 March 2017**
Remeasurements Cost / (Credit)	(21)	(42)
Actuarial (gain)/loss on plan assets	-	-
Amount recognised in the Other Comprehensive Income	(21)	(42)

Sensitivity analysis :

Particulars	**As at 31 March 2018**	
Assumptions	Discount rate	
Sensitivity level	1.00% increase	1.00% decrease
Impact on defined benefit	(33)	44

Note 23: TRADE PAYABLES

	31 March 2018	**31 March 2017**	**1 April 2016**
Trade payables			
Due to micro and small enterprises	28	36	14
Due to others	49,319	22,516	22,601
Total	**49,347**	**22,552**	**22,615**

(All Amounts in ₹ Lacs unless otherwise stated)

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

	31 March 2018	31 March 2017	1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount outstanding (whether due or not) to micro and small enterprises	28	36	14
- Interest due thereon	-	-	1
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of payment made to the supplier beyond the appointed day during the year	26	33	92
Amount of interest due and payable on delayed payments	-	-	1
Amount of interest accrued and remaining unpaid as at year end	-	-	1
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 Company requested its suppliers to confirm 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 Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

Note 24: DEFERRED TAX LIABILITIES (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	4,908	(694)	-	4,214
Other intangible assets	(14)	34	-	20
Financial assets at fair value through profit or loss	136	(72)	-	64
Financial assets at value through OCI (including derivatives)	(113)	-	39	(74)
Deferred tax on entry tax	(1,347)	-	-	(1,347)
Provisions	(698)	227	-	(471)
Others	(279)	89	-	(190)
Net deferred tax liabilities	**2,593**	**(416)**	**39**	**2,216**

Movements during the year ended 31 March 2017:

	1 April 2016	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	4,238	670	-	4,908
Other intangible assets	(10)	(4)	-	(14)
Financial assets at fair value through profit or loss	71	65	-	136
Financial assets at fair value through OCI (including derivatives)	(25)	-	(88)	(113)
Deferred tax on entry tax	(1,347)		-	(1,347)
Provisions	(746)	48	-	(698)
Others	(345)	66	-	(279)
Net deferred tax liabilities	**1,836**	**845**	**(88)**	**2,593**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 25: OTHER CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April, 2016
Advances from customers	2,497	2,023	976
Unclaimed dividend (#)	561	524	793
Statutory dues payable	6,441	6,695	6,280
Other payables (*)	2,067	2,415	2,091
Total	**11,566**	**11,657**	**10,140**

(#) ₹ 67 Lacs (31 March 2017 ₹ 50 Lacs, 1 April 2016 ₹ 40 Lacs) transferred to the Investor Education and Protection Fund during the year

(*) Other payables includes ₹ 1,656 Lacs (31 March 2017 ₹ 2,154 Lacs, 1 April 2016 ₹ 1,777 Lacs) related to employee dues

Note 26: REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
Sale of products		
Finished goods (including excise duty)	1,17,292	99,674
Traded goods	2,02,686	1,13,869
Revenue from realty business	675	560
Other operating revenues	768	1,590
Total	**3,21,421**	**2,15,693**

Note 27: OTHER INCOME

	31 March 2018	31 March 2017
Dividend income from subsidiary	4,518	25
Interest income	1,398	733
Fair value gain on financial assets measured at fair value through profit or loss	33	6
Net gain on sale of investments	158	299
Other non-operating income	535	436
Total	**6,642**	**1,499**

Note 28: COST OF MATERIALS CONSUMED

	31 March 2018	31 March 2017
Raw materials as at the beginning of the year	683	212
Add: Purchases during the year	81,024	59,344
Less: Raw material as at the end of the year	1,277	683
Total	**80,430**	**58,873**

Note 29: PURCHASE OF STOCK-IN-TRADE

	31 March 2018	31 March 2017
Purchases of stock-in- trade	2,03,547	99,333
Total	**2,03,547**	**99,333**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 30: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

