52nd
Annual Integrated
Report **2022-23**

DEEPAK
NITRITE

RESPONSIBLE
CHEMISTRY

DEEPAK
CARES

Contents

Financial Highlights

₹ 8,020 Crores
Revenues
17% YoY growth

₹ 4,090 Crores
Net worth
23% YoY growth

₹ 102 Crores
Dividend Payout
7% YoY growth

Operational Highlights

120%+
Capacity Utilisation Phenol Plant

100%
TfS score at first attempt by Dahej Division

The digital report can be access at:
https://52ndannualintegratedreport.godeepak.com/

DIRECTORS SPEAK

Corporate Information

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Maulik D. Mehta
Executive Director & Chief Executive Officer

Shri Sanjay Upadhyay
Director (Finance) & Group CFO

Shri Meghav D. Mehta
Non-Executive Director

Shri Ajay C. Mehta
Non-Executive Director

Shri S. K. Anand
Non-Executive Director

Shri Sanjay Asher
Independent Director

Smt. Purvi Sheth
Independent Director

Shri Dileep Choksi
Independent Director

Shri Punit Lalbhai
Independent Director

Shri Vipul Shah
Independent Director

Shri Prakash Samudra
Independent Director

CHIEF FINANCIAL OFFICER & CHIEF RISK OFFICER

Shri Somsekhar Nanda

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Arvind Bajpai

AUDIT COMMITTEE

Shri Dileep Choksi, *Chairman*

Shri S. K. Anand, *Member*

Shri Sanjay Asher, *Member*

STAKEHOLDERS' RELATIONSHIP & INVESTORS GRIEVANCE COMMITTEE

Shri Ajay C. Mehta, *Chairman*

Shri Sanjay Asher, *Member*

Shri Sanjay Upadhyay, *Member*

NOMINATION & REMUNERATION COMMITTEE

Smt. Purvi Sheth, *Chairperson*

Shri S. K. Anand, *Member*

Shri Sanjay Asher, *Member*

CORPORATE SOCIAL RESPONSBILITY COMMITTEE

Shri Deepak C. Mehta, *Chairman*

Shri Sanjay Upadhyay, *Member*

Smt. Purvi Sheth, *Member*

Shri Punit Lalbhai, *Member*

RISK MANAGEMENT COMMITTEE

Shri Deepak C. Mehta, *Chairman*

Shri S. K. Anand, *Member*

Shri Sanjay Upadhyay, *Member*

Shri Maulik D. Mehta, *Member*

Shri Vipul Shah, *Member*

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli (W),
Mumbai – 400 083.

BANKERS

State Bank of India
Bank of Baroda
Axis Bank Limited
ICICI Bank Limited
Standard Chartered Bank
DBS Bank India Limited
The Hongkong and Shanghai Banking Corporation Limited

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SECRETARIAL AUDITORS

KANJ & Co. LLP
Company Secretaries

COST AUDITORS

B.M. Sharma & Co.
Cost Accountants

INTERNAL AUDITORS

Sharp & Tannan Associates
Chartered Accountants

CORPORATE IDENTITY NUMBER

L24110GJ1970PLC001735

CORPORATE & REGISTERED OFFICE

Aaditya-I, Chhani Road,
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200/3960200
E-mail: investor@godeepak.com
Website: www.godeepak.com

PLANTS

Nitrite & Nitroaromatics Division

4-12, GIDC Chemical Complex,
Nandesari –Dist., Vadodara -
391 340, Gujarat

Taloja Chemicals Division

Plot Nos. K/9-10, MIDC Taloja,
Dist. Raigad - 410 208, Maharashtra

Roha Division

Plot Nos. 1, 2, 26 & 27, MIDC Dhatav, Roha,
Dist. Raigad - 402 116, Maharashtra

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

Dahej Division

Plot No. 12/B-2 GIDC, Dahej,
Dist. Bharuch - 392 130, Gujarat

Deepak Phenolics Limited

Plot No. 12/B/1, GIDC, Dahej,
Dist. Bharuch - 391 130, Gujarat

Deepak Chem Tech Limited
(Formerly Known as Deepak Clean Tech Limited)

Project Site

1) Plot Nos. D-II/6/1 & 6/1A, GIDC, Dahej,
Dist. Bharuch - 392 130, Gujarat

2) Plot Nos. 4/1 & 5/P
GIDC Chemical Complex, Nandesari,
Dist. Vadodara - 391 340, Gujarat

April 6, 1932 to July 3, 2023

Shri C. K. Mehta

Founder & Chairman Emeritus

In Loving Memory of
Shri C. K. Mehta,
Our Founder & Chairman Emeritus

With heavy hearts we announce the passing of our beloved Founder and Chairman Emeritus, Shri Chimanlal K. Mehta who departed peacefully on July 3, 2023 at the age of 91. Shri C. K. Mehta touched the lives of many and leaves behind a legacy that will be cherished forever.

