



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED

ANNUAL REPORT | 2015 - 2016

# THE POWER OF BELIEF





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# Corporate Information

## C. K. Mehta

Chairman Emeritus

## Board of Directors

### S. C. Mehta

Chairman & Managing Director

### Partha Bhattacharyya

R. A. Shah

D. Basu

N. C. Singhal

U. P. Jhaveri

S. R. Wadhwa

Dr. S. Rama Iyer

Smt. Parul S. Mehta

Anil Sachdev

Pranay Vakil

## Company Secretary and Compliance Officer

### Mandar Velankar

Assistant Company Secretary

## Management Team

### Guy Goves

President - Farm Produce

### Pandurang Landge

President - Projects

### Naresh Kumar Piniseti

President - Human Resources

### Paresh Trivedi

President - Chemicals

### Shyam Narayan Sharma

President - TAN

### Vipin Agarwal

President - Finance & CFO

### Venkatram Vasantavada

President - Agribusiness

### Vimal Sharma

President - Chairman's Office

## Bankers

Bank of Baroda

IDBI Bank Limited

DBS Bank Limited

ICICI Bank Limited

State Bank of India

Yes Bank Limited

Kotak Mahindra Bank Limited

## Solicitors

Crawford Bayley & Co.

Agarwal Law Associates

Desai & Diwanji

## Auditors

### B. K. Khare & Co.

Chartered Accountants

## Registered Office

Opp. Golf Course, Shastri Nagar,

Yerawada, Pune - 411 006.

CIN: L24121MH1979PLC021360

E-mail: [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com)

Website: [www.dfpcl.com](http://www.dfpcl.com)

Phone: +91 - 20 - 2668 8117

Fax: +91 - 20 - 2668 3723

## Corporate Office

Sai Hira, Survey No. 93, Mundhwa,

Pune - 411 036.

Phone : +91 - 20 - 6645 8000

## Plants

Plot K-1, K-7 & K-8,

MIDC Industrial Area,

Taloja, A. V. 410 208,

District Raigad, Maharashtra

Phone: +91 - 22 - 6768 4000, 6149 5001

Fax: +91 - 22 - 2741 2413, 6149 5151



# THE POWER OF BELIEF

Belief, the ubiquitous human trait, has often been the harbinger of change, evolution and innovation. Belief is the power that helps us sustain, motivates the mind and body to continuously perform and strengthens our journey towards our goals. Be it in navigating through rough weathers or sighting and seizing an emerging trend or opportunity, belief has always catalyzed spirited performances.

At DFPCL it is only through our resilience and strong belief of overcoming challenges of the past two years that has helped us spring back on to our feet – renewed and rejuvenated. To add to this, our undulating belief in the underlying potential of Indian domestic market is resonating well with the economy which is being credited as one of the few shining bright spots among global economies. With the effects of various government initiatives of recent past expected to become visible at the ground over the coming months, two significant factors of 2016 add to our quintessential optimism. These are the forecast of a good monsoon and the union budget's judicious allocations towards rural economy.

With all these factors adding to our affirmed belief in attaining higher goals, we are accelerating our capability built with renewed vigour. FY17 shall witness some capacity addition as well as our foray into new geographies, both enabling us to make the most of unfolding prospects.

With a firm belief that value-added regime lends a tenable differentiator in an ever-competitive market, our focus on value-added high-margin products is set to steadily intensify over coming quarters. Our aspiration to transform the organisation from a product-led to solution-driven and shift from customer to consumer will unfold value not only for us but for each of our stakeholders. Having experienced the 'power of belief' cushions us during testing times, we are banking more on it as we step into promising times ahead.



# Awards & Accolades



The Golden Globe Tigers Award for Excellence & Leadership in CSR is a benchmark to recognise and honour companies for embodying the principles of Corporate Social Responsibility in their business philosophy and operations.

Mrs. Parul Mehta, Trustee - Ishanya Foundation, won the award under the individual category for Social Entrepreneurship, qualifying for having shown initiative & innovation, implemented best practices and reduced costs to reflect a successful operation.

The award ceremony was held on 11<sup>th</sup> April, 2016, in Malaysia to honour Organisations and Individuals with Best CSR Practices.



Received Maharashtra Safety Award for Longest Accident Free Period in Chemical and Fertiliser Industrial Group. The Award was given by National Safety Council – Maharashtra Chapter.



Received Maharashtra Safety Awards for achieving Lowest Accident Frequency Rate in Chemical and Fertiliser Industrial Group.



Received State Level Award for Excellence in Energy Conservation & Management in Fertiliser sector from the Government of Maharashtra.