	31 March 2018	31 March 2017
Opening balance		
Finished goods	2,639	338
Stock-in-trade	5,796	12,308
Total opening balance	**8,435**	**12,646**
Closing balance		
Finished goods	641	2,639
Stock-in-trade	14,993	5,796
Total closing balance	**15,634**	**8,435**
(Increase)/ decrease in excise duty on stock of finished goods	(167)	59
Total	**(7,366)**	**4,270**

Note 31: EMPLOYEE BENEFIT EXPENSE

	31 March 2018	31 March 2017
Salaries, wages and bonus	5,381	4,965
Contribution to provident fund & other funds	783	725
Staff welfare expenses	278	242
Total	**6,442**	**5,932**

Note 32: FINANCE COSTS

	31 March 2018	31 March 2017
Interest and finance charges #	8,026	5,960
	8,026	**5,960**
Less: Amount capitalised	(958)	(658)
Total	**7,068**	**5,302**

Includes exchange differences to the extent considered as an adjustment to borrowing cost ₹ 621 Lacs (31 March 2017: ₹ 515 Lacs).

Note 33: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2018	31 March 2017
Depreciation on property, plant and equipment	4,974	5,199
Amortisation on intangible assets	76	93
Total	**5,050**	**5,292**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 34: OTHER EXPENSES

	31 March 2018	31 March 2017
Power, fuel and water	1,925	1,133
Consumption of stores and spares	793	1,493
Rent	274	326
Repairs to :		
- Building	161	281
- Plant and machinery	1,164	1,238
- Others	617	521
Insurance	472	389
Rates, taxes and duties	519	940
Travelling and conveyance	250	221
Legal and professional fees	1,158	1,315
Payments to auditors (note 35(a) below)	38	31
Directors' sitting fees	58	24
Carriage outward (net)	5,341	3,563
Loss on sales of fixed assets	112	12
Commission on sales	29	42
Sales and promotion expenses	239	218
Utility services	311	328
Communication expenses	77	119
Corporate social responsibility expenditure (note 35(b) below)	177	268
Foreign exchange fluctuations loss (net)	2,349	822
Miscellaneous expenses	1,041	1,174
Total	**17,105**	**14,458**

Note 35(a): DETAILS OF PAYMENTS TO AUDITORS

	31 March 2018	31 March 2017
Payment to auditors	*	
As auditor:		
Audit fee	25	19
Tax audit fee	3	2
In other capacities		
Taxation matters	5	3
Certification fees/Other Matters	3	6
Re-imbursement of expenses	2	1
Total	**38**	**31**

* Includes ₹ 10 Lacs (31 March 2017: ₹ 31 Lacs) paid to erstwhile auditors.

Note 35(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2018	31 March 2017
Contributions to Ishanya Foundation	153	258
Others	24	10
Total	**177**	**268**
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	268

(All Amounts in ₹ Lacs unless otherwise stated)

Note 36: 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 company 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.

Amt in ₹

	Specified Bank Notes	Other Denomination Notes	Total
	Amount	Amount	
Closing Cash in Hand as on 08.11.2016	2,78,500	91,401	3,69,901
Add: Permitted Receipts	43,000	11,85,437	12,28,437
Less: Permitted Payments	1,000	12,11,126	12,12,126
Less: Amount deposited in Banks	3,20,500	810	3,21,310
Closing Cash in Hand as on 31.12.2016	-	64,902	64,902

