

# Corporate Governance Report

for the year ended March 31, 2023

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of a high level transparency and accountability in the functioning of the Company and the efficient conduct of its business, including its interaction with employees, shareholders, depositors, creditors, consumers, financial institutions and other lenders. Accountability improves decision making and transparency helps to explain the rationale behind decisions which in turn helps in building confidence in the Company.

The Company firmly believes that for a company to succeed on a sustained basis to meet the various challenges posed on account of changing business environment and stakeholder's expectation, it must maintain global standards of Corporate Conduct. It also believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C, D and E of Schedule V and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable with regard to Corporate Governance.

### Compliance with Global Guidelines and Best Practices

The Company has been at the forefront in complying with global best practices in Corporate Governance.

For the accounting practices and policies adopted towards disclosure by the Company, including presentation of financial statements, disclosures, compliances and other information contained in its 51<sup>st</sup> Annual Report, the Company received prestigious ICAI Award for Excellence in Financial Reporting for its Annual Report for the year ended March 31, 2022 from The Institute of Chartered Accountants of India. The Company was adjudged as the winner in Silver Shield in Manufacturing & Trading Sector (Turnover equal to and between ₹ 500 Crores and ₹ 3,000 Crores).

ICAI has a robust three tier process of scrutiny of Annual Reports and deciding awardees such as Review by Technical Reviewers, Review of short-listed Annual Reports by Shield Panel and Selection by External Jury, comprising representatives from regulatory bodies, professionals, academics etc. from India and overseas, chaired by Member of Parliament.

The Company's Annual Report for the year ended March 31, 2022 also won "Gold Award" at the League of American Communications Professionals ("LACP") 2021-22 Vision Awards for excellence within its industry on the development of the organisation's Annual Report. The 51<sup>st</sup> Annual Report of the Company was ranked 62<sup>nd</sup> amongst top 100 Annual Reports worldwide and has been conferred "Technical Achievement Award" for overall excellence in the art and method of Annual Report communication.

The LACP is a highly regarded award for corporate reporting and communications receiving extensive participation from companies representing various industries and organisational sizes. The LACP's 2021-22 Vision Awards Global Communications Competition drew one of the largest number of submissions ever, with nearly 1,000 organisations representing different countries across categories.

## 2. BOARD OF DIRECTORS

### (i) Composition and Category of Directors

The Board of Directors is an apex body and an enlightened board creates a culture of leadership providing long-term vision and improving the governance practices.

The Board of Directors ("Board") along with its Committees directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board comprise of Directors that bring wide range of skills, expertise and experience in different fields which enhances the overall board effectiveness.

The Board is also responsible for:

- long-term business plan & strategy and monitoring its implementation.
- enhancing shareholder value and overseeing the interests of all stakeholders through effective management.
- monitoring the effectiveness of the Company's Corporate Governance practices.
- exercising effective control on the functioning of the Company to ensure fulfilment of stakeholder expectation and long-term value creation.

The Directors take an active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, governance, compliance, etc.

The Board Composition is presently governed by the provisions of the Companies Act, 2013 (“Act”) and applicable provisions of Listing Regulations amended from time to time. The Board of the Company is having an optimum combination of Executive and Non-Executive Directors. As on March 31, 2023, the Board consists of twelve (12) Directors out of which, three (3) are Executive Directors including Managing Director and Chief Executive Officer and nine (9) are Non-Executive Directors. Out of nine (9) Non-Executive Directors, six (6) are Independent Directors including one (1) woman Independent Director.

The Chairman of the Company is the Executive Director and Promoter of the Company and hence the requirement that at least one-half of the Board shall consist of Independent Directors is complied with during the Financial Year ended March 31, 2023 as the Company has six (6) Independent Directors. All of the Independent Directors have extensive business experience and are independent of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

**Composition of Board of Directors as on March 31, 2023**

Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter and Executive Directors	Shri Deepak C. Mehta <i>Chairman &amp; Managing Director</i> Shri Maulik D. Mehta <i>Executive Director &amp; CEO</i>	03	25%
Executive Directors	Shri Sanjay Upadhyay <i>Director (Finance) &amp; Group CFO</i>		
Non-Executive & Non-Independent Directors	Shri Meghav D. Mehta Shri Ajay C. Mehta Shri Sandesh Kumar Anand	03	25%
Independent Directors	Shri Sanjay Asher Smt. Purvi Sheth Shri Dileep Choksi Shri Punit Lalbhai Shri Vipul Shah Shri Prakash Samudra	06	50%
Total No. of Directors		<b>12</b>	<b>100%</b>

During the year ended March 31, 2023, following were the changes in the Board of the Company:

- Shri Sanjay Upadhyay (DIN: 01776546) was re-appointed as Director (Finance) & CFO of the Company for a further period from April 28, 2022 till July 31, 2026. The said re-appointment was approved by the shareholders through the Ordinary Resolution passed by way of Postal Ballot on June 22, 2022. Subsequently, Shri Sanjay Upadhyay was elevated to Director (Finance) & Group CFO and Shri Somsekhar Nanda was appointed as the Chief Financial Officer of the Company, in place of Shri Sanjay Upadhyay, with effect from August 3, 2022.
- Shri Meghav D. Mehta (DIN: 05229853) was appointed as the Non-Executive Director of the Company, liable to retire by rotation, w.e.f. May 4, 2022. The said appointment was approved by the shareholders through the Ordinary Resolution passed by way of Postal Ballot on June 22, 2022.
- Shri Sanjay Asher (DIN: 00008221) was re-appointed as an Independent Director of the Company for a second term of three (3) consecutive years with effect from June 28, 2022 till June 27, 2025. The said re-appointment was approved by the shareholders through the Special Resolution passed by way of Postal Ballot on June 22, 2022.
- Smt. Purvi Sheth (DIN: 06449636) was re-appointed as an Independent Director of the Company for a second term of three (3) consecutive years with effect from June 28, 2022 till June 27, 2025. The said re-appointment was approved by the shareholders through the Special Resolution passed by way of Postal Ballot on June 22, 2022.
- Shri Punit Lalbhai (DIN:05125502) was appointed as an Independent Director of the Company for a term of three (3) consecutive years with effect from August 8, 2022 till August 7, 2025. The said appointment was approved by the shareholders through the Special Resolution passed by way of Postal Ballot on June 22, 2022.
- Shri Vipul Shah (DIN: 00174680) was appointed as an Independent Director of the Company for a term of three (3) consecutive years with effect from August 8, 2022 till August 7, 2025. The said appointment was approved by the shareholders through the Special Resolution passed by way of Postal Ballot on June 22, 2022.
- Shri Prakash Samudra (DIN:00062355) was appointed as an Independent Director of the Company for a term of three (3) consecutive years with effect from August 8, 2022 till August 7, 2025. The said appointment was approved by the shareholders through the Special Resolution passed by way of postal ballot on June 22, 2022.

None of the Directors on the Board of the Company is a Director in more than seven (7) listed entities and none of the Directors on the Board of the Company is an Independent Director in more than seven (7) listed entities, as required under the Listing Regulations. Further, the Managing Director and the Executive Directors of the Company do not serve as Independent Directors in any other listed entity. None of the Directors held directorships in more than twenty (20) Indian companies and directorship in more than ten (10) public limited companies. Moreover, none of the Directors on the Board of the Company is a member of more than ten (10) Committees or chairman of five (5) Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all Public Companies in India, in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors to the Company.

## (ii) Board Meetings

The Board usually meets once in a quarter inter alia to review the Company's quarterly performance and Financial Results, to consider business strategy and their implementation and also reviews risk, audit, controls, compliances and other related matters. Quarterly updates on relevant statutory

changes encompassing important laws are regularly circulated to the Directors.

The Board also reviews performance of its unlisted subsidiary companies at regular intervals and in addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of the Company's unlisted subsidiary companies are also placed before the Board.

During the Financial Year 2022-23, five (5) Board meetings were held on May 4, 2022, June 23, 2022, August 2, 2022, November 9, 2022 and February 7, 2023. The gap between any two meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 17 (2) of the Listing Regulations and the Act. The agenda papers and the explanatory notes were circulated to the Board well in advance. In order to support green initiative, the Company has availed a web-based application for transmitting agenda for the Board/ Committee meetings and the supporting documents. The necessary quorum as required under the Act and Listing Regulations was present for all the meetings.

Details of attendance of Directors at the Board meetings during the Financial Year 2022-23 and at the previous Annual General Meeting (51<sup>st</sup> AGM) are as under:

Sr. No.	Name of the Director	Date of Board Meetings & Attendance					Attendance at 51 <sup>st</sup> AGM
		May 4, 2022	June 23, 2022	August 2, 2022	November 9, 2022	February 7, 2023	
1.	Shri Deepak C. Mehta	✓	✓	✓	✓	✓	✓
2.	Shri Sanjay Upadhyay	✓	✓	✓	✓	✓	✓
3.	Shri Maulik D. Mehta	✓	✓	✓	✓	✓	✓
4.	Shri Ajay C. Mehta	✓	✓	✓	✓	✓	✓
5.	Shri Meghav D. Mehta <sup>#</sup>	NA	✓	✓	✓	✓	✓
6.	Dr. Richard H. Rupp <sup>*</sup>	✓	✓	✓	NA	NA	✓
7.	Shri Sudhir Mankad <sup>*</sup>	✓	✓	✓	NA	NA	✓
8.	Shri Sandesh Kumar Anand	✓	✓	✓	✓	✓	✓
9.	Dr. Swaminathan Sivaram <sup>*</sup>	✓	✓	✓	NA	NA	✓
10.	Shri Sanjay Asher	✓	✓	✓	✓	✓	✓
11.	Smt. Purvi Sheth	✓	✓	✓	✓	✓	✓
12.	Shri Dileep Choksi	✓	✓	✓	✓	✓	✓
13.	Shri Punit Lalbhai <sup>@</sup>	NA	NA	NA	✓	✓	NA
14.	Shri Vipul Shah <sup>@</sup>	NA	NA	NA	✓	✓	NA
15.	Shri Prakash Samudra <sup>@</sup>	NA	NA	NA	✓	✓	NA

✓ Present, NA – Not applicable.

<sup>#</sup> Appointed as Non-Executive Director liable to retire by rotation, with effect from May 4, 2022.

<sup>\*</sup> Ceased to be Independent Directors upon completion of second term of their appointment on August 7, 2022.

<sup>@</sup> Appointed as Independent Directors with effect from August 8, 2022 for a term of three (3) consecutive years.