Shri C. K. Mehta started his entrepreneurial journey six decades ago, at an early age. He ventured into the business of chemicals with Deepak Trading and emerged a winner. During the early 1960s, he dominated soda ash, caustic soda and sulphur business.

Indian textile industry was dependent on European Sodium Nitrite ('SNI') which is when he thought to replace import of SNI gradually and started SNI plant in Gujarat which had concentration of textile industry traditionally. Thus, Deepak Nitrite Limited (DNL) was born in 1970, with the vision to become the leader in the Indian chemical industry. With an intimate knowledge of the industry and supreme self confidence, Shri C. K. Mehta went ahead with a public issue to raise funds for his new company. Despite being a new and unknown company, investors were overwhelmed by his vision and the public issue was oversubscribed 20 times. Backed by this public support, he commenced his first Sodium Nitrite manufacturing plant at Nandesari, near Vadodara in Gujarat. This was his first manufacturing venture and was a great success. Shri Mehta didn't stop there and laid plans to set up other Chemical Intermediate Plants. He was amongst India's pioneer entrepreneurs to have a technologically indigenised plant and machinery at DNL.

He was credited with leading a dynamic Board and laying the foundation of a strong, professionally driven organisation guided by deep-rooted values and commitment to excellence and responsible chemistry. He was the recipient of the ICC Lifetime Achievement Award in the year 2014.

Shri C. K. Mehta was amongst the few first-generation entrepreneurs who understood the importance of social responsibility. His aspiration to usher social change inspired Deepak Group to look beyond business needs. He has been instrumental in initiating wide-ranging Corporate Social Responsibility (CSR) initiatives and establishing Deepak Foundation, the CSR arm of Deepak Group. Built with a vision to empower women and provide healthcare facilities and livelihood opportunities to the local communities, Deepak Foundation has expanded its footprint to eight states and touched the lives of over 2 million people in the past 40 years.

Shri C. K. Mehta's journey has been an inspiring one. He is a great role model as an entrepreneur who dares to think big and achieve his dreams with passion and perseverance. His mantra of 'Nation Building by Serving the Society' lives on as he continues to shine and guide all of us at the Deepak Group as we remember his illustrious life filled with inspirational moments.

We are sure all our esteemed stakeholders shall join us in paying tribute to our Chairman Emeritus, Shri C. K. Mehta. We, at Deepak, shall ever be inspired by his thoughts on ethics, governance, undaunted spirit of achieving goals and indomitable desire to excel in what we do. His legacy will continue to guide us in all spheres of life.

DEEPAK CARES

In our journey of over five-decades, we have demonstrated a spirit of resilience and the ability to stand steadfast in the face of a complex, dynamic, challenging and ever evolving environment. Our consistent efforts have enabled us to build a robust organisation with efficient processes and transparent practices. With a team of skilled and motivated human resources, we have been able to fulfil our responsibilities towards our stakeholders.

Our approach remains consistent as we stay agile, reflecting our philosophy of growing responsibly, driving shared value-creation and ensuring a sustainable future. This was reflected in our resounding performance in FY 2022-23 despite a challenging macro-economic environment. Our teams successfully overcame unprecedented challenges to achieve sound performance while maintaining a level of agility and responsiveness. We adhered to our delivery commitments despite the volatile business environment as well as higher input and logistics costs. We supported employees and business partners by ensuring their health and safety as well as by honouring our commitments in time. We intend to develop stronger relationships with strategic customers and capture the opportunities presented by shifts in the industry landscape. As we do so, we will continue to prioritise process improvement and operational excellence.

We have demonstrated to our stakeholders that they can really depend on Deepak, because Deepak cares about the well-being, growth and progress of all of its stakeholders and also the environment. We continue to progress towards our goal of becoming a diversified chemical company that cares for all its stakeholders while maintaining strong leadership position in key products and processes even as we innovate to generate higher value.

Our footprint

The above map is not to scale.