Received Safety Award for Developing & Implementing Effective Management Systems & Procedures and achieving good performance in Occupational, Safety & Health.



Mr. Pranav Thakkar, Head - Corporate Communication, was recognised as one of 'The 50 Most Talented Corporate Communication Leaders' (global listings) by World CSR Congress - 2016.



Makarand Sawant, Senior GM – IT, was winner of SAP ACE Award 2015 Emerging CIO for best in technology innovation and business transformation. He also received the CIO100 Special Award, CIO 3.0 Gold Award and Innovative CIO Award.

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# CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

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“

*What ever the mind  
of man can conceive  
and believe, it can  
achieve.*

*- Napoleon Hill*

”

Dear Shareholders,

*To believe ...*

*To have confidence in the truth, the existence or the reliability of something although without absolute proof....*

The last financial year saw us draw upon our resilience, fighting back the unprecedented challenges that had hit us during the previous years.

Our belief about the directive of gas disconnection being unfair and discriminatory was strongly agreed upon by the judiciary system through four High Court judgments. We hope that the Government will take cognizance of the High Court orders and in the interest of the farmer community and the industry as a whole, resume supply of gas on original terms. Our deep rooted bonds with our customers and their beliefs in our value propositions have gradually crystallised into a bounce-back in the TAN demand at right prices despite the volatile energy pricing, coal mining restrictions and implementation of AN rules.

The year saw the highest-ever production and sale of Concentrated Nitric Acid, highest-ever chemical trading sales in volumes and revenue, an increase in the overall sales of TAN by 15% and highest-ever overall sales of fertilisers. During the year, we also achieved over 15 million accident free man hours and NSC award at National level for excellence in safety at our manufacturing sites, Prashansa Patra award at the Vidhyan Bhavan and most innovative retailer award of Indian Retail Congress for Ishanya Mall's "Home Sukh".

In the year that went by, we embarked on the 25<sup>th</sup> year of our fertiliser business, growing from:

- A single product in 1992 to a range of 7 bulk and 43 specialty products.
- A volume of 53,000 MT to 55,58,000 MT per year.
- A ₹ 36 Crore to over ₹ 1,600 Crore Turnover.

The greatest joy of all was of touching lives of over 4 million farmers!

Belief and perseverance has earned us the "Most Trusted Brand" award among the fertiliser companies across India.

In keeping with our vision to make the Indian farmers globally competitive, the coming year will see fruition to our large investments in NPK and Sulphur Bentonite projects. Both will take us further on our journey to provide holistic nutrient management to our farms in

India covering not just the basic NPK needs for the soil/ crop but also the much needed micro nutrients and crop focused nutrition solutions.

We also hope to take concrete steps to enhance the capacity of our TAN and Chemical businesses shortly.

Our deep introspections, have lead us to crystallise our actions in the coming decade on our firm beliefs in the need:

- ♦ For a deeper insight by refocusing our businesses and shifting from commodity offerings to holistic product plus solutions.
- ♦ To embark on the journey to deeply involve in serving the needs of our final consumers and not just stop at customers and channel partners alone.
- ♦ To unleash today's best-in-class technologies beyond IT support in every facet of consumer service.
- ♦ To focus on deeper and meaningful purpose of business beyond pure commerce and aligning this spirit from top to bottom in our HR initiatives.

“

*A small body of determined spirit fired by an unquenchable faith in the mission can alter the course of history.*

*-Mahatma Gandhi*

”

As the year unfolds, it is our deep rooted beliefs that would help us re-write our history!

Warm Regards,



**S. C. Mehta**

*Chairman & Managing Director*

# Notice

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED will be held on Friday, 12<sup>th</sup> August, 2016 at 11.30 a.m. at MDC Auditorium, Yashwantrao Chavan Academy of Development Administration (YASHADA) Campus, Rajbhavan Complex, Baner Road, Pune - 411007 to transact the following business:

## ■ ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Directors and Auditors thereon.
2. To confirm and approve the interim dividend paid on Equity Shares at the rate of 50% (₹ 5 per Equity Share of ₹ 10 each) as the final dividend, for the financial year 2015-16.
3. To appoint a Director in place of Smt. Parul S. Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify appointment of M/s. B. K. Khare & Co., (Firm Registration No. 105102W) as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of Thirty-Seventh Annual General Meeting and to fix their remuneration.

## ■ SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Board of Directors of the Company for payment of remuneration of ₹ 5,00,000 (Rupees Five Lacs only) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31<sup>st</sup> March, 2017, to M/s. Y. R. Doshi & Company, Cost Accountants, for conducting Cost Audit of all applicable products, be and is hereby ratified and confirmed.