Note 37: 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									
- Mutual funds	25,775	-	-	9,962	-	-	867	-	-
- Debt and Government securities	-	2,662	-	-	2,772	-	-	2,718	-
Trade receivables	-	-	1,03,630	-	-	50,385	-	-	29,710
Cash and cash equivalents	-	-	7,119	-	-	7,962	-	-	20,599
Other bank balances	-	-	761	-	-	523	-	-	793
Loans	-	-	249	-	-	55,125	-	-	81,078
Other financial assets									
- Security deposits	-	-	1,040	-	-	956	-	-	1,542
- Interest receivable	-	-	519	-	-	1,191	-	-	792
- Balance with banks	-	-	-	-	-	1,159	-	-	1,159
- Others	-	-	482	-	-	359	-	-	465
Total financial assets	**25,775**	**2,662**	**1,13,800**	**9,962**	**2,772**	**1,17,660**	**867**	**2,718**	**1,36,138**
Financial liabilities									
Borrowings	-	-	1,36,824	-	-	1,32,887	-	-	1,49,439
Trade payables	-	-	49,347	-	-	22,552	-	-	22,615
Other financial liabilities									
- Derivative financial liabilities, not designated as hedges	25	-	-	767	-	-	320	-	-
- Capital creditors	-	-	335	-	-	2,033	-	-	570
- Security deposits	-	-	377	-	-	377	-	-	571
- Interest accrued	-	-	221	-	-	588	-	-	642
- Others	-	-	462	-	-	1,126	-	-	856
Total financial liabilities	**25**	**-**	**1,87,566**	**767**	**-**	**1,59,563**	**320**	**-**	**1,74,693**

(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.

(All Amounts in ₹ Lacs unless otherwise stated)

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												
Mutual funds	25,775	-	-	25,775	9,962	-	-	9,962	867	-	-	867
Financial Investments at FVOCI												
Debts & Government Securities	2,662	-	-	2,662	2,772	-	-	2,772	2,718	-	-	2,718
Total financial assets	**28,437**	**-**	**-**	**28,437**	**12,734**	**-**	**-**	**12,734**	**3,585**	**-**	**-**	**3,585**
Financial liabilities												
Derivatives												
Foreign exchange forward contracts/option contracts	-	25	-	25	-	767	-	767	-	320	-	320
Total financial liabilities	**-**	**25**	**-**	**25**	**-**	**767**	**-**	**767**	**-**	**320**	**-**	**320**

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.

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

Note 38(a): FINANCIAL RISK MANAGEMENT

Risk management framework

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

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

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

- credit risk;

- liquidity risk; and

- market risk.

i. Credit risk

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

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

Trade receivables and other financial assets

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

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

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is ₹ 1,254 lacs (31 March 2017: ₹ 926 lacs, 1 April 2016: ₹ 879 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	113	101	99
Add: Provided during the year (net of reversal)	116	12	2
Less: Amount written off	-	-	-
Balance at the end of the year	229	113	101

Expected credit loss on financial assets other than trade receivables:

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

ii. Liquidity Risk

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

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

Exposure to liquidity risk

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

31 March 2018	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	1,04,975	85,575	5,543	13,857	104,975
Trade payables	21,182	21,182	-	-	21,182
Other financial liabilities	1,420	1,420	-	-	1,420
Total non-derivative liabilities	**1,27,577**	**1,08,177**	**5,543**	**13,857**	**1,27,577**
Derivatives financial liabilities					
Foreign exchange forward contracts					
Borrowings	31,849	31,849	-	-	31,849
Trade payables	28,165	28,165	-	-	28,165
Total derivative liabilities	**60,014**	**60,014**	**-**	**-**	**60,014**

(All Amounts in ₹ Lacs unless otherwise stated)

31 March 2017	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
Non-derivatives					
Borrowings	1,12,385	1,12,385	-	-	1,12,385
Trade payables	9,522	9,522	-	-	9,522
Other financial liabilities	4,891	4,762	129	-	4,891
Total non-derivative liabilities	**1,26,798**	**1,26,669**	**129**	**-**	**1,26,798**
Derivatives financial liabilities					
Foreign exchange contract used for hedging					
Borrowings	20,502	20,502	-	-	20,502
Trade payables	13,030	13,030	-	-	13,030
Total derivative liabilities	**33,532**	**33,532**	**-**	**-**	**33,532**

1 April 2016	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
Non-derivatives financial lbilities					
Borrowings	1,35,438	1,10,457	24,981	-	1,35,438
Trade payables	15,400	15,400	-	-	15,400
Other financial liabilities	2,959	2,776	183	-	2,959
Total non-derivative liabilities	**1,53,797**	**1,28,633**	**25,164**	**-**	**1,53,797**
Derivatives (net settled)					
Foreign Exchange Forward and Option Contracts					
Borrowings	14,001	14,001	-	-	14,001
Trade payables	7,215	7,215	-	-	7,215
Total derivative liabilities	**21,216**	**21,216**	**-**	**-**	**21,216**

iii. Market risk

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

Currency risk

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

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

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 45.