Key numbers that define us

30+
High Quality Products

1,000+
Customers

45+
Countries where we export

56+
Applications

6
Modern manufacturing facilities

2
Project Sites under construction

About our Integrated Report

Our FY 2022-23 Integrated Report provides relevant information to our shareholders and other stakeholders about performance, governance, material risks and opportunities, strategy and future prospects of Deepak Nitrite Limited.

Reporting period

The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance for the period between April 1, 2022 and March 31, 2023.

Reporting boundary

The Integrated Report is prepared on a consolidated basis unless disclosed otherwise. The reporting boundary includes all offices and facilities.

Financial and non-financial reporting

The Report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Our approach to materiality

The Report focusses on information that is material to its business. It provides a concise overview of the Company's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.

Our capitals

All organisations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capital available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

Frameworks, guidelines and standards

This Report aligns with the principles and guidelines of the

- International <IR> framework by Value Reporting Foundation formerly known as International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (UN-SDGs)
- The Companies Act, 2013 (and the rules made thereunder)
- The Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Sustainability/ESG indices participation

We are proud to have our efforts in sustainable development recognised by industry-leading rating and ranking agencies like EcoVadis Sustainability assessment. We have achieved Silver Rating with sustainability rating of 83rd percentile. Our Dahej Facility has 100% score in 'Together for Sustainability' (TfS) assessment at its maiden attempt, which is a rare achievement. This reaffirms Deepak Group's greater commitment towards sustainability

Forward-looking statements

Certain statements in this document constitute 'forward-looking statements', which involve known and unknown risks and opportunities, other uncertainties and important factors that could turn out to be materially different following the publication of actual results. These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events

Harnessing Resources for Sustainable Value Creation

Financial Capital

Financial capital refers to the monetary value that a company acquires from capital providers. This capital is utilised to facilitate business operations and generate profits, which are subsequently distributed among shareholders. Additionally, it serves as a means to finance future business activities and support the company's growth plans.

Management approach

Create value for stakeholders through sustainable growth

Value created/enhanced

4,000+ Crores
Net worth

Debt Free (Net Basis)

Dividend of ₹ 7.50 per equity share (375%) of ₹ 2.00 each for FY 2022-23 aggregating ₹ 102.29 Crores

Read more on P. 66

Manufactured Capital

Manufactured capital encompasses the tangible and intangible infrastructure employed by the company to generate value through business activities. We are diligently overseeing our capital investments to cultivate a collection of assets that contribute to creating value for our customers.

Management approach

State-of-the-art global standard plants, functional assets and optimally utilised facilities

Value created/enhanced

1+ MN
Metric Tonnes of Products Manufactured

30+
High Quality Products

100+
Product Variants

9.2 MN
Manhours without loss time incident at Phenols facility

Read more on P. 72

Human Capital

This comprises of the collective skills and experience of our workforce and plays a pivotal role in adding value to our business outcomes. It is the knowledge, expertise, creativity and dedication of our employees that drive innovation, productivity and ultimately contribute to our success.

Management approach

Our recognition of the importance of human capital translates into attracting top talent, nurturing their growth and creating an inclusive and engaging work environment that enables them to thrive and make a meaningful impact.

Value created/enhanced

68%
Employee Engagement Score

₹1.50+ Crores
Revenue per Employee

5,300+
Strong Workforce

Read more on P. 78

Our strategic approach involves efficiently utilising available resources to drive long-term economic, social and environmental benefits. We recognise that the resources available to us are for sustainable value creation, building resilience, addressing societal needs and ensuring a positive legacy for future generations. It requires optimising the use of financial, human, natural, social & relationship and intellectual capital to foster innovation, productivity and responsible business practices.

Intellectual Capital

This encompasses our proprietary knowledge and the innovations we drive to enhance our offerings. By leveraging our intellectual capital, we are able to add significant value to our business outcomes. Through the effective management and utilisation of our intellectual capital, we aim to stay at the forefront of innovation, maintain a competitive edge and drive sustainable growth.

Management approach

Consider innovation as a strategic element of the Company

Value created/enhanced

4
New product/ process launched

21
No. of Cumulative Patents Granted

30+
Software Systems in use for Digitalisation of Processes

Read more on P. 84

Social & Relationship Capital

Our stakeholder relationships within the value chain and local communities are vital for long-term value creation and securing social approval for our operations. By fostering strong connections and engaging with our stakeholders, we build trust, enhance collaboration and generate positive social impact.

Management approach

Build strong relationships based on transparency, open communication and mutual respect. Foster positive change and improve the overall quality of life for people in the areas where we are present.