The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2023 and the same is reproduced herein below:

Sr. No.	Name of the Director	Director Identification Number (DIN)	No. of Shares held in the Company	No. of Directorships held (including listed entities) <sup>a</sup>	No. of Committee positions held as Chairman in Public Companies <sup>b</sup>	No. of Committee positions held as Member in Public Companies <sup>b</sup>
1.	Shri Deepak C. Mehta	00028377	2,18,52,531	5	0	1
2.	Shri Sanjay Upadhyay	01776546	1,238	5	1	3
3.	Shri Maulik D. Mehta	05227290	1,31,300	3	-	-
4.	Shri Ajay C. Mehta	00028405	-	3	2	3
5.	Shri Meghav D. Mehta	05229853	47,290	3	-	-
6.	Shri Sandesh Kumar Anand	00001792	-	4	1	2
7.	Shri Sanjay Asher	00008221	-	9	4	10
8.	Smt. Purvi Sheth	06449636	-	5	-	-
9.	Shri Dileep Choksi	00016322	-	8	3	8
10.	Shri Punit Lalbhai	05125502	-	6	1	1
11.	Shri Vipul Shah	00174680	-	1	-	-
12.	Shri Prakash Samudra	00062355	-	2	-	-

Note:

- Excludes directorships in Private Limited Companies, Section 8 Companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.
- In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (including Deepak Nitrite Limited) have been considered.

Name(s) of the listed entities where the Directors of the Company are directors and the category of directorship as required under the Listing Regulations as on March 31, 2023 are as under:

Name of Director	Name of Listed Entity	Category of Directorship
Shri Deepak C. Mehta	Deepak Nitrite Limited	Chairman & Managing Director
Shri Sanjay Upadhyay	Deepak Nitrite Limited	Director (Finance) & Group CFO
Shri Maulik D. Mehta	Deepak Nitrite Limited	Executive Director & CEO
Shri Ajay C. Mehta	Deepak Nitrite Limited	Non-Executive Director
	Tribhovandas Bhimji Zaveri Limited	Independent Director
Shri Meghav D. Mehta	Deepak Nitrite Limited	Non-Executive Director
Shri Sandesh Kumar Anand	Deepak Nitrite Limited	Non-Executive Director
Shri Sanjay Asher	Deepak Nitrite Limited	Independent Director
	Sun Pharmaceuticals Limited	Independent Director
	Meghmani Finechem Limited	Independent Director
	Sudarshan Chemical Industries Limited	Independent Director
	Ashok Leyland Limited	Independent Director
	Indusind Bank Limited	Independent Director
	Sonata Software Limited	Independent Director
Smt. Purvi Sheth	Deepak Nitrite Limited	Independent Director
	Ambuja Cements Limited	Independent Director
	Kirloskar Oil Engines Limited	Independent Director
	Kirloskar Industries Limited	Independent Director
Shri Dileep Choksi	Deepak Nitrite Limited	Independent Director
	Arvind Limited	Independent Director
	AIA Engineering Limited	Independent Director
	Swaraj Engines Limited	Independent Director
	ICICI Prudential Life Insurance Company Limited	Independent Director
Shri Punit Lalbhai	Deepak Nitrite Limited	Independent Director
	Arvind Limited	Executive Director
	The Anup Engineering Limited	Non-Executive Director
	Arvind Fashions Limited	Non-Executive Director
Shri Vipul Shah	Deepak Nitrite Limited	Independent Director
Shri Prakash Samudra	Deepak Nitrite Limited	Independent Director

As per the requirement of Regulation 24(1) of Listing Regulations, Shri Sanjay Asher, Independent Director, is also on the Board of Directors of unlisted material subsidiary, Deepak Phenolics Limited.

**(iii) Board Procedure**

The Board has complete access to all information with the Company. The following minimum information as required under Part A of Schedule II to the Listing Regulations is regularly provided to the Board, wherever applicable, for their consideration, as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meetings:

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and operating divisions and business segments.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement.
- significant related party transactions entered into by the Company.
- significant development in Human Resources / Industrial Relations.
- Any issue, which involves possible public or product liability claims of substantial nature, if any, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board also reviews the declarations made by the Chairman & Managing Director, Executive Director & CEO, Director (Finance) & Group CFO, the Chief Financial Officer and the Company Secretary of the Company regarding compliance with all applicable laws, on a quarterly basis. In addition to

the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements with related parties entered into by the Company are also placed before the Board.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference/ Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The Terms of Reference/Charters are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes.

With an objective to ensure maximum presence of Independent Directors in the Board Meeting, dates of the Board meetings are fixed in advance after consultation with individual Directors and considering their convenience. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to take informed decisions. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. The agenda and related information are circulated in electronic form and also through a highly secured web based application, which is available to the Board members through tablet/laptop. This has reduced paper consumption, thus enhancing the sustainability efforts of the Company.

In case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board Meeting.

**(iv) Disclosure of relationships between Directors inter-se**

Shri Deepak C. Mehta, the Chairman & Managing Director and Shri Ajay C. Mehta, Non-Executive Director of the Company are brothers. Shri Maulik D. Mehta and Shri Meghav D. Mehta are son of Shri Deepak C. Mehta, the Chairman & Managing Director and nephew of Shri Ajay C. Mehta, Non-Executive Director of the Company. Shri Maulik D. Mehta, the Executive Director & CEO and Shri Meghav D. Mehta, Non-Executive Director are brothers.

No other Director of the Company is having relationship with any other Director.

**(v) Independent Directors**

The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area

of expertise and number of directorships and memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

None of Independent Directors of the Company serve as a Non-Independent Director of any company on the board of which any of Non-Independent Directors of the Company is an Independent Director.

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of your Company. In the opinion of the Board, the Independent Directors fulfill the conditions of Independence specified in the Act and the Listing Regulations and are Independent of the Management.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs and requisite confirmations have been received from all the Independent Directors of the Company with respect to registration on the Independent Directors' Databank.

The Independent Directors, immediately on appointment, are issued a formal letters of appointment and the terms and conditions of their appointment are disclosed on the Company's website at [www.godeepak.com](http://www.godeepak.com).

During the Financial Year 2022-23, Shri Sudhir Mankad, Dr. Richard H. Rupp and Dr. Swaminathan Sivaram, ceased to be Independent Directors of the Company upon completion of their second term on August 7, 2022 and Shri Punit Lalbhai, Shri Vipul Shah and Shri Prakash Samudra were appointed as Independent Directors of the Company with effect from August 8, 2022. No Independent Director had resigned during the Financial Year 2022-23.

#### **(vi) Separate Meeting of Independent Directors**

During the Financial Year 2022-23, the Independent Directors met on March 10, 2023, as required under Schedule IV to the

Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At such meeting, the Independent Director, inter alia, discussed and evaluated performance of Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Company, taking into account views of Executive and Non-Executive Directors and accessed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively and reasonably. The said meeting was chaired by Smt. Purvi Sheth, Independent Director and all the Independent Directors were present at the said meeting.

Additionally, the Independent Directors also met separately with the Statutory Auditors and Internal Auditors to discuss matters such as key accounting issues, risks, overall control environment and to invite their overall feedback.

The Committees and the Board are updated by the Independent Directors about the outcome of the meetings and actions, if any, required to be taken by the Company.

#### **(vii) Familiarization program for Independent Directors**

Pursuant to Regulations 25(7) of Listing Regulations and as a part of ongoing familiarisation programme, the Independent Directors are updated about the significant regulatory / industry changes on regular basis with an objective to enable them to understand the Company, its operations, business model, industry and environment in which it functions and the regulatory requirement applicable to it.

At the time of appointment of a Director (including Independent Directors), a formal letter of appointment is given to him, which inter alia explains the roles, rights, duties and responsibilities expected of him as a Director of the Company.

The Chairman & Managing Director also has a one-to-one discussion with the newly appointed Director to familiarize him with the Company's operations.

The web link giving details of familiarisation program imparted to Independent Directors is <https://www.godeepak.com/corporate-governance/>

#### **(viii) Skills / Expertise / Competencies of the Board of Directors**

The Board with the help of Nomination and Remuneration Committee evaluates composition of the Board of Directors to ensure that the Board has the appropriate mix of skills, expertise, experience, professional competencies, independence and knowledge to ensure their continued effectiveness. It is evident from the details given herein below that the Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise, special skills.

Following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the same is mapped against each of the Directors:

Sr No	Nature of Skills / Expertise / Competencies	Shri Deepak C. Mehta	Shri Maulik D. Upadhyay	Shri Sanjay Mehta	Shri Ajay C. Mehta	Shri Meghav D. Mehta	Shri Sandesh Kumar Anand Asher	Shri Choksi	Smt. Purvi Sheth	Shri Punit Lalbhai	Shri Vipul Shah	Shri Prakash Samudra
	Qualification	Bachelor of Science from University of Bombay	Associate Member of the Institute of Cost Accountants of India and Fellow Member of the Institute of Company Secretaries of India.	Science Graduate with Honours from University of Mumbai and Master of Science (Chemical Engineering) from the University of Texas, USA	Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialization in Material Science Technology and Alternative Energy	Bachelor of Engineering (Chemical) from Delhi University and has done Petrochemical Course from I.I.P., Dehradun. Advanced Management course at the Indian Institute of Management, Ahmedabad	Bachelor's Degree in Commerce and in Law from the University of Bombay, qualified Chartered Accountant and a Solicitor	Bachelor of Law Fellow, Member of The Institute of Chartered Accountants of India, Member of The Institute of Cost Accountants of India.	Bachelor's Degree in Arts, Economics & Political Science from St. Xavier's College, Mumbai	Bachelors' degree from University of California, Davis in conservation biology; a masters in Environmental Science from Yale University, USA and an MBA from INSEAD, France.	Bachelor of Science degree in Chemical Engineering and a Master of Science degree in Polymer Science from the University of Texas, Austin, United States.	Chemical Engineering at the Indian Institute of Technology (IIT), Bombay
<b>1.</b>	<b>Industry Knowledge:</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Knowledge on Company's Businesses (Chemical Intermediates)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Policies and Culture (Including the Mission, Vision and Values of the Company)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Major risks / threats and potential opportunities and knowledge of the industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sr No	Nature of Skills / Expertise / Competencies	Shri Deepak C. Mehta	Shri Maulik D. Upadhyay	Shri Sanjay Mehta	Shri Ajay C. Mehta	Shri D. Mehta	Shri Meghav Kumar	Shri Sandesh Anand Asher	Shri Dileep Choksi	Smt. Purvi Sheth	Shri Punit Lalbhai	Shri Vipul Shah	Shri Prakash Samudra
<b>2.</b>	<b>Behavioural Competencies/ Personal Attributes:</b>												
	Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>3.</b>	<b>Strategic Expertise:</b>												
	Business Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sales & Marketing	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓
	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Forex Management	✓	-	✓	✓	✓	-	✓	✓	-	✓	✓	-
	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Decision Making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>4.</b>	<b>Technical Skills:</b>												
	Financial and Management skills;	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
	Legal expertise	✓	-	✓	✓	✓	-	✓	✓	-	✓	✓	-
	Technical / Professional skills and specialized	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
<b>5.</b>	<b>Other Skills:</b>												
	Decision making skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Communication skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stakeholder Relations	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
	Risk Management Skills	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓



**(ix) Performance Evaluation**

Pursuant to the requirement of the Act and the Listing Regulations and upon recommendation of the Nomination and Remuneration Committee, the Board has adopted a Performance Evaluation Policy specifying the criteria for effective evaluation of Board, its Committees and individual Directors. The performance evaluation criteria for Independent Director is also provided in the Performance Evaluation Policy as adopted by the Board.