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

	Impact on profit after tax	
	31 March 2018	31 March 2017
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2017-1%)	647	375
₹/USD -depreciated by 1% (31 March 2017-1%)	(647)	(375)
EUR sensitivity		
₹/EUR-appreciated by NIL (31 March 2017-1%)	NIL	0.17
₹/EUR-depreciated by NIl (31 March 2017-1%)	NIL	(0.17)

Interest rate risk

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

Exposure to interest rate risk

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

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

	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowings	19,400	396	985
Fixed rate borrowings	1,17,424	1,32,491	1,48,454
Total borrowings	**1,36,824**	**1,32,887**	**1,49,439**

Sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2018 would decrease / increase by ₹ 97 lacs (for the year ended 31 March 2017: decrease / increase by ₹ 2 lacs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 39: CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

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

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

The gearing ratios were as follows:

	31 March 2018	31 March 2017	1 April 2016
Net debt	1,28,944	1,24,402	1,28,047
Total equity	1,61,581	1,56,565	1,47,702
Net debt to equity ratio	**0.80**	**0.79**	**0.87**

(b) Dividends

Particulars	31 March 2018	31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹ 6 per fully paid equity share	5,292	-
(ii) Dividend not recognised at the end of the reporting period	5,292	-
In addition to the above dividends, since 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 ensuring annual general meeting.	5,292	5,292

(All Amounts in ₹ Lacs unless otherwise stated)

Note 40(a): NAMES OF THE RELATED PARTIES AND RELATIONSHIP

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. SUBSIDIARIES

1 Smartchem Technologies Limited (STL)
2 Platinum Blasting Services Pty Limited [PBS] (Subsidiary of STL)
3 Australian Mining Explosives Pty Limited (Subsidiary of PBS)
4 RungePincockMinarco India Private Limited
5 Deepak Mining Services Private Limited
6 Deepak Nitrochem Pty.Limited
7 SCM Fertichem Limited
8 Performance Chemiserve Private Limited (Subsidiary of STL)

C. JOINTLY CONTROLLED OPERATIONS

1 Yerrowda Investments Limited

D. KEY MANAGEMENT PERSONNEL

(a) Executive directors

Mr Sailesh Chimanlal Mehta

(b) Non-executive directors

Ms Parul Sailesh Mehta
Mr Partha Sarathi Bhattacharyya
Mr Rajendra Ambalal Shah
Mr Madhumilan Parshuram Shinde

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

(d) Chief Finance Officer

Mr Vipin Agarwal (upto 2 November 2017)
Mr Amitabh Bhargava (w.e.f. 2 November 2017)

E. 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

F. RELATIVES OF KEY MANAGEMENT PERSONNEL

1 Mr Yeshil Mehta

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

1 Deepak Nitrite Limited

(All Amounts in ₹ Lacs unless otherwise stated)