Value created/enhanced

6,00,000+
Lives improved through our CSR initiatives

1,000+ Customers across **45+** countries

Long-term Customer Relations

Read more on P. 90

Natural Capital

We recognise our reliance on the utilities and resources provided by nature and are committed to conducting our operations in an environmentally responsible manner, minimising our impact on the natural environment.

Management approach

Through efficient business processes, sustainable practices and responsible resource management, reduce our ecological footprint. Prioritise the conservation to ensure a healthy and sustainable environment for present and future generations.

Value created/enhanced

4,20,000+ KL
Water Reused and Recycled

22%
Reduction in GHG Emission

100%
Score in TfS by Dahej Division

Read more on P. 100

CORPORATE OVERVIEW

Trusted by Customers Globally

Deepak Nitrite is amongst India's fastest-growing and trusted chemical intermediates companies with a diversified portfolio of products that caters to multiple industries with myriad applications. We are recognised globally as a 'Responsible Manufacturer' and a 'Supplier of Choice' by marquee customers. Led by an excellent management team, we have leveraged process expertise, technological prowess and operational excellence to capitalise on growth opportunities and deliver sustained value for stakeholders.

We are a preferred partner for leading downstream companies across 45+ countries in 6 continents, who trust us for quality, supply reliability, environmentally sustainable operations and our ability to meet their evolving needs.

Our strengths

- Sustainable and versatile business model
- Largest producer of sodium nitrite in India since 1972
- Largest producer of Phenol and Acetone in India
- Among top three global players for products like xylidines and oximes
- Strong R&D capabilities
- Rich legacy of over five decades

Vision

To become the fastest growing Indian chemical intermediates company.

Attributes

Innovativeness
Disruptive ideas and innovation. Driving not just product ideas but also innovation in terms of processes and employee engagement. Thus, maximising growth.

Agility
Change is constant. To respond to change and deliver results rapidly. This equips the organisation to respond rapidly to this dynamic world.

Responsiveness
We don't just respond. We give solutions and we take responsibility. Towards, employees, customers and all other stakeholders.

Performance driven
Deep category insights for opportunity spotting and delivering solutions. Rewarding performers across verticals, thereby setting examples for leadership.

Ownership
Everyone is a leader. Everyone is team member. Everyone takes equal responsibility for the company's growth. Where the vision becomes not just the company goal but the individual goal as well.

Our marquee customers

BUSINESS SEGMENT OVERVIEW

Delivering Sustainable Solutions for Diverse Needs

We offer a wide array of products across our diversified yet integrated business segments that meet the stringent quality and sustainability norms of our customers across various sectors.

Owing to increasing number of facilities catering to multi-products, integrated production processes, similar economic characteristics of products and business conditions, the Group's operations were merged during the year and are now reported under two Business Segments as per Ind AS 108, namely: • Advanced Intermediates • Phenolics

Advanced Intermediates

Overview

Specialised products with stringent requirements in terms of performance.

Products

Sodium Nitrite, Sodium Nitrate, Nitro Toluidines, Fuel Additives, Nitrosyl Sulphuric Acid, Xylidines, Oximes, Cumidines, Speciality Agrochemicals, Optical Brightening Agent (OBA), DASDA

Application diversity

Colourants, Petrochemicals, Rubber, Agrochemicals, Pharmaceuticals, Water treatment, Glass industries, Textiles, Industrial Explosives, Fuel Additives etc.

Revenue contribution

38%

Contribution to EBIT

48%

Performance

- Advanced Intermediates segment reported healthy revenue growth of 21% driven by positive demand for key products and improved sales realisation despite the volatile global economic environment
- Sharp rise in input costs and lag effect in passing on prices to customers resulted in moderation of EBIT growth
- We expect to gain from the traction of chemical industry, our strategy of integrating business both forward and backward

Phenolics

Overview

High volume import substitutes

Products

Cumene, Phenol, Acetone, Isopropyl Alcohol, AMS

Application diversity

Laminate & Plywood, Automotive, Construction, Pharmaceuticals, Adhesives, Sanitisers, Rubber, Chemicals, Paints, etc.