The process of performance evaluation is in line with the provisions of the Act and the Listing Regulations and the Board has carried out an annual evaluation of its own performance, its Committees and individual Directors, based on the criteria as provided in the Performance Evaluation Policy.

The performance of the Independent Directors was evaluated by the entire Board without the presence of Independent Director being evaluated at their meeting held on May 11, 2023. Based on such evaluation, the Board is of the view that all Independent Directors are having thorough knowledge, expertise and experience in their respective areas. They also have a very good understanding of the Company's business and the general economic environment in which it operates. They devote quality time and full attention to understand key issues relating to business of the Company and advising on the same. Their valuable contribution has certainly improved the governance standards within the Company.

The performance of the Committees was also evaluated by the Board after seeking inputs from the Committee members. Based on such evaluation, the Board is of the view that various Committee of Directors are well constituted by way of having optimum number of Independent Directors with precise Terms of Reference/Charter. The respective Committees actively discussed various matters and effective suggestions were made concerning business, operations and governance of the Company.

**3. COMMITTEES OF BOARD OF DIRECTORS**

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The meetings of each of these Committees are convened by the respective Chairpersons, who also inform the Board the brief summary of discussion held in Committee meetings. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

As on March 31, 2023, the Company had six (6) Committees of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship & Investors Grievance Committee, Corporate Social Responsibility Committee, Risk Management Committee, Project Committee of the Company. Apart from the Committees as mentioned above, the Board has constituted internal committees of Directors with delegation of specific powers related to investment, borrowing and other day-to-day activities of the Company.

**Composition of Committees as on March 31, 2023**

All the Committees have optimum composition pursuant to the Listing Regulations, wherever applicable. Below is the Composition of the Committees as on March 31, 2023:

Name of Director	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship & Investors Grievance Committee	Corporate Social Responsibility Committee	Risk Management Committee	Project Committee
Shri Deepak C. Mehta	-	-	-	C	C	-
Shri Sanjay Upadhyay	-	-	M	M	M	-
Shri Maulik D. Mehta	-	-	-	-	M	-
Shri Ajay C. Mehta	-	-	C	-	-	-
Shri Meghav D. Mehta	-	-	-	-	-	-
Shri Sandesh Kumar Anand	M	M	-	-	M	C
Shri Sanjay Asher	M	M	M	-	-	M
Smt. Purvi Sheth	-	C	-	M	-	-
Shri Dileep Choksi	C	-	-	-	-	-
Shri Punit Lalbhai	-	-	-	M	-	-
Shri Vipul Shah	-	-	-	-	M	M
Shri Prakash Samudra	-	-	-	-	-	M

C - Chairperson/Chairman, M - Member

**(A) Audit Committee:**

The Company is having a duly constituted Audit Committee and as on March 31, 2023, majority of the members of Audit Committee are Independent Directors having expertise in financial and accounting areas. Audit Committee of the Board has been constituted as per Section 177 of the Act read with Regulation 18 of the Listing Regulations. The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the Statutory Auditors and the Internal Auditors.

**(i) Composition of Audit Committee**

The Audit Committee comprises of the following members as on March 31, 2023:

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
Shri Dileep Choksi	Chairman	Independent Director
Shri Sudhir Mankad <sup>1</sup>	Member	Independent Director
Shri Sandesh Kumar Anand	Member	Non-Executive & Non-Independent Director
Shri Sanjay Asher	Member	Independent Director

<sup>1</sup> Shri Sudhir Mankad ceased to be Member of the Audit Committee upon completion of his second term as Independent Director on August 7, 2022.

The Committee's composition meets with requirements of Section 177 of the Act and Listing Regulations. All members of the Audit Committee are financially literate and Shri Dileep Choksi and Shri Sanjay Asher possess financial / accounting expertise.

The Statutory Auditors, Internal Auditors and other relevant Senior Management person are invited to attend the meetings of Audit Committee.

Quarterly Reports are placed before the members of the Committee on matters relating to the Insider Trading Code.

Shri Dileep Choksi, Chairman of the Audit Committee, was present at the previous Annual General Meeting of the Company held on August 3, 2022.

The Company Secretary acts as a Secretary to the Committee

**(ii) Brief Description of terms of reference of the Audit Committee**

In accordance with the provisions of the Act and the Listing Regulations, the role of the Audit Committee of Directors include the following:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- 3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 4) Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section (3) of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the Financial Statements arising out of Audit findings;
  - Compliance with Listing and other Legal requirements relating to Financial Statements;
  - Disclosure of any Related Party Transactions; and
  - Modified opinion(s) in the draft Audit Report.
- 5) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the Auditor's independence and performance and effectiveness of Audit process;

- 8) Approval or any subsequent modification of transactions of the Company with Related Parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Review of Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of Internal Financial Controls and Risk Management Systems;
- 12) Reviewing, with the Management, performance of statutory and Internal Auditors, adequacy of the Internal Control Systems;
- 13) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- 14) Discussion with Internal Auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any Internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control systems of a material nature and reporting the matter to the Board;
- 16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared Dividends) and Creditors;
- 18) To review the functioning of the Whistle Blower Mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Review of Management Discussion and Analysis of financial condition and result of operations and Statement of Significant Related Party Transactions
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 22) Reviewing the utilization of loans and/or advances from / investment by the Company in its subsidiary exceeding

₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments; and

- 23) Such other terms as may be prescribed under the Act or the Listing Regulations.

### (iii) Meetings of Audit Committee and Attendance thereat

Four (4) meetings of the Audit Committee were held during the Financial Year 2022-23 on May 4, 2022, August 2, 2022, November 9, 2022 and February 6, 2023. The gap between any two (2) Meetings was not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations. Requisite quorum was present for all the meetings of Audit Committee.

The attendance of respective members at the Audit Committee meetings held during Financial Year 2022-23 are as under:

Name of Member	No. of Audit Committee Meetings held during tenure of Director	No. of Audit Committee Meetings attended
Shri Dileep Choksi	4	4
Shri Sudhir Mankad	2	2
Shri Sandesh Kumar Anand	4	4
Shri Sanjay Asher	4	4

### (B) Nomination and Remuneration Committee:

Pursuant to requirement of provisions of Section 178 of the Act read with Regulation 19 of the Listing Regulations, the Company is having a duly constituted Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and recommending appointment of Directors and Senior Management employees. Further, the Committee is also responsible for formulating policies with respect to remuneration, performance evaluation, Board diversity, etc. in line with the Act and the Listing Regulations.

**(i) Composition of Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of the following members as on March 31, 2023:

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
Smt. Purvi Sheth <sup>1</sup>	Chairperson	Independent Director
Shri Sudhir Mankad <sup>2</sup>	Chairman	Independent Director
Shri Sandesh Kumar Anand	Member	Non-Executive & Non Independent Director
Shri Sanjay Asher <sup>3</sup>	Member	Independent Director

<sup>1</sup>Smt. Purvi Sheth designated as Chairperson of the Nomination and Remuneration Committee in place of Shri Sudhir Mankad with effect from August 8, 2022.

<sup>2</sup>Shri Sudhir Mankad ceased to be Chairman of Nomination and Remuneration Committee with effect from August 8, 2022 upon completion of his second term as Independent Director on August 7, 2022.

<sup>3</sup>Shri Sanjay Asher was inducted as a Member of Nomination and Remuneration Committee with effect from August 8, 2022.

The Company Secretary acts as a Secretary to the Committee.

**(ii) Brief Description of terms of reference of Nomination and Remuneration Committee**

In accordance with the provisions of the Act and the Listing Regulations, the Terms of Reference for the Nomination and Remuneration Committee of Directors are as under:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel ("KMP") and functional heads i.e. employee one level below Chief Executive Officer/Managing Director/Wholetime Director;
- 2) Formulation of the criteria for effective evaluation of performance of Board, its Committee and individual Directors;
- 3) Devising a policy on diversity of Boards of Directors;
- 4) Identifying persons who are qualified to become Directors and who may be appointed as KMP or one level below Chief Executive Officer/Managing Director/Whole-time Director. in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- 5) Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

- 6) To recommend to the Board, all remuneration, in whatever form, payable to KMPs and employees one level below Chief Executive Officer/Managing Director/Whole-time Director; and
- 7) Such other terms as may be required under the Act or the Listing Regulations.

The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities involved. In reviewing the overall remuneration of the Directors, Key Managerial Personnel and one level below Chief Executive Officer/ Managing Director/Whole-time Director, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and variable pay reflecting short term and long term objectives of the Company.

**(iii) Meetings and Attendance thereof**

Three (3) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2022- 23 on May 3, 2022, August 1, 2022 and February 6, 2023. The necessary quorum was present for all the meetings.

The attendance at the Nomination and Remuneration Committee meetings held during Financial Year 2022-23 are as under:

<b>Name of Member</b>	<b>No. of Nomination &amp; Remuneration Committee Meetings held during tenure of Director</b>	<b>No. of Nomination &amp; Remuneration Committee Meetings attended</b>
Shri Sudhir Mankad	2	2
Shri Sandesh Kumar Anand	3	3
Smt. Purvi Sheth	3	3
Shri Sanjay Asher	1	1

Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on August 3, 2022.

**(iv) Performance evaluation criteria for Independent Directors**

The criteria for performance evaluation of Independent Directors has been disclosed in the Directors' Report.