Note 40(b) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2018							31 March 2017						
		Subsidiaries	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	Subsidiaries	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**														
	Smartchem Technologies Limited	39,734	-	-	-	-	-	39,734	23,198	-		-	-	-	23,198
	Deepak Nitrite Limited	-	-	-	-	-	7,290	7,290	-	-	-	-	-	6,092	6,092
2	**Rendering of services/reimbursement of expense incurred on behalf of related party**														
	Smartchem Technologies Limited	9,083	-	-	-	-	-	9,083	12,835	-	-	-	-	-	12,835
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	-	-	12	-	-	-	-	12
	Ishanya Foundation	-	-	-	-	4	-	4	-	-	-	-	6	-	6
	Performance Chemiserve Private Limited	130	-	-	-	-	-	130	-	-	-	-	-	-	-
	Rung Pincock Minarco (I) Private Limited	4	-	-	-	-	-	4	2	-	-	-	-	-	2
3	**Interest on loan given**														
	Smartchem Technologies Limited	4,028	-	-	-	-	-	4,028	3,286	-	-	-	-	-	3,286
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	-		12	-	-	-	-	12
	Deepak Mining Services	2	-	-	-	-	-	2	2	-	-	-	-	-	2
4	**Dividend income**														
	Smartchem Technologies Limited	4,518	-	-	-	-	-	4,518	25	-	-	-	-	-	25
5	**Purchase of goods and services**			-											
	Smartchem Technologies Limited	(17,879)	-	-	-	-	-	(17,879)	(17,540)	-	-	-	-	-	(17,540)
6	**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)
7	**Receiving of services/reimbursement of expenses on behalf of the Company**														
	Yerrowda Investments Limited	-	-	(86)	-	-	-	(86)			(10)	-	-	-	(10)
	Performance Chemiserve Private Limited	(285)	-	-	-	-	-	(285)	-	-	-	(13)	-	-	(13)
8	**Donation given**										-	-	-	-	-
	Ishanya Foundation	-	-	-	-	(153)	-	(153)	-	-	-	-	(588)	-	(588)
9	**Remuneration (including perquisites)**														
	Mr Sailesh Chimanlal Mehta	-	-	-	(656)	-	-	(656)	-	-		(1,174)		-	(1,174)
	Mr Vipin Agarwal	-	-	-	(97)	-	-	(97)	-	-		(115)		-	(115)

(All Amounts in ₹ Lacs unless otherwise stated)

Note 40(b) RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transactions	31 March 2018 Subsidiaries	31 March 2018 Associates	31 March 2018 Jointly Controlled Operations	31 March 2018 Key Management Personnel	31 March 2018 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2018 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2018 Total	31 March 2017 Subsidiaries	31 March 2017 Associates	31 March 2017 Jointly Controlled Operations	31 March 2017 Key Management Personnel	31 March 2017 Entities over which Key Management Personnel are able to exercise significant Influence	31 March 2017 Enterprises Over Which Relatives Are Able To Exercise Significant Influence	31 March 2017 Total
	Mr Amitabh Bhargava	-	-	-	(76)	-	-	(76)	-	-		0		-	-
	Mr K Subharaman	-	-	-	(68)	-	-	(68)	-	-		(36)		-	(36)
	Mr Mandar Velankar	-	-	-	-	-	-	-	-	-		(14)		-	(14)
10	**Sitting Fees paid to Non-Executive Directors**	-	-	-	(58)	-	-	(58)	-	-		(41)	-	-	(41)
11	**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)
12	**Loans given**														
	Smartchem Technologies Limited	(61,143)	-	-	-	-	-	(61,143)	-	-		-	-	-	-
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	-	-	(247)		-	-	-	(247)
13	**Loans received back**														
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	-	-	247		-	-	-	247
	Smartchem Technologies Limited	1,16,050	-	-	-	-	-	1,16,050	26,098	-		-	-	-	26,098
14	**Amount outstanding**														
	Trade payables														
	Smartchem Technologies Limited	(1,165)	-	-	-	-	-	(1,165)	54,907	-		-	-	-	54,907
	RungePincockMinarco India Private Limited	-	-	-	-	-	-	-	1	-		-	-	-	1
	Yerrowda Investments Limited	-	-	(54)	-	-	-	(54)		-	(56)	-	-	-	(56)
	Desai Fruits and Vegetables Private Limited	-	-	-	-	-	-	-	-	(11)				-	(11)
	Commission payable														
	Mr Sailesh Chimanlal Mehta	-	-	-	(312)	-	-	(312)	-	-		(873)	-	-	(873)
	Trade receivables														
	Deepak Nitrite Limited	-	-	-	-	-	2,373	2,373	-	-		-	-	879	879
	Ishanya Foundation	-	-	-	-	1		1	-	-		-	-	-	-
	Performance Chemiserve Private Limited	133	-	-	-	-	-	133	-	-		-	(18)	-	(18)
	Robust Marketing Services Private Limited	-	-	-	-	653	-	653	-	-		-	653	-	653
	Deposit Receivable														
	Mr Sailesh Chimanlal Mehta	-	-	-	200	-	-	200	-	-	-	200	-	-	200
	Loans recoverable														
	Deepak Mining Services	40	-	-	-	-	-	40	39	-		-	-	-	39

Note : Figures in bracket are outflows.