Revenue contribution

62%

Contribution to EBIT

52%

Performance

- Delivered a strong topline performance with revenue growth of 16%. EBITDA margin stood at 14%. This was achieved despite weak global demand and price increase in key raw materials such as Propylene and Benzene combined with high prices of coal
- The Phenol plant clocked a utilisation rate of over 120% for the fourth quarter and achieved the highest-ever quarterly domestic sale and production per day of phenol
- Demand trajectory remains solid and we are well placed to realise incremental gains through timely introduction of downstream derivative products of phenol and acetone

Message from the Chairman & Managing Director

We have recently signed an MoU with Government of Gujarat for additional investment of ₹ 5,000 Crores in the State of Gujarat to set up Greenfield Projects of Advance Intermediate Products, Phenol, Acetone and Bisphenol-A. This will be a big step forward towards making Bharat Aatmanirbhar in manufacturing these materials.

Deepak C. Mehta
Chairman and Managing Director

Dear Stakeholders,

We are pleased to share our 52nd Annual Report for the Financial Year 2022-23, highlighting Deepak's sustained performance through our manufacturing expertise, integrated facilities and agile operations. We are committed to strengthening our financial position and continue to invest in the Company in means that align with our vision and strategy. Our focus continues to be on building world-class facilities, innovative products and processes, while balancing market access and cost optimisation to achieve our goals. While doing so, we remain mindful of fulfilling our social as well as environmental obligations. The Company believes in growing responsibly while making an impact in the society. In addition to employee welfare and environment protection, your Company has consistently supported sustainable livelihoods with better healthcare facilities and offering education to marginal segments of the society. The objective is to contribute in a positive way by conserving natural resources while touching as many lives as possible and making them a part of our growth journey.

SUSTAINABILITY: KEY DRIVER OF INNOVATION

For Deepak, sustainability is neither a corporate social responsibility nor a cost line-item, rather it is a business imperative that is at the forefront. It forms a core of what we do and how we grow as an organisation. In the past, we have received several accolades demonstrating our efforts of growing responsibly by making a visible change on the ground. Recently, one of our units in Dahej achieved a milestone of receiving 100% score in its very first attempt in Together for Sustainability (TfS) Audit conducted by DQS India. This speaks volumes of our commitment to offer best-in-class solutions to our customers by using sustainable manufacturing practices. This achievement adds to other steps undertaken such as a signatory of prestigious 'Responsible Care', 'Nicer Globe alliance' as well as receipt of a silver medal with 60% assessment score from EcoVadis, which is a leading provider of business sustainability ratings. All this is a testament to our dedication of achieving the core objectives of people, planet and profit.

We firmly believe that sustainability is the critical ingredient of organisational and technological innovations that generate positive impact on both financial performance as well as overall business growth. In-line with this, we are steadily investing to innovate our product portfolio and expand our process expertise to deliver sustainable outcomes. We want sustainability and innovation to go hand-in-hand, which is why we have strengthened our R&D infrastructure with an endeavour to innovate new compounds, upgrade the existing processes and efficiently recover by-products from effluents. This is a right move towards a circular economy thereby limiting the damage caused to the environment.

Your Company is convinced that the creation of value in medium-to-long term, relies on effective integration of business, social and environmental performance. This will create sustained shareholder value and will be critical driver to continued success in the future.

INDIAN ECONOMIC SCENARIO

The Indian economy is poised to be one of the world's fastest-growing economies, despite global uncertainties and challenges. The International Monetary Fund (IMF) has revised its growth projection for India in 2023-24 to 5.9%. This revision is primarily due to expected decrease in consumption and tighter monetary policies, thereby impacting global growth. Slower consumption growth, coupled with external factors such as rising borrowing costs and sluggish income growth, is likely to impact private and Government consumption, as fiscal support measures introduced during the pandemic are phased out. Nevertheless, the recently presented Union Budget 2023 focusses on stability, sustainable development, inclusive growth and introducing policies to stimulate demand for various chemicals in sectors such as construction, emission control, polyurethanes, bio-pesticides and more.

Despite facing challenges on account of after effects of pandemic-led disruption, the Russia-Ukraine conflict and related supply side shocks, inflation and global monetary tightening, the Indian economy has demonstrated a resilient recovery across multiple sectors, positioning itself for a return to the pre-pandemic growth levels in FY 2022-23. India's impressive average growth rate of 7.5% per year over the past two decades, second only to China's 9.6% growth, further underscores its promising growth trajectory.

INDIAN CHEMICAL INDUSTRY

Over the last decade, the chemical industry in India has demonstrated remarkable growth, surpassed expectations and generated substantial wealth for its shareholders. This impressive foundation has positioned India as a promising contender to become a leading global hub for chemical manufacturing. The sector's outperformance has opened up new opportunities in the upstream and downstream industries. Such growth has been fostered by consistent revenue expansion, increasing profit margins and enhanced valuations.