**(v) Nomination and Remuneration Policy**

The Nomination and Remuneration Policy of the Company has been posted on the website of the Company at [www.godeepak.com](http://www.godeepak.com). The said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industry practice. The key factors considered in formulating the Policy are as under:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

**(vi) Diversity, Equity and Inclusion Policy**

Your Company provides equal opportunity to all persons. There is no unfair treatment in relation to the employment or other related issues or termination of the employment for reasons of gender or disability.

The Company has adopted Diversity, Equity and Inclusion Policy and objective of the said Policy is to eliminate any conscious or unconscious gender diversity and disparities including persons with disability, to ensure that the Company is an inclusive and equal opportunity organization with zero tolerance for any discrimination.

**(C) Stakeholders' Relationship & Investors Grievance Committee:**

Pursuant to provisions of Section 178(6) of the Act read with Regulation 20(4) of the Listing Regulations, the Company is having a duly constituted Stakeholders' Relationship & Investors Grievance Committee.

The Stakeholders' Relationship & Investors Grievance Committee cohesively supports the Company and its Board in maintaining strong and long-lasting relations with its stakeholders at large. The Stakeholders' Relationship & Investors Grievance Committee majorly ensures and oversees the prompt resolution of the grievances of security holders; the

implementation of ways to enhance shareholder experience; assessment of performance of Registrar and Transfer Agent ("RTA"); monitoring of shareholding movements etc.

**(i) Composition of Stakeholders' Relationship & Investors Grievance Committee**

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following members as on March 31, 2023:

Name of Member	Designation	Category
Shri Ajay C. Mehta	Chairman	Non-Executive Director
Shri Sanjay Upadhyay	Member	Director (Finance) & Group CFO
Shri Sanjay Asher	Member	Independent Director

Shri Arvind Bajpai, Company Secretary, is the Compliance Officer.

**(ii) Terms of Reference**

In accordance with the provisions of the Act 2013 and the Listing Regulations, the terms of reference for the Stakeholders' Relationship & Investors Grievances Committee of Directors are as under:

- 1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- 2) Review of measures taken for effective exercise of voting rights by shareholders;
- 3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 4) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 5) Such other terms as may be required under the Act or the Listing Regulations.

**(iii) Meetings and Attendance thereat**

One (1) meeting of the Stakeholders' Relationship & Investors Grievance Committee was held during the Financial Year 2022-23 on February 7, 2023 and the necessary quorum was present at the meeting.

The attendance at the Stakeholders' Relationship & Investors Grievance Committee meeting held during Financial Year 2022-23 is as under:

<b>Name of Member</b>	<b>No. of Stakeholders' Relationship &amp; Investors Grievance Committee Meetings held during tenure of Director</b>	<b>No. of Stakeholders' Relationship &amp; Investors Grievance Committee Meetings attended</b>
Shri Ajay C. Mehta	1	1
Shri Sanjay Upadhyay	1	1
Shri Sanjay Asher	1	1

#### (iv) Investors Grievance

Continuous efforts are being made to ensure that Investor's grievances are expeditiously redressed to the satisfaction of the Investors.

The Company and Link Intime India Private Limited (Registrar & Transfer Agent) attend to all the grievances of the Investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

Details of investor complaints received and redressed during Financial Year 2022-23 are as follows:

Number of pending complaints at the beginning of the Financial Year	00
Number of complaints received during the Financial Year	18
Number of complaints resolved during the Financial Year	18
Number of complaints pending at the end of the Financial Year	00
Number of complaints not solved to the satisfaction of shareholders	00

An update on the status of complaints is quarterly reported to the Board and is also filed with Stock Exchanges.

#### (v) Investor's Grievance Redressal Policy

The Company believes that shareholders of the Company should be able to communicate their grievances and obtain redressal for violation of their rights. In order to facilitate this, the Company must have a transparent framework for handling shareholder grievances, which would help shareholders to register and escalate their grievances to the relevant authorities.

In continuation of the Company's endeavour to strengthen its investor relations and corporate governance practices, the Company, during the

Financial Year 2022-23 adopted an Investors' Grievance Redressal Policy.

The members may access the said Policy on the website of the Company at [www.godeepak.com](http://www.godeepak.com).

#### (D) Corporate Social Responsibility Committee:

Pursuant to provisions of Section 135 of the Act, the Company is having a duly constituted Corporate and Social Responsibility Committee ("CSR Committee").

##### (i) Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of the following members as on March 31, 2023:

<b>Name of Member</b>	<b>Designation</b>	<b>Category</b>
Shri Sudhir Mankad <sup>1</sup>	Chairman	Independent Director
Dr. Swaminathan Sivaram <sup>1</sup>	Member	Independent Director
Shri Deepak C. Mehta <sup>2</sup>	Chairman	Chairman & Managing Director
Shri Sanjay Upadhyay	Member	Director (Finance) & Group CFO
Shri Punit Lalbhai <sup>3</sup>	Member	Independent Director
Smt. Purvi Sheth <sup>3</sup>	Member	Independent Director

<sup>1</sup>Shri Sudhir Mankad and Dr. Swaminathan Sivaram ceased to be Chairman and Member of the Committee, respectively w.e.f. August 8, 2022, upon completion of their second term as Independent Directors on August 7, 2022.

<sup>2</sup>Shri Deepak C. Mehta was designated as the Chairman of CSR Committee in place of Shri Sudhir Mankad with effect from August 8, 2022.

<sup>3</sup>Shri Punit Lalbhai and Smt. Purvi Sheth were inducted as members of CSR Committee w.e.f. August 8, 2022.

##### (ii) Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee are as under:

- 1) To formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy").
- 2) To recommend the amount of expenditure to be incurred on the activities listed in CSR Policy.
- 3) To monitor the CSR Policy of the Company from time to time.
- 4) Such other roles and functions as may be prescribed in the Act and Rules made thereunder.

##### (iii) Meetings and Attendance thereat

Three (3) meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2022-23 on May 3, 2022, August 2, 2022 and February 24, 2023. The necessary quorum was present for all the meetings.

The attendance at the Corporate Social Responsibility Committee meetings held during Financial Year 2022-23 are as under:

Name of Member	No. of CSR Committee Meetings held during tenure of Director	No. of CSR Committee Meetings attended
Shri Sudhir Mankad	2	2
Dr. Swaminathan Sivaram	2	2
Shri Deepak C. Mehta	3	3
Shri Sanjay Upadhyay	3	3
Shri Punit Lalbhai	1	1
Smt. Purvi Sheth	1	1

#### (iv) Report on CSR activities

As required under the Act and Rules made thereunder, Report on the CSR activities undertaken by the Company during the year ended March 31, 2023 is annexed to the Directors' Report.

#### (E) Project Committee:

A Project Committee has been constituted by the Board which meets from time to time to review various projects / capital expenditures undertaken by the Company and recommend to the Board new projects.

##### (i) Composition of Project Committee

The Project Committee comprises of the following members as on March 31, 2023:

Name of Member	Designation	Category
Shri Sandesh Kumar Anand	Chairman	Non-Executive & Non-Independent Director
Dr. Richard H. Rupp <sup>1</sup>	Member	Independent Director
Dr. Swaminathan Sivaram <sup>1</sup>	Member	Independent Director
Shri Prakash Samudra <sup>2</sup>	Member	Independent Director
Shri Vipul Shah <sup>2</sup>	Member	Independent Director
Shri Sanjay Asher	Member	Independent Director

<sup>1</sup>Dr. Richard H. Rupp and Dr. Swaminathan Sivaram ceased to be members of the Project Committee w.e.f. August 8, 2022, upon completion of their second term as Independent Directors on August 7, 2022.

<sup>2</sup>Shri Prakash Samudra and Shri Vipul Shah were inducted as members of the Project Committee w.e.f. August 8, 2022.

##### (ii) Terms of Reference

The Project Committee is constituted inter alia to evaluate the proposed new projects / expansion plans of the Company and review the progress of ongoing projects of the Company involving capital expenditure exceeding ₹ 25 Crores.

#### (iii) Meetings and Attendance thereat

Two (2) meetings of the Project Committee was held during the Financial Year 2022-23 on June 10, 2022 and March 13, 2023 and the necessary quorum was present at both the meetings.

The attendance at the Project Committee meeting held during Financial Year 2022-23 is as under:

Name of Member	No. of Project Committee Meetings held during tenure of Director	No. of Project Committee Meetings attended
Shri Sandesh Kumar Anand	2	2
Dr. Richard H. Rupp	1	1
Dr. Swaminathan Sivaram	1	1
Shri Sanjay Asher	2	2
Shri Prakash Samudra	1	1
Shri Vipul Shah	1	1

#### (F) Risk Management Committee:

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, the Company is having a duly constituted Risk Management Committee.

The Risk Management Committee has been constituted by the Board to monitor and review the Enterprise Risk Management Framework of the Company and the same is periodically reviewed by the Board of Directors of the Company.

##### (i) Composition of Risk Management Committee

The Risk Management Committee comprises of the following members as on March 31, 2023:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri Sandesh Kumar Anand	Member	Non-Executive & Non-Independent Director
Shri Sanjay Upadhyay	Member	Director (Finance) & Group CFO
Shri Maulik D. Mehta	Member	Executive Director & CEO
Dr. Swaminathan Sivaram <sup>1</sup>	Member	Independent Director
Shri Vipul Shah <sup>2</sup>	Member	Independent Director

<sup>1</sup> Dr. Swaminathan Sivaram ceased to be member of the Risk Management Committee w.e.f. August 8, 2022, upon completion of his second term as Independent Directors on August 7, 2022.

<sup>2</sup> Shri Vipul Shah was inducted as a member of the Risk Management Committee w.e.f. August 8, 2022.

The Company Secretary of the Company acts as Secretary to the Committee.

**(ii) Terms of Reference**

In accordance with the provisions of the Listing Regulations, the Terms of Reference for the Risk Management Committee of Directors are as under:

- 1) To formulate a detailed Risk Management Policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan;
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- 7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors

**(iii) Meetings and Attendance thereat**

Three (3) meetings of the Risk Management Committee were held during the Financial Year 2022-23 on August 5, 2022, October 10, 2022 and March 13, 2023. The necessary quorum was present at all the meetings of Risk Management Committee.