(All Amounts in ₹ Lacs unless otherwise stated)

Note 41: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2018	31 March 2017	1 April 2016
A. Contingent liabilities			
Claims by suppliers	37,447	37,447	1,770
Income tax demands	7,866	3,959	3,889
Excise/Service Tax/Custom demands*	13,914	12,449	12,407
Sales Tax/ VAT demands	4,857	4,819	3,964
Entry Tax	-	3,272	-
Penalty levied by Competition commission of India and contested by the Company	200	200	200
Total	**64,284**	**62,147**	**22,230**
B. Commitments			
Related to projects	27,697	1,761	1,219
Related to realty	403	35	104
Total	**28,100**	**1,796**	**1,323**

*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 42: RESTATEMENT DUE TO CORRECTION OF ERRORS

During the year 2017-2018, the Company discovered certain errors (refer table iii) in it's Standalone 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 Standalone 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	a, c	1,94,851	(1,18,794)	76,057
Capital work-in-progress	a	38,461	(29,249)	9,212
Investment property	a	2,124	(2,073)	51
Other intangible assets	a	1,706	(1,614)	92
Financial assets				
i. Investments	a	8,894	74,290	83,184
ii. Other financial assets	a	2,633	(159)	2,474
Income tax assets (net)	a	-	6,419	6,419
Other non-current assets	a	11,337	(5,802)	5,535
Total non-current assets		2,60,006	(76,982)	1,83,024
Current assets				
Inventories	a	49,392	(34,595)	14,797
Financial assets				
i. Investments	a	11,810	924	12,734
ii. Trade receivables	a	1,17,292	(66,907)	50,385
iii. Cash and cash equivalents	a	7,411	551	7,962
iv. Other bank balances		523	-	523
v. Loans	a	3,732	51,393	55,125
vi. Other financial assets	a	1,306	(115)	1,191
Current tax assets (net)	a	4,992	(4,992)	
Other current assets	a	14,125	(6,338)	7,787
Total current assets		2,10,583	(60,079)	1,50,504
Total assets		**4,70,589**	**(1,37,061)**	**3,33,528**

(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	1,64,154	(16,409)	1,47,745
Total equity		1,72,974	(16,409)	1,56,565
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	a	44,545	(44,545)	-
ii. Other financial liabilities	a	154	(25)	129
Other non-current liabilities	a	350	(350)	-
Provisions	a	2,533	(873)	1,660
Deferred tax liabilities (net)	a	11,720	(9,127)	2,593
Total non-current liabilities		59,302	(54,920)	4,382
Current liabilities				
Financial liabilities				
i. Borrowings	a	1,03,855	4,040	1,07,895
ii. Trade payables	a	40,558	(18,006)	22,552
iii. Other financial liabilities	a	71,852	(42,098)	29,754
Other current liabilities	a	8,630	3,027	11,657
Provisions	a	5,572	(5,329)	243
Current tax liabilities (net)	a	7,846	(7,366)	480
Total current liabilities		2,38,313	(65,732)	1,72,581
Total liabilities		2,97,615	(1,20,652)	1,76,963
Total equity and liabilities		**4,70,589**	**(1,37,061)**	**3,33,528**