The Global Chemical sector is expected to grow significantly from 2021 to 2040, with a strong growth rate of 11 to 12% in the period of 2021-2027 and a 7 to 10% growth rate from 2027-2040. This growth will triple the sector's global market share by 2040. India's contribution to global chemical consumption growth is projected to be over 20% in the next two decades, with domestic demand for chemicals in India surging from USD 170 billion in 2021 to an impressive USD 850 billion to USD 1,000 billion by 2040. India's chemicals sector is well-positioned to become a preferred destination for Companies seeking to fortify their supply chains due to its compelling value proposition and the changing geopolitical landscape. Additionally, India's speciality chemicals segment, particularly the Agrochemicals and Food and feed ingredient chemicals subsegments, demonstrates robust performance and strong market attractiveness, with projected significant growth rates. The Agrochemicals market in India is valued at USD 5.5 billion and is expected to represent nearly 40% of India's total chemicals exports by 2040. The Food and feed ingredient chemicals sub-segment, valued at USD 3 billion, anticipates a growth rate of 7 to 9%.

Despite global challenges, the Indian chemical industry has shown resilience and is moving towards becoming a significant player on the global stage. The industry is a crucial contributor to India's 'Make in India' and Atmanirbhar Bharat Abhiyaan initiatives and the recent budget policies are expected to generate demand for various chemicals. The proposed customs duty rate structure and basic custom duty changes aim to boost domestic production, exports and the Government's green initiative programme. Given the industry's role in providing building blocks and raw materials for many sectors, it will benefit from India's strong macroeconomic indicators. The Indian chemical sector is now seen as a reliable supplier for global companies pursuing a China+1 and Europe+1 strategy to de-risk their operations.

The Global Chemical sector is expected to grow significantly from 2021 to 2040, with a strong growth rate of 11 to 12% in the period of 2021-2027 and a 7 to 10% growth rate from 2027-2040. This growth will triple the sector's global market share by 2040. India's contribution to global chemical consumption growth is projected to be over 20% in the next two decades

India has the potential to become a major player in the global chemicals industry due to its rapid economic growth, expanding middle-class population and lower labour costs. The country has demonstrated impressive growth in this sector, positioning itself as a potential global powerhouse in chemicals manufacturing and utilisation. Although challenges exist, India's enormous potential should not be underestimated. It is crucial to harness this potential and strive towards building a thriving chemicals industry that contributes significantly to the nation's growth and prosperity.

DNL's GROWTH & PERFORMANCE

In FY 2022-23, your Company exhibited resilient performance, delivering healthy topline growth driven by stable demand and high plant efficiency. Our market position in several flagship products continue to improve, as we scale new production and delivery volume benchmarks for the portfolio products. Despite persistent inflationary pressures, we remain committed to deliver sustainable profitability and following the core objectives of people, planet and profit.

Amid operational and macroeconomic challenges, our business model has proven its strength and resilience backed by immense agility. Incremental investments have boosted our capacity, while sustained demand from end-user industries has driven growth in revenue. Notably, Deepak Nitrite has emerged as a dominant player across various business verticals, with over ~70% of the domestic market share for basic intermediate sodium nitrate/ nitrite. Its subsidiary, Deepak Phenolics, similarly commands over ~56% of the market share for Phenol, Acetone & IPA. With sharp focus on import substitution of key chemicals, the Company has developed specialised expertise and strives for market leadership.

Our emphasis remains on extending our product portfolio by graduating new products from our R&D pipeline, thereby sustaining momentum across established as well as new high-potential chemistries. Our teams have successfully overcome the setback caused by Nandesari fire incident, resuming to full production capacity and fulfilling supply commitments of customers. Large-scale investment plans reflect our enthusiasm for the opportunities created by India's global potential.

We are excited about our prospects and committed to consistently enhancing the stakeholders' value proposition. The introduction of novel solvents will diversify our product offering, broaden our clientele and improve our overall value proposition. Our robust financial position, deep client relationships and towering growth aspirations position us well for future success.