The attendance at the Risk Management Committee meeting held during Financial Year 2022-23 is as under:

<b>Name of Member</b>	<b>No. of Risk Management Committee Meetings held during tenure of Director</b>	<b>No. of Risk Management Committee Meetings attended</b>
Shri Deepak C. Mehta	3	3
Shri Sandesh Kumar Anand	3	2
Shri Sanjay Upadhyay	3	3
Shri Maulik D. Mehta	3	3
Dr. Swaminathan Sivaram	1	0
Shri Vipul Shah	2	2

**4. REMUNERATION OF DIRECTORS:**
**(A) Chairman & Managing Director / Executive Directors**

The remuneration of Chairman & Managing Director comprises of salary, allowances, perquisites and other benefits. In addition, the Chairman & Managing Director is also paid a commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act and Listing Regulations.

The remuneration of Executive Directors comprises of fixed pay by way of salary, allowances, perquisites and other benefits and also includes performance linked variable pay which is paid to Executive Directors at the end of each Financial Year, based on the performance rating depending upon their individual and also the Company's performance as per policy of the Company, as may be determined by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.

The criteria for considering the performance linked variable pay to Executive Directors include key indicators of Company's performance such as Sales, EBITDA, PBT, Working Capital Management, Compliances, Growth in Market Capitalization, Credit Ratings, Cost of Borrowings etc.



The details of remuneration of the Chairman & Managing Director and Executive Directors for the financial year 2022-23 are as under:

(₹ in Crores)

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta	4.60	1.55	0.84	Nil*	6.99
Shri Maulik D. Mehta	2.03	0.67	0.37	0.72	3.79
Shri Sanjay Upadhyay	2.59	0.78	0.61	0.95	4.93
<b>Total</b>	<b>9.22</b>	<b>3.00</b>	<b>1.82</b>	<b>1.67</b>	<b>15.71</b>

\* As per the terms of appointment of Shri Deepak C. Mehta, in addition to the fixed remuneration by way of salary, perquisites and other benefits, he is also entitled to the Commission on the Net Profits of the Company calculated in accordance with Section 198 of the Act. However, since the Board of Directors of Deepak Phenolics Limited, a wholly owned subsidiary, at their meeting held on May 9, 2023 approved payment of Commission of ₹ 18 Crores to Shri Deepak C. Mehta for the Financial Year 2022-23, he has not opted any Commission from the Company.

Since the term of Shri Deepak C. Mehta as the Chairman & Managing Director is upto December 13, 2023, the Board of Directors, at their meeting held on May 11, 2023 has recommended to the shareholders for their approval at the ensuing Annual General Meeting by way of Special Resolution, the re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for further period of five (5) years from December 14, 2023 till December 13, 2028.

The term of Shri Maulik D. Mehta as the Executive Director & CEO of the Company is from May 9, 2021 to May 8, 2026.

The term of Shri Sanjay Upadhyay as the Director (Finance) & Group CFO is from April 28, 2022 till July 31, 2026.

Shri Maulik D. Mehta (DIN:05227290) and Shri Sanjay Upadhyay (DIN:01776546) are liable to retire by rotation.

There is no provision for payment of severance fees.

The Company does not have any Stock Options Scheme.

## (B) Independent Directors and Non-Independent Non-Executive Directors

The Independent Directors and Non-Independent Non-Executive Directors do not draw any remuneration from

The details of remuneration paid / payable to Independent Directors and Non-Independent Non-Executive Directors for the Financial Year 2022-23 are as under:

(Amount in ₹)

S. No.	Name	Sitting Fees	Commission	Total
1.	Shri Sudhir Mankad*	2,50,000	15,00,000	17,50,000
2.	Dr. Richard H. Rupp*	1,50,000	10,00,000	11,50,000
3.	Shri Sandesh Kumar Anand	5,35,000	25,00,000	30,35,000
4.	Dr. Swaminathan Sivaram*	1,85,000	10,00,000	11,85,000
5.	Shri Ajay C. Mehta	2,10,000	15,00,000	17,10,000
6.	Shri Sanjay Asher	5,00,000	25,00,000	30,00,000
7.	Smt. Purvi Sheth	3,05,000	25,00,000	28,05,000
8.	Shri Dileep Choksi	3,80,000	20,00,000	23,80,000
9.	Shri Meghav D. Mehta	1,60,000	10,00,000	11,60,000
10.	Shri Punit Lalbhai®	1,40,000	10,00,000	11,40,000
11.	Shri Vipul Shah®	2,00,000	15,00,000	17,00,000
12.	Shri Prakash Samudra®	1,60,000	15,00,000	16,60,000
<b>Total</b>		<b>31,75,000</b>	<b>1,95,00,000</b>	<b>2,26,75,000</b>

\* Ceased to be Independent Directors upon completion of their second term as Independent Directors on August 7, 2022.

® Appointed as Independent Directors for a term of three (3) consecutive years w.e.f. August 8, 2022.

The details of Equity Shares of the Company held by Independent Directors and Non-Independent Non-Executive Directors as on March 31, 2023 are as under:

<b>Sr. No.</b>	<b>Name of Non-Executive Director</b>	<b>No. of shares held</b>
1	Shri Meghav D. Mehta	47,290
2	Shri Ajay C. Mehta	Nil
3	Shri Sandesh Kumar Anand	Nil
4	Shri Sanjay Asher	Nil
5	Smt. Purvi Sheth	Nil
6	Shri Dileep Choksi	Nil
7	Shri Punit Lalbhai	Nil
8	Shri Vipul Shah	Nil
9	Shri Prakash Samudra	Nil

The Company has no pecuniary relationship or transactions with its Non-Executive and Independent Directors other than payment of sitting fees, re-imbusement of expenses for attending Board and Committee meetings and Commission as approved by the Members for their invaluable contribution to the Company.

## 5. GENERAL BODY MEETINGS

### (i) Annual General Meetings

The last three Annual General Meetings ('AGM') of the Company were held within the statutory time period and the details of the same are mentioned herein below:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue / Mode</b>
2021-22	August 3, 2022	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC' / 'OAVM') at Vadodara
2020-21	July 30, 2021	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC' / 'OAVM') at Vadodara
2019-20	August 7, 2020	11:30 A.M.	Through Video Conference / Other Audio Visual Means ('VC' / 'OAVM') at Vadodara

### (ii) Special Resolutions

The information regarding Special Resolutions passed in the previous three Annual General Meetings are as follows:

<b>Meeting</b>	<b>Date of AGM</b>	<b>Information regarding Special Resolutions passed</b>
51 <sup>st</sup> AGM	August 3, 2022	No Special Resolution was passed.
50 <sup>th</sup> AGM	July 30, 2021	Continuation of directorship of Dr. Richard H. Rupp (DIN: 02205790) as an Independent Director of the Company beyond the age of Seventy Five (75) years in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015.
49 <sup>th</sup> AGM	August 7, 2020	No Special Resolution was passed.

### (iii) Extraordinary General Meeting

No Extraordinary General Meeting (EGM) was held during the last three Financial Years i.e. 2022-23, 2021-22 and 2020-21.

### (iv) Postal Ballot conducted during the year and procedure thereof

During the Financial Year 2022-23, Postal Ballot exercise was undertaken in the month of May - June 2022 for appointment and re-appointment of Directors and result of the Postal Ballot was declared on June 23, 2022. The Results were made available on the website of the Company at [www.godeepak.com](http://www.godeepak.com) and were also communicated to BSE Limited, National Stock Exchange of India Limited and National Securities of Depository Limited.

The details and voting pattern of the Resolutions passed through the said Postal Ballot exercise are as under:

Sr No.	Resolution	Ordinary/ Special	No. of Votes Cast	No. and % of Votes in Favour	No. and % of Votes Against
1	Re-appointment of Shri Sanjay Upadhyay (DIN:01776546) as Director (Finance) & CFO of the Company with effect from April 28, 2022 upto July 31, 2026.	Ordinary	9,46,74,287	8,82,99,424 (93.27%)	63,74,867 (6.73%)
2	Appointment of Shri Meghav D. Mehta (DIN:05229853) as a Non-Executive Director of the Company liable to retire by rotation, with effect from May 4, 2022.	Ordinary	9,46,74,105	9,22,19,530 (97.40%)	24,54,575 (2.60%)
3	Re-appointment of Shri Sanjay Asher (DIN:00008221) as an Independent Director of the Company for a second term of three (3) consecutive years with effect from June 28, 2022.	Special	9,46,74,123	8,11,54,788 (85.72%)	1,35,19,335 (14.28%)
4	Re-appointment of Smt. Purvi Sheth (Din:06449636) as an Independent Director of the Company for a second term of three (3) consecutive years with effect from June 28, 2022.	Special	9,46,24,477	9,27,93,611 (98.07%)	18,30,866 (1.93%)
5	Appointment of Shri Punit Lalbhai (DIN: 05125502) as an Independent Director of the Company for a term of three (3) consecutive years with effect from August 8, 2022.	Special	9,47,02,518	9,41,02,351 (99.37%)	6,00,167 (0.63%)
6	Appointment of Shri Vipul Shah (DIN:00174680) as an Independent Director of the Company for a Term of three (3) consecutive years with effect from August 8, 2022.	Special	9,47,02,546	9,46,97,436 (99.99%)	5,110 (0.01%)
7	Appointment of Shri Prakash Samudra (DIN:00062355) as an Independent Director of the Company for a Term of three (3) consecutive years with effect from August 8, 2022.	Special	9,47,02,394	9,46,97,488 (99.99%)	4,906 (0.01%)

Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of KANJ & Co. LLP, Company Secretaries, Pune was appointed as the Scrutinizer for carrying out the above Postal Ballot process in a fair and transparent manner.

The Company has followed the procedure prescribed for conducting Postal Ballot under the provisions of the Companies Act, 2013 and rules made thereunder read with Listing Regulations.

No Special Resolution is proposed to be conducted through Postal Ballot.

## 6. MEANS OF COMMUNICATION

### a) Financial Results

Pursuant to provisions of the Listing Regulations, the Quarterly, Half Yearly and Yearly financial results are published in widely circulating national and local dailies such as, The Business Standard (English); The Indian Express and The Financial Express (English and Gujarati).

The Company's results are displayed on the Company's website at [www.godeepak.com](http://www.godeepak.com). The website also displays official news releases and other statutory and business information.

### b) Annual Reports

Pursuant to MCA Circulars and SEBI Circulars, the Annual Report for Financial Year 2022-23 containing the Notice of AGM is being sent through e-mails to all those Members whose e-mail IDs are registered with the Company / RTA / Depository Participants

### c) Press Release/Analyst Call

Conference calls with Investors on Financial Results are held every quarter. Concall Transcript, Audio Recording of Concall of the Company are available on the website of the Company at [www.godeepak.com](http://www.godeepak.com).