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	a	4,25,725	(2,10,032)	2,15,693
Other income	a	2,055	(556)	1,499
Total Income		4,27,780	(2,10,588)	2,17,192
Expenses				
Cost of materials consumed	a	1,42,576	(83,703)	58,873
Purchases of stock-in- trade	a	1,35,019	(35,686)	99,333
Changes in inventories of finished goods and stock-in-trade	a	11,899	(7,629)	4,270
Excise duty	a	22,129	(12,098)	10,031
Employee benefits expense	a	18,594	(12,662)	5,932
Finance costs	a	12,000	(6,698)	5,302
Depreciation and amortisation expense	a,c	13,023	(7,731)	5,292
Other expenses	a	50,210	(35,752)	14,458
Total expenses		4,05,450	(2,01,959)	2,03,491
Profit before tax		22,330	(8,629)	13,701
Tax expense				
Current tax	a	6,513	(2,690)	3,823
Deferred tax (credit)/charge	a	(199)	1,047	848
Total tax expense		6,314	(1,643)	4,671
Profit for the year		16,016	(6,986)	9,030
Other comprehensive income ('OCI')				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligations	a	(373)	75	(298)
Income tax relating to these items	a	129	(26)	103
Total (A)		**(244)**	**48**	**(196)**

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Items that will be reclassified subsequently to profit or loss				
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)	4	(15)
Total (B)		35	(6)	29
Other comprehensive income for the year (A+B), net of tax liability		(209)	42	(166)
Total comprehensive income for the year		15,807	(6,944)	8,864
Earning per equity share of Rs.10 each				
(i) Basic (in Rs.)		18.16		10.24
(ii) Diluted (in Rs.)		18.16		10.24
Weighted average number of equity shares of Rs 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	a, c	1,25,802	(63,591)	62,211
Capital work-in-progress	a	39,505	(22,398)	17,107
Investment property	a	2,162	(2,111)	51
Other intangible assets	a	469	(321)	148
Financial assets				
i. Investments	a	8,893	74,291	83,184
ii. Other financial assets	a	3,397	(231)	3,166
Income tax assets (net)	a	-	5,297	5,297
Other non - current assets	a	8,179	(2,018)	6,161
Total non-current assets		1,88,407	(11,082)	1,77,325
Current assets				
Inventories	a	59,806	(42,025)	17,781
Financial assets				
i. Investments	a	2,718	867	3,585
ii. Trade receivables	a	1,53,435	(1,23,725)	29,710
iii. Cash and cash equivalents	a	20,062	537	20,599
iv. Other bank balances		793	-	793
v. Loans	a	3,526	77,552	81,078
vi. Other financial assets	a	1,239	(447)	792
Current tax assets (net)	a	3,963	(3,963)	-
Other current assets	a	10,528	(5,091)	5,437
Total current assets		2,56,070	(96,295)	1,59,775
Total assets		**4,44,477**	**(1,07,377)**	**3,37,100**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		8,820	-	8,820
Other equity	a,b,c	1,48,347	(9,465)	1,38,882
Total equity		1,57,167	(9,465)	1,47,702
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	a	46,924	(21,943)	24,981
ii. Other financial liabilities	a	213	(30)	183
Provisions	a	3,027	(1,346)	1,681
Deferred tax liabilities (net)	a	12,030	(10,194)	1,836

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	Foot note reference	As previously reported	Adjustments	As restated
Other non-current liabilities	a	320	(320)	-
Total non-current liabilities		62,514	(33,833)	28,681
Current liabilities				
Financial liabilities				
i. Borrowings	a	1,40,435	(15,977)	1,24,458
ii. Trade payables	a	46,752	(24,137)	22,615
iii. Other financial liabilities	a	21,392	(18,616)	2,776
Other current liabilities	a	7,085	3,055	10,140
Provisions	a	3,885	(3,637)	248
Current tax liabilities (net)	a	5,248	(4,768)	480
Total current liabilities		2,24,796	(64,079)	1,60,717
Total liabilities		2,87,310	(97,912)	1,89,398
Total equity and liabilities		**4,44,477**	**(1,07,377)**	**3,37,100**

(iii) Reconciliation of opening Other Equity as of 1 April 2016 and 31 March 2017

Particulars	Foot note reference	Other Equity Restated as of 1 April 2016	Other Equity Restated as of 31 March 2017
Opening other equity as previously reported		**1,48,347**	**1,64,153**
Impact of correction of errors			
- Adjustment on account of adjusting event	a	(6,624)	(13,709)
- Adjustment on account of entry tax (net of tax)	b	(3,853)	(3,853)
- Reclassification of land and building	c	1,012	1,154
Total impact of errors		(9,465)	(16,408)
Restated balance		**1,38,882**	**1,47,745**

(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 Standalone Ind AS financial statements due to the following reasons:

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 1st 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 1st 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 1st April, 2016 and reversal of depreciation on buildings of ₹ 142 Lacs charged during the year ended 31st March, 2017.