NEXT PHASE OF DNL

We have announced investment aggregating to ₹ 2,500 Crores for expanding our capacity, enabling assured availability of inputs, backward integration for improved efficiency, widening of product portfolio and assimilation of new chemistries within our operations –

- To enhance market share and maintain our leadership position, we have planned brownfield projects for certain key products. These projects aim to meet the growing demand and improve the overall business proposition
- A Greenfield expansion in Polycarbonate compounding will help us venture into the Polycarbonate business. This expansion will provide valuable insights into the market, including niche and major players. It will also enable the catering of specialised demand in new-age applications such as 5G boxes, EV batteries, medical devices and more
- Another project focussed on backward integration will incorporate new chemistry platforms like photochlorination and fluorination, we aim to reduce supply chain risks in the agro space and expand the range of products using these chemistries. It will strengthen the backward integration capabilities for key inputs
- The MIBK-MIBC project involves forward integration. These products are derived from acetone and the objective is to introduce new chemistries thereby enabling utilisation of a higher proportion of acetone internally to manufacture MIBK and MIBC. This move enables the production of other downstream value-added products

These projects will contribute to our robust revenue growth, expand its market share, improve margins, mitigate business risks through a diversified product mix and strengthen customer and supplier relationships.

The Board has approved an investment of up to 51% of the Equity Share Capital of Deepak Oman Industries FZC LLC to set up a facility in Oman to manufacture key chemicals and benefit from low-cost inputs of raw materials and energy to serve global markets. As global supply chains are being redrawn, we are developing new relationships to allow more global customers to 'Depend on Deepak'.

We have recently signed an MoU with Government of Gujarat for additional investment of ₹ 5,000 Crores in the State of Gujarat to set up Greenfield Projects of Advance Intermediate Products, Phenol, Acetone and Bisphenol-A. This will be a big step forward towards making Bharat Aatmanirbhar in manufacturing these materials.

Additionally, we are excited to announce the forthcoming establishment of a world-class research and technology centre. This state-of-the-art facility will house versatile pilot plants, compact plants, an environmental laboratory and scalable technology platforms. We are proud to uphold the trust and expectations of all our stakeholders and with enthusiasm and humility, we are dedicated to fostering inclusive, top-quality growth in the short and long term.

VOTE OF THANKS

I express my sincere gratitude to our stakeholders, including shareholders and investors, for their unwavering support. Our dedicated employees have played a vital role in achieving our objectives and fulfilling our vision, while the guidance of our esteemed Board members has been invaluable. Deepak Nitrite and Deepak Phenolics Limited have consistently delivered value to customers worldwide, thanks to our productive workforce.

Looking ahead, we are confident of seizing more opportunities and accelerating our growth trajectory. Our focus remains on maintaining agility to capitalise on changing industry landscape.

To conclude, we thank everyone for being part of our Company's prosperous journey. We are honoured to be associated with you as we pursue sustainable growth and value creation.

Best Regards,
DEEPAK C. MEHTA
Chairman and Managing Director

Executive Director & CEO's Message

DNL is poised to capitalise on the 'Make in India for the World' initiative and the growing trend of the China+1 strategy, as a multitude of opportunities emerge in the industry.

Maulik D. Mehta
Executive Director and CEO

Dear Stakeholders,

During the fiscal year 2023, the operating environment experienced significant volatility due to the outbreak of the Russia-Ukraine war. This led to disruptions in global supply chains and a surge in commodity prices, resulting in high inflationary pressures on inputs. Additionally, the Company faced internal challenges such as a fire at the the Nandesari plant, which caused around 40-day loss in production and sales. Despite these obstacles, the Company's business model remained resilient, with incremental investments enhancing throughput and sustained demand from end-user industries driving growth.

In this backdrop, DNL reported strong double-digit revenue growth and improved plant efficiencies that will yield consistent bottom line benefits while reducing the carbon and water footprint of all sites. However, profitability was impacted by lag in transmission of high input prices, inflationary environment and normalisation of spread in certain products from exceptional levels in the preceding fiscal. DNL has taken significant steps to mitigate risks in its business model by ensuring a secured supply of additional inputs, establishing captive power supply and deriving value from waste. Moreover, contracted supply arrangements with customers for products from both business segments provide high visibility for continued growth.

COMMITMENT TO VALUE CREATION FOR STAKEHOLDERS

In FY 2022-23 we asked key stakeholders a question: "how can we create more value for you?" Their answers prompted us to create succinct value drivers for 4 pillars i.e. shareholders, customers, people and community and we pledge to align ourselves with these statements.

In an ever-changing economic landscape influenced by global events alongside internal challenges, our adept teams successfully navigated through the uncertainties and evaluated our mission from the perspective of our key stakeholders. Understanding the valuable investments of resources made by each stakeholder, including finances, time, business and trust, we pledge to demonstrate their importance by offering persuasive grounds to 'Depend on Deepak'.