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

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, in supersession of the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 31<sup>st</sup> July, 2014 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to

authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to borrow moneys in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 2,000 Crore (Rupees Two Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

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

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, in supersession of the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 31<sup>st</sup> July, 2014 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company (Board) which shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person(s), to mortgage / charge / hypothecate / encumber any of its movable and / or immovable properties wherever situated both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create mortgage / charge / hypothecate / encumber, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any Bank(s) or Financial Institution(s) or Body(ies) Corporate or Person(s), whether the Members of the Company or not,



together with interest, cost, charges and expenses thereon for an amount not exceeding ₹ 2,000 Crore (Rupees Two Thousand Crore only) over and above the aggregate of the paid-up capital and free reserves (that is, reserves not set apart for any specific purpose) of the Company.

RESOLVED FURTHER THAT mortgage / charge / hypothecation / encumbrance to be created by the Company as aforesaid may rank prior / pari-passu/ subservient with / to the mortgage / charge / hypothecation / encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

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

Dated 26<sup>th</sup> May, 2016

By Order of the Board of Directors,

Registered Office:

Opp. Golf Course,  
Shastri Nagar,  
Yerawada, Pune - 411 006

**MANDAR VELANKAR**

Assistant Company Secretary

## ■ NOTES

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (2) The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 6<sup>th</sup> August, 2016 to Friday, 12<sup>th</sup> August, 2016 (both days inclusive).
- (3) The Board of Directors had recommended an interim dividend of 50% i.e. ₹ 5 per share on the Equity shares (face value of ₹ 10 each) of the Company at its Board Meeting held on 11<sup>th</sup> March, 2016, and the same was paid on 28<sup>th</sup> March, 2016. The Board at its meeting held on 26<sup>th</sup> May, 2016, considered the aforesaid interim dividend paid as final dividend for the Financial Year 2015-16.
- (4) Consequent upon the change in Registrar and Transfer Agent from M/s. Sharepro Services (India) Private Limited to M/s. Karvy Computershare Private Limited with effect from 1<sup>st</sup> July, 2016, members holding shares in physical form are requested to intimate immediately to M/s. Karvy Computershare Private Limited, UNIT: Deepak Fertilisers And Petrochemicals Corporation Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; E-mail ID: einward.ris@karvy.com Phone: +91 40 6716 2222; Fax No: +91 40 2342 0814, Website: www.karvycomputershare.com, quoting the Registered Folio Number: (a) details of their Bank Account / change in

Bank Account, if any, to enable the Company to print these details on the Dividend Warrants; and (b) change in their address, if any, with the Pin Code Number.

Members holding shares in electronic form shall address communication to their respective Depository Participants only.

- (5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.
- (6) All relevant documents referred to in the accompanying notice and explanatory statement requiring the approval of Members at the meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all days except, Saturdays, Sundays and public holidays, from the date hereof upto the date of the Annual General Meeting.
- (7) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
- (8) Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof) and Rules made thereunder the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protection Fund set up by the Central Government.
- Members who have so far not claimed the dividend are requested to make claim with the Company immediately. Please visit Company's website: [www.dfpc.com](http://www.dfpc.com) for details.
- (9) Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") is provided by Central Depository Services Limited (CDSL).

The voting period begins on Tuesday 9<sup>th</sup> August, 2016 (10.00 a.m.) and ends on Thursday 11<sup>th</sup> August, 2016, (05.00 p.m.). During this period, Members of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 5<sup>th</sup> August, 2016, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting after 11<sup>th</sup> August, 2016 (05.00 p.m.).

Any person, who acquires shares of the Company and becomes member of the Company after the notice dispatch date and holds shares as on the cut - off date i.e. Friday, 5<sup>th</sup> August, 2016 and whose PAN is not updated nor received intimation of sequence number, may obtain the login ID and sequence number by sending a request to M/s. Karvy Computershare Private Limited.

The instructions for Members for voting electronically are as under:-

**A. In case of Members receiving Notice of Annual General Meeting (AGM) through E-mail:**

- i. Log on to the E-voting website:  
www.evotingindia.com

- ii. Click on "Shareholders" tab
- iii. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on "Login".
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

|                                    | For Members holding shares in Demat Form and Physical Form  |
|------------------------------------|---|
| Permanent Account Number (PAN)     | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Date of Birth (DOB) <sup>#</sup>   | Enter the DOB as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details <sup>#</sup> | <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company's records for the said demat account or folio.</p> <p><sup>#</sup> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant, please enter the client id / folio number in the Dividend Bank details field.</p>   |

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company Selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- x. Click on the Electronic Voting Sequence Number (EVSN) of "DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED".
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.