Note 43: LEASES

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

	31 March 2018	31 March 2017	1 April 2016
Minimun lease rental payable			
Not later than 1 year	476	433	411
Later than 1 year and not later than 5 years	70	117	20
Later than 5 years	-	-	-
Total	**546**	**550**	**431**

(All Amounts in ₹ Lacs unless otherwise stated)

Note 44: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013

Loans and advances to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required.

Name of the party	Rate of interest	Due date and amount payable	Purpose	31 March 2018	31 March 2017	1 April 2016
Smartchem Technologies Limited	7.13% - 8.32%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements. The loan is repayable on demand.	NIL	54,907	81,005

The Company has issued corporate guarantees on behalf of subsidiaries / associates to banks. Details are as below :

Name of the party	31 March 2018		31 March 2017		1 April 2016	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Platinum Blasting Services Pty. Ltd (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	AUD 10.60	5,305	AUD 3.7	1,835	AUD 37	1,850
Smartchem Technologies Limited (wholly owned subsidiary)	-	31,052	-	-	-	-
Desai Fruits and Vegetables Private Limited (associate)	-	-	-	7	-	7

Note 45: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2018		31 March 2017	
	Amount in FC Lacs	Equivalent Amount in INR Lacs	Amount in FC Lacs	Equivalent Amount in INR Lacs
Hedged Position*				
Creditors (in USD)	404	26,349	201	13,030
Creditors (in AED)	102	1,816	-	-
Buyers credit (in USD)	489	31,849	316	20,503
Total	**995**	**60,014**	**517**	**33,533**
Un-hedged Position				
Creditors (in USD)	101	6,610	44	2,859
Creditors (in EURO)	-	-	0	17
Creditors (in AED)	13	229	-	-
Buyers credit (in USD)	11	713	22	1,429
Exports (in USD)	10	637	5	295
Bank balance (in USD)	0	9	0	27
Total	**135**	**8,198**	**71**	**4,627**

*The above transactions are hedged by following derivative contracts

(All Amounts in ₹ Lacs unless otherwise stated)

Particulars	31 March 2018		31 March 2017	
	Amount in FC Lacs	Equivalent Amount in INR Lacs	Amount in FC Lacs	Equivalent Amount in INR Lacs
Forward contracts -USD	609	39,697	517	33,532
Forward contracts -AED	102	1,816	-	-
Options contracts - USD	284	18,501	-	-
Total	**995**	**60,014**	**517**	**33,532**

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

Unhedged Foreign Currency exposure is as under

Particulars	31 March 2018	31 March 2017
Payables	7,552	4,305
Receivables	637	295

Note 46: 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	3,021	3,823
Adjustments/(credits) related to previous year - (net)	(800)	-
Total (A)	**2,221**	**3,823**
Deferred tax charge/(credit)	(417)	848
Total (B)	**(417)**	**848**
Total (A+B)	**1,804**	**4,671**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	(61)	103
(Gain)/Loss on debt instruments through other comprehensive income	22	(15)
Total	**(39)**	**88**

(All Amounts in ₹ Lacs unless otherwise stated)

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	13,093	13,701
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%) (A)	**4,531**	**4,742**
Effects of income not subject to tax		
- Power Generation	(182)	(197)
- Dividend income	(1,563)	(9)
Effects of non-deductible business expenses	58	326
Reversal of earlier year tax provision	(800)	-
Others	(240)	(191)
Total (B)	**(2,727)**	**(71)**
Income Tax expense reported in the statement of profit or loss (A+B)	**1,804**	**4,671**

Note 47: The previous year figures of 31 March 2017 and 1 April 2016 have been audited by a firm other than B S R & Associates LLP.

Note 48: Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Note 49: 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 of 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