We remain dedicated to safeguarding the health and well-being of our employees and the communities we operate in. Our unwavering commitment remains steadfast on prioritising these 4 pillars:

- Shareholders – We have developed a roadmap based on our core fundamentals and values, ensuring responsible growth and a clear 'Right to Win' by balancing process excellence with high returns on capital. Our focus is on sustainable and high-quality growth, considering future potential and long-term strategies.
- Customers – We prioritise responsiveness and leverage our deep process expertise to become the preferred partner, supplying complex chemicals manufactured through safe and sustainable practices. We aim to be the first choice for customers and align our processes with their environmental, social and governance (ESG) values. We have taken several initiatives by completing a customer insight through industry expert and initiated on co-developing molecules with customers in the agrochemical and personal care products.
- People – Our people practices foster agile and adaptive leaders who build teams driven by action and guided by principles. We reward proactive action-taking and prioritise doing what is right over adhering to traditional hierarchies. We have taken several initiatives by appointing best professional agency to ensure effective and transparent professional growth across the group, an initiative on Diversity, Equity and Inclusivity which is governed by a fellow member of the Board of Director, empanelled coaches and co-created programs at all levels with reputed management institutes,
- Community – We strive to make a positive impact on society, ensuring that our presence benefits the communities we operate in. We aim to contribute to the betterment of society rather than merely existing within it.

FINANCIAL PERFORMANCE OVERVIEW – FY 2022-23

Despite the challenging macroeconomic conditions, it is heartening to note that our credibility, strategy and customer wallet share remains intact. Deepak achieved remarkable growth in its top line performance. Building upon a sturdy base, we strategically employ gradual capital injections to strengthen processes, enhance capabilities and meet the ongoing needs of various industries. As a result, we have achieved remarkable progress, witnessing a 17% year-on-year growth in our overall revenue, surpassing the milestone of ₹ 8,000 Crores in turnover, in contrast to the previous fiscal year's ₹ 6,845 Crores. This growth can be attributed to the Company's ability to maintain stable demand and maximise plant efficiency. EBITDA for the year stood at ₹ 1,337 Crores, reflecting a 19% decrease compared to the previous year mainly due to very high input cost, particularly of commodity building blocks. These results are to be viewed in light of the impact of ongoing war, sharp rise in commodity prices and consequent rise in input prices, leading to inflationary pressures. Furthermore, the global supply chain for crude, fertilisers, petrochemical derivatives and speciality chemicals had been especially disrupted due to the Russia-Ukraine conflict, further impacting the Company's performance.

Segmental Highlights

In line with Ind AS 108 guidelines, we have combined our strategic business units. As a result, our Group's activities are now categorised into two segments: Advanced Intermediates and Phenolics. Over the course of the year, both segments showcased noteworthy improvements, resulting in impressive financial expansion as a collective entity. Despite the challenges presented by the surroundings, the growth was attained through increased demand and a positive reception of our fundamental offerings. DNL remains unwavering in its dedication to nurturing development and expanding its endeavors to seize promising opportunities.

- **Advanced Intermediates –**

  In the fiscal year 2023, our revenue experienced a remarkable growth of 21% to reach ₹ 3,074 Crores. Despite the current challenging circumstances, we managed to achieve an EBIT of ₹ 555 Crores, resulting in a margin of 18%. The Advanced Intermediates unit particularly stood out with its impressive revenue growth, driven by strong demand from end-user industries.

  During the year, we actively pursued opportunities with both domestic and international customers. Given the global shift in the supply chain towards Asia and positive demand trends, we anticipate this segment to continue its strong performance. However, it is important to acknowledge the hurdles we face in terms of logistics, which may cause delays in passing on the prices.

  Looking ahead, our future performance will be influenced by several factors, including new multiyear contracts, successful pilot projects and the introduction of new products in our portfolio.

- **Phenolics –**

  In FY 2022-23, Deepak Phenolics reported a healthy financial performance, with revenue reaching ₹ 4,986 Crores and EBITDA amounting to ₹ 712 Crores, the Company achieved a margin of 14%. This success was primarily driven by improved plant efficiency, leading to a significant increase in volume for the phenolics division.

  The phenol plant showcased exceptional performance, achieving an average utilization rate well over 120% for the year. Continued process improvement through the year supported by the captive power plant, resulted in the highest-ever quarterly domestic sales