### d) Stock Exchange Intimations

All unpublished price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems. Material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated on the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through NEAPS / NSE digital portal and with BSE Limited ('BSE') through BSE Listing Centre. They are also displayed on the Company's website at [www.godeepak.com](http://www.godeepak.com).

### e) Letters and Reminders to Shareholders for Unclaimed Shares/Dividends

The Company sends an annual reminder to shareholders who have not claimed their dividends. Reminder letters are also sent to those shareholders whose Unclaimed Dividends/ Shares are liable to be transferred to the Investors Education and Protection Fund account. Pursuant to SEBI Circular No. SEBI / HO / MIRSD / MIRSD\_RTAMB / P / CIR / 2021 / 655 dated November 3, 2021, a common and simplified norms for processing investor's service request was introduced wherein all members holding securities of the Company in physical mode were mandatorily required to furnish the

PAN and Nomination (for all eligible folios) to the Company's RTA by March 31, 2023 which has been further extended to September 30, 2023 vide SEBI Circular No. SEBI / HO / MIRSD / MIRSD-PoD-1 / P / CIR / 2023 / 37 dated March 16, 2023.

Shareholders are requested to furnish the above details to the Company's RTA in order to avoid any inconvenience to Shareholders. A letter was also sent to the Shareholders detailing the above requirements. The relevant forms can be downloaded from the website of the Company at [www.godeepak.com](http://www.godeepak.com) and also from the website of the RTA at [www.linkintime.co.in](http://www.linkintime.co.in).

#### **f) Chairman Communique**

At every AGM, the Chairman addresses the Shareholders on Company's operations and performance with his speech. Further, the Chairman's Statement addressing the Shareholders is also being published in the Annual Reports of the Company.

#### **(g) Website**

The Company has a dedicated section on 'Investor Relation' on its corporate website [www.godeepak.com](http://www.godeepak.com) which encompasses all the information for the investors like financial results, policies and codes, stock exchange filings, press releases, annual reports, etc.

## **7. GENERAL SHAREHOLDER'S INFORMATION**

The details of 52<sup>nd</sup> Annual General Meeting and other General Shareholder's information are as under:

### **(i) Annual General Meeting**

Day & Date	: Friday, August 4, 2023
Time	: 11:30 A.M. (IST)
Venue	: Through Video Conference / Other Audio Visual Means ('VC' / 'OAVM') at Vadodara
Financial Year	: April 1, 2022 to March 31, 2023
Record Date / Book Closure	: July 28, 2023 to August 4, 2023 (both days inclusive)
Dividend payment date	: The dividend shall be paid within statutory time limit of 30 days from the date of Annual General Meeting i.e. on or before September 3, 2023.

### **(ii) Financial Calendar**

<b>Results for the Quarter ending</b>	<b>Tentative Time of Reporting</b>
June 30, 2023	On or before August 14, 2023
September 30, 2023	On or before November 14, 2023
December 31, 2023	On or before February 14, 2024
Audited Annual Accounts for the year ending March 31, 2024	On or before May 30, 2024

### **(iii) Listing on Stock Exchanges**

The Company's Equity Shares are listed on the following Stock Exchanges:

<b>Name &amp; Address of Stock Exchanges</b>	<b>Stock Code</b>	<b>ISIN with NSDL &amp; CDSL</b>
BSE Limited Pheroz Jeejeebhoy Towers, Dalal Street, Fort, Mumbai	506401	INE288B01029
National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai	DEEPAKNTR	INE288B01029

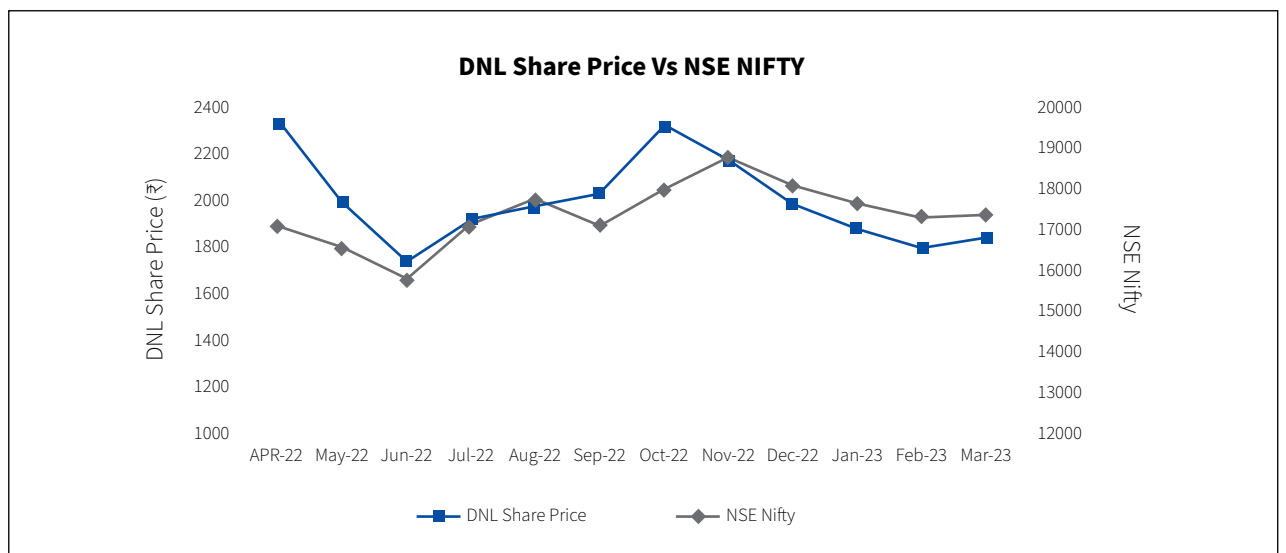
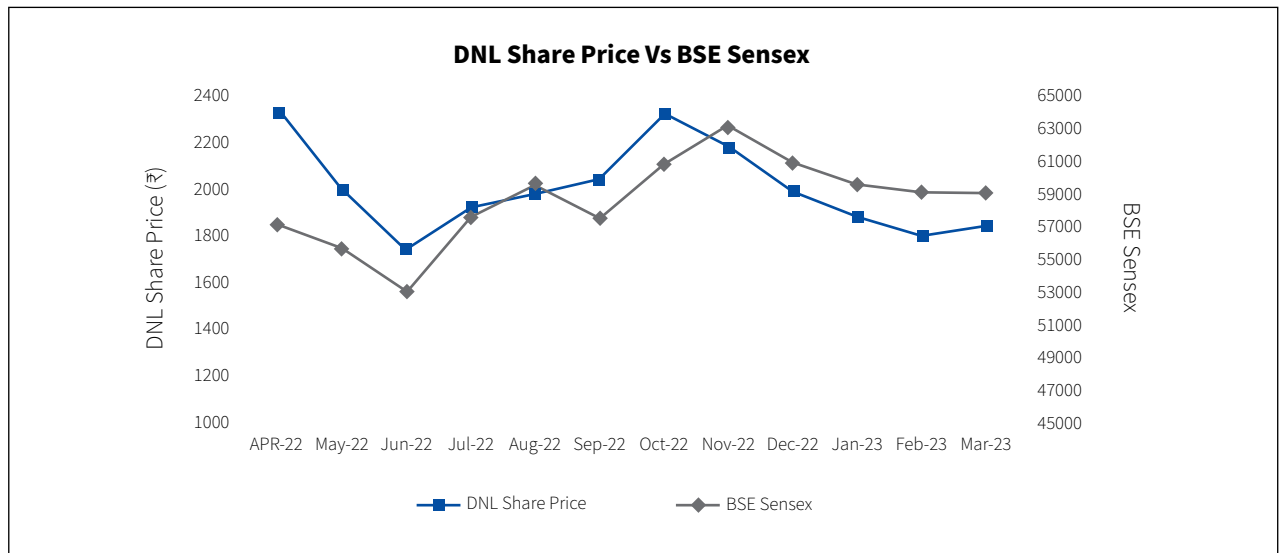
The Securities of the Company have not been suspended from trading during the Financial Year 2022-23 and the requisite Listing fees for Financial Year 2023-24 has been paid to both the Stock Exchanges.

**(iv) Market Price Data of Equity Shares**

Monthly High & Low market price of Equity Shares of the Company during Financial Year 2022-23 at BSE and NSE are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	2391.00	2181.25	2389.95	2182.50
May, 2022	2369.00	1781.00	2370.65	1782.00
June, 2022	2050.00	1700.00	2048.90	1715.80
July, 2022	1942.50	1681.15	1941.95	1682.15
August, 2022	2134.75	1875.00	2134.15	1875.00
September, 2022	2295.00	1966.00	2295.00	1966.15
October, 2022	2326.40	2031.15	2326.75	2030.05
November, 2022	2356.60	2074.00	2355.55	2073.45
December, 2022	2263.40	1877.40	2264.45	1880.00
January, 2023	2019.90	1800.00	2019.15	1800.00
February, 2023	1905.30	1730.00	1905.90	1731.00
March, 2023	1864.90	1762.00	1864.00	1764.45

Source: Respective Websites of BSE and NSE.

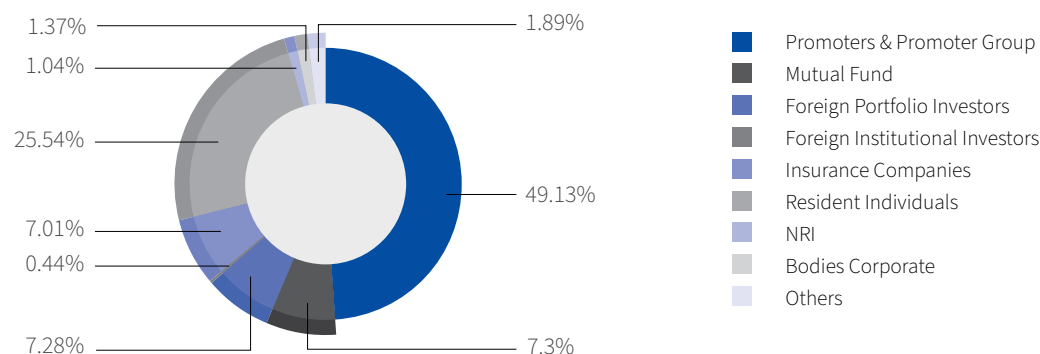


**(v) Distribution of Shareholding as on March 31 , 2023**

Range	No. of Holders	%	No. of Shares	%
1 – 500	6,58,842	98.87	1,66,40,608	12.20
501 – 1000	3,425	0.51	26,10,100	1.91
1001 – 5000	3,202	0.49	70,63,801	5.18
5001 – 10000	468	0.07	32,94,370	2.42
10001 & above	414	0.06	10,67,84,162	78.29
<b>TOTAL</b>	<b>6,66,351</b>	<b>100.00</b>	<b>13,63,93,041</b>	<b>100.00</b>

**(vi) Category- wise Shareholding Pattern as on March 31, 2023**

Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	6,70,12,488	49.13
Mutual Fund	99,54,624	7.3
Foreign Portfolio Investors	99,30,323	7.28
Foreign Institutional Investors	6,02,871	0.44
Insurance Companies	95,55,249	7.01
Resident Individuals	3,34,60,547	24.54
NRI	14,12,836	1.04
Bodies Corporate	18,73,013	1.37
Others	25,91,090	1.89
<b>TOTAL</b>	<b>13,63,93,041</b>	<b>100</b>

**Categories of shareholding as on March 31, 2023**


The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

**(vii) Dematerialisation of Equity Shares & liquidity**

99.54% of the Company's total equity shares representing 13,57,66,594 equity shares were held in dematerialized form as on March 31, 2023. Total paid-up equity capital of the Company as on March 31, 2023, is 13,63,93,041 equity shares of ₹ 2.00 each.

**(viii) Share Transfer System**

Company's shares are compulsorily traded in the demat segment on the Stock Exchange(s). In terms of Regulation 40(1) of Listing Regulations transfer of securities held in physical mode has been discontinued w.e.f. April 1, 2019.

Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. Further, in compliance with SEBI has, vide its Circular No. dated January 25, 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, transposition etc.

SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificates while processing any of the aforesaid investor service requests. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company website at <https://www.godeepak.com/investor-related-forms/>. In view

of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

#### **Nomination facility for shareholding**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 which was issued in suppression of Circular No SEBI/HO/MIRSD/MIRSD \_ RTAMB/P/CIR/2021/655 dated November 3, 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA. Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case the shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filed.

The aforementioned forms are available on the website of the Company as well as the Registrar and Share Transfer Agent and which shall be furnished in hard copy form or through electronic mode with e-signature to the Company / Registrar and Share Transfer Agent.

#### **Permanent Account Number (PAN) and KYC details**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 which is issued in suppression of Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA: a) Permanent Account Number b) Contact details, postal

address with PIN, mobile number, E-mail address c) Bank account details (bank name and branch, bank account number, IFS code) d) Specimen signature. For furnishing the above mentioned details, Shareholder shall send the hard copy of Form ISR-1 and/or ISR-2, available on the website of the Company as well as on the website of Registrar and Share Transfer Agent.

As a part of the effective Shareholder management and grievances redressal processes, various Shareholders' request received by the Company and RTA are processed promptly within the prescribed time line. Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary in-Practice for due compliance of share transfer formalities by the Company within timelines as required under the applicable provisions.

Shareholders are informed that in case of any dispute against the Company and/or its RTA on delay or default in processing your requests, as per SEBI Circular dated May 30, 2022, an arbitration can be filed with the Stock Exchanges for resolution.

#### **Reconciliation of Share Capital Audit**

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from a Company Secretary in Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis. The said reconciliation report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### **(ix) Registrar and Share Transfer Agent**

Contact details of the Company's Registrar and Transfer Agent, Link Intime India Private Limited is as under:

#### **Mumbai Office:**

C-101, 247 Park, L.B.S.Marg,  
Vikhroli (W),  
Mumbai - 400 083  
Tel: 022 - 2594 6970  
Toll free number: 1800 1020 878  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### **Investor Relation Centre:**

B-102-103, Shangrila Complex,  
1<sup>st</sup> Floor, Opp. HDFC Bank,  
Near Radhakrishna Chhar Rasta,  
Akota, Vadodara 390 020  
Tel: 0265 - 2356 573 / 2356 794  
Fax: 0265 - 2356 791  
E-mail : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

### **(x) Address for Correspondence and Investor Assistance**

Deepak Nitrite Limited  
Aaditya-I, Chhani Road,  
Vadodara - 390 024  
Contact Person: Shri Arvind Bajpai

Telephone Numbers:(0265) 2765200, 3960200  
Fax No. : (0265) 2765344  
E-mail : [investor@godeepak.com](mailto:investor@godeepak.com)  
Website : [www.godeepak.com](http://www.godeepak.com)

Shareholders holding shares in electronic mode should address all their correspondence related to change of address or Bank details or NECS mandate to their respective Depository Participants.

### (xi) Transfer of Unclaimed / Unpaid Dividend amounts to the IEPF

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Further, all the shares in respect of which dividend has remained unclaimed for seven (7) consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court,

Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the Shareholders, the Company sends periodical reminders to the Shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and Shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at [www.godeepak.com](http://www.godeepak.com).

Given below are the tentative dates for transfer of unclaimed and unpaid dividend to the Investors Education & Protection Fund (IEPF) by the Company:

Financial Year	Dividend Account No	Bank Name	Dividend Declaration Date	Tentative Date for transfer to IEPF
2015-2016	50200020559820	HDFC Bank	August 8, 2016	August 7, 2023
2016-2017	50200025458821		June 26, 2017	June 25, 2024
2017-2018	50200032489484		August 3, 2018	August 2, 2025
2018-2019	50200040560790		June 28, 2019	June 27, 2026
2019-2020	50200048494905		August 7, 2020	August 6, 2027
2020-2021	921020027688715	Axis Bank	July 30, 2021	July 29, 2028
2021-2022	922020033539794		August 3, 2022	August 2, 2029

The Shareholders are requested to claim their unclaimed Dividends, if any, at the earliest.

The Members who have a claim on above dividends and/or shares are requested to follow the below process:

1. Submit self-attested copies of documents provided in IEPF 5 helpkit, which is available on IEPF website at [www.iepf.gov.in](http://www.iepf.gov.in) to the Company/ Registrar and Transfer Agent (RTA).
2. After verification of the aforesaid documents submitted, Company will issue an entitlement letter.
3. File Form IEPF-5 on IEPF website and send self-attested copies of IEPF-5 form along with the acknowledgement (SRN), Indemnity bond and entitlement letter to RTA.
4. On receipt of the physical documents mentioned above, Company will submit e-Verification report, for further processing by the IEPF Authority.

Members are requested to note that no claims shall lie against the Company in respect of the dividend/shares transferred to IEPF.

### (xii) Green Initiatives

In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those Shareholders who have registered their email id with their depository participant's/Company's RTA.

### (xiii) Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company has adequate Risk Assessment and Minimisation system in place including Foreign Exchange. The Foreign Exchange Risk is managed through the hedging strategy of the Company which is reviewed periodically.

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

### (xiv) Plant Locations

1. Nitrite & Nitroaromatics Division  
4/12 GIDC Chemical Complex, Nandesari - 391 340,  
Dist. Vadodara, Gujarat
2. Taloja Chemicals Division  
Plot Nos. K/9-10, MIDC Taloja,  
Dist. Raigad - 410 208, Maharashtra
3. Roha Division  
Plot Nos. 1, 2, 26 & 27  
MIDC Dhata, Roha - 402 116,  
Dist. Raigad, Maharashtra
4. Hyderabad Specialities Division  
Plot Nos. 70-A & B, 90-F/70-A and 22,  
Phase I, Industrial Development Area, Jeedimetla,  
Tal. Quthbullapur Mandal, Dist. Ranga Reddy,  
Hyderabad - 500 055, Telangana
5. Dahej Division  
12/B/2, GIDC, Dahej,  
Dist. Bharuch, Gujarat - 392 130



**(xv) Credit Ratings**

During the Financial Year 2022-23, ICRA long term credit rating, remains "ICRA AA/Positive". while the short term rating of the Company remains at the highest level at "ICRA A1+". This is primarily owing to the Company's sustainable business performance, commercial viability across most segments of its products, diversified product portfolio, constant innovation and efficient operations.

**8. OTHER DISCLOSURES:****(i) Related Party Transactions**

During the Financial Year 2022-23, all transactions entered into by the Company with Related Parties as defined under the Act and the Listing Regulations, were on arm's length pricing basis and approved by the members of the Audit Committee who are Independent Directors. There were no materially significant transactions with the Related Parties during the Financial Year which were in conflict with the interest of Company.

Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements.

The Board has adopted a policy on materiality of Related Party transactions and on dealing with Related Party Transactions and the same is uploaded on the website of the Company at the link [https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate\\_governance\\_report/PolicyMaterialityofRelatedPartyTransactions.pdf](https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate_governance_report/PolicyMaterialityofRelatedPartyTransactions.pdf).

**(ii) Loans and advances in the nature of loans to firms/companies in which Directors are interested:**

The Company has not given any loans or advances to any firm/company in which its Directors are interested.

**(iii) Details of non-compliance**

There were no non-compliance by the Company nor any penalty or stricture imposed on the Company by any Stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years except deposition of ₹ 1 Crore by the Company with Gujarat Pollution Control Board as an Interim Environmental Compensation following the incidence of fire at Company Plant situated at Nandesari, Gujarat in June 2022.

**(iv) Whistle Blower Policy and Vigil mechanism**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior including

actual or suspected leak of unpublished price sensitive information. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and also actual or suspected leak of unpublished price sensitive information. During the year under review, no personnel was denied access to the Audit Committee.

The Whistle Blower Policy is placed on the website of the Company and weblink to the same is as under:

[https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate\\_governance\\_report/Whistle\\_Blower\\_Policy.pdf](https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate_governance_report/Whistle_Blower_Policy.pdf)

**(v) Details of Compliance with Mandatory requirements and adoption of Non-mandatory / discretionary requirements:**

The Company has complied with all the mandatory requirements of the Listing Regulations.

**(vi) Policy for Material Subsidiaries**

In accordance with the provisions of the Listing Regulations, the Company has a duly formulated policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company and weblink to the same is as under: [https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate\\_governance\\_report/Policy\\_for\\_Material%20Subsidiaries.pdf](https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate_governance_report/Policy_for_Material%20Subsidiaries.pdf).

**(vii) Dividend Distribution Policy**

The Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Dividend Distribution Policy is attached as Annexure - I to the Corporate Governance Report and is also available on the website of the Company at [https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate\\_governance\\_report/DNL\\_Dividend%20Distribution%20Policy.pdf](https://www.godeepak.com/wp-content/themes/twenty-sixteen/companyfiles/corporate_governance_report/DNL_Dividend%20Distribution%20Policy.pdf).

**(viii) Details of Directors seeking appointment or re-appointment:**

The details of Directors seeking appointment or re-appointment are provided in Annexure-I to the Notice convening the 52<sup>nd</sup> Annual General Meeting of the Company and forms part of the Annual Report.

**(ix) Demat Suspense Account – Unclaimed Share Certificates**

In terms of the provisions of the Listing Regulations, the Company is required to transfer the shares issued pursuant to the public issues or any other issue, the certificates of which remained unclaimed, to an Unclaimed Suspense Account. These shares are being held by the Company in Demat form on behalf of the beneficial owners of the said shares.

The disclosures with respect to the Demat Suspense Account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Financial Year 2022-23	42	68,085
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	06	3,150
Number of shareholders to whom shares were transferred from suspense account during the year	06	3,150
Number of shareholders whose shares were transferred from suspense account to the suspense account of IEPF Authority	17	19,615
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the Financial Year 2022-23	19	45,320

The voting rights on these shares shall remain frozen till rightful owner of such shares claims the shares.

**(x) Certificate from Company Secretary in Practice**

The following certificates from Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of KANJ & Co. LLP, Company Secretaries, Pune, are enclosed to this Report:

- (a) Compliance Certificate regarding compliance of conditions of Corporate Governance; and
- (b) Certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

**(xi) Total Fees to Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

Payment to Statutory Auditors	(₹ in Crores) FY 2022-23
Statutory Audit Fees	0.60
Limited Review	0.46
Tax Audit Fees	0.05
Taxation Services	0.05
Other Certification	0.03
<b>Total</b>	<b>1.19</b>

**(xii) Details of Incorporation and Statutory Auditors of Material Subsidiaries are as follows –**

Name of Material Subsidiary Company	Place	Date of Incorporation	Name of Statutory Auditors	Date of Appointment
Deepak Phenolics Limited	India	March 29, 2011	Deloitte Haskins & Sells LLP	June 25, 2021

**(xiii) Disclosure of status of Complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the Financial Year 2022-23	0
Number of complaints disposed off during the Financial Year 2022-23	0
Number of complaints pending as on end of the Financial Year 2022-23	0

**(xiv) Recommendations of the Committees**

During the year under review, there were no instances where recommendation of any Committees of the Board which is mandatorily required for approval by the Board, were not accepted by the Board.

**(xv) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of Listing regulations****(a) Modified Opinion(s) in Audit Report**

During the year under review, there was no audit qualification on the Company's Financial Statements. The Statutory Auditors have issued the Audit Report for the year ended March 31, 2023 with unmodified opinion.

**(b) Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

**(c) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.****9. DURING THE FY 2022-23 THERE WERE NO NON-COMPLIANCES WITH REQUIREMENTS OF CORPORATE GOVERNANCE REPORT AS PROVIDED IN PARAGRAPHS (2) TO (8) ABOVE.****10. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives.

All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code

and same is also uploaded on the Company's website at [www.godeepak.com](http://www.godeepak.com).

Shri Arvind Bajpai, Company Secretary of the Company is the Compliance Officer for the purpose of this Regulation.

**11. CODE OF CONDUCT**

The Company has framed and adopted a Code of Conduct for the members of the Board and the Senior Management ("the Code") in terms of requirements of the Listing Regulations. The Code lays the general principles designed to guide all Directors and Senior Management for ethical conduct of business and compliance of laws. The Code has been circulated to all the members of the Board and Senior Management and the same is also posted on the Company's website at [www.godeepak.com](http://www.godeepak.com).

All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2022-23.

A declaration to that effect signed by the Executive Director & CEO is given below:

<b>DECLARATION</b>	
As per requirements of the Listing Regulations, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2022-23.	
Vadodara May 11, 2023	<b>Maulik D. Mehta</b> Executive Director & CEO

**12. CEO / CFO CERTIFICATION**

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on Financial Reporting and Internal Controls to the Board in terms of requirements of the Listing Regulations. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on Financial Results while placing the Financial Results before the Audit Committee and Board.

## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

Registration No. of the Company: L24110GJ1970PLC001735

Nominal Capital: ₹ 50,00,00,000/-

To,  
The Members,  
**Deepak Nitrite Limited,**  
Aaditya-I, Chhani Road, Vadodara - 390024  
Gujarat

We have examined the compliance of conditions of Corporate Governance by DEEPAK NITRITE LIMITED ("the Company") having CIN: L24110GJ1970PLC001735 for the Financial Year ended March 31, 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KANJ & Co. LLP**  
Company Secretaries

**Dinesh Joshi**

Designated Partner  
Membership No.: F3752  
CP No. 2246

UDIN: F003752E000241352

Peer Review Certificate No: 1331/2021

Date : May 11, 2023

Place: Pune

To,  
The Members,  
**DEEPAK NITRITE LIMITED**  
Aaditya-I, Chhani Road,  
Vadodara -390024,  
Gujarat

This is to certify that on verification of declarations made by the Directors and records maintained by DEEPAK NITRITE LIMITED (“the Company”), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities Exchange Board of India (SEBI) / Ministry of Corporate Affairs or any such Statutory Authority, as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

For **KANJ & Co. LLP**  
Company Secretaries

**Dinesh Joshi**

Designated Partner

Membership No.: F3752

CP No. 2246

UDIN: F003752E000241352

Peer Review Certificate No: 1331/2021

Date : May 11,2023

Place: Pune

# Annexure-I

## Dividend Distribution Policy

### 1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulation, 2016.

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, which requires top five hundred listed entities (based on market capitalization calculated as on March 31 of every Financial Year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report.

Deepak Nitrite Limited ("the Company"), being one of the five hundred companies as per the criteria mentioned above; the Board of Directors has approved and adopted this Dividend Distribution Policy at their meeting held on May 4, 2018, being the effective date of the Policy.

### 2. OBJECTIVES AND SCOPE

This Policy lays down the broad framework which will act as a guiding principle for the purpose of declaring or recommending Dividend during or for any Financial Year, by the Company.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring Dividend and the circumstances under which shareholders of the Company may or may not expect Dividend and how the retained earnings shall be utilized etc.

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to those enumerated in this Policy.

### 3. APPLICABILITY

This Policy shall apply to the Dividend on the Equity Shares of the Company. Presently, the Company has only one class of Equity Shares.

This Policy shall not apply to determination and declaration of Dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue of such preference shares, approved by the shareholders.

### 4. DEFINITIONS

- 4.1. **"Board of Director"** or **"Board"** shall mean the Board of Directors of the Company, as constituted from time to time.
- 4.2. **"Companies Act"** or **"Act"** shall mean the Companies Act, 2013 and Rules framed thereunder, including any

amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

- 4.3. **"Dividend"** includes any interim dividend.
- 4.4. **"Financial Year"** a consecutive period of 12 months ending March 31.
- 4.5. **"Policy"** means this Dividend Distribution Policy.
- 4.6. **"Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

### 5. DECLARATION OF DIVIDEND

- 5.1 Subject to provisions of the Act, Dividend may be declared and paid out of:
  - (a) Profits of the Company for the Financial Year for which the Dividend is to be paid after setting off carried over losses of the previous Financial Year and depreciation not provided in the previous Financial Year(s);
  - (b) Undistributed profits of the previous Financial Years remaining undistributed after provisioning for depreciation in accordance with the Act and/or Regulations; or
  - (c) Out of (a) and (b) both.
- 5.2 Before declaration of Dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

### 6. PARAMETERS FOR DECLARATION OF DIVIDEND

- 6.1 The Board of Directors may consider the following financial parameters, internal and external factors while recommending or declaration of the Dividend:

#### A. Financial Parameters / Internal Factors

- Operating cash flow of the Company
- Profit earned during the Financial Year and available for distribution.
- Earnings Per Share (EPS)
- Gross Dividend payout ratio
- Financial Ratios
- Business expansion and growth
- Company's liquidity position and future cash flow need
- Stipulation / covenants in loan Agreements
- Such other factors as the Board may deem fit from time to time

**B. External Factors**

- Economic environment
  - Capital markets
  - Global conditions
  - Industry outlook and growth rate
  - Economic and regulatory framework
  - Governmental policies
- 6.2 While recommending or declaring Dividend, the Board will consider adequacy of profit calculated in accordance with the applicable provisions of the Act and Indian Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilising retained earning for declaration of Dividend subject to the provisions of the Act and/or Regulations.

**7. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

Dividend payout is a crucial decision as it determines the share of profit to be distributed amongst the shareholders and share of profit to be retained in the business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through Dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not normally expect Dividend in the following circumstances, subject to discretion of Board of Directors:

- In case the Company has incurred losses or inadequacy of profit
- It would in the interest of the Company to re-invest/plough back the profits of the Company for major expansion / diversification requiring major funding
- Any other unforeseen event which would restrict ability to recommend Dividend

**8. UTILISATION OF RETAINED EARNINGS**

The Board of Directors may retain its earnings in order to make better use of available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Replacement of capital assets
- Diversification of business
- Long term strategic plans
- Dividend payment
- Such other criteria as the Board may deem fit from time to time
- Such purpose as may be permitted under the Act and/or Regulations

**9. PROCEDURE**

- 9.1 Pursuant to provisions of the Act, the Regulations and the Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.
- 9.2 The Members, whose name appears in the Register of Member as on Record Date/Book Closure, as may be decided by the Board of Directors, shall be entitled for Dividend.
- 9.3 The Dividend shall be paid to the Members within the limit prescribed under the Act and/or Regulations.
- 9.4 The Company shall ensure compliance of provisions of the Act and/or Regulations and this Policy in relation to Dividend declared by the Company.

**10. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES**

Since the Company has issued only one class of Equity Shares with equal voting rights, all the Members of the Company are entitled to receive the same amount of Dividend per Equity Share. The Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**11. DISCLOSURES**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.

**12. REVIEW AND AMENDMENTS**

- 12.1 This Policy will be reviewed by the Board of Directors of the Company as they deem necessary.
- 12.2 The Board of Directors on its own can amend this Policy, as and when deem fit.
- 12.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

**Deepak C. Mehta**

Place : Vadodara  
Date : May 11, 2023

Chairman & Managing Director  
(DIN: 00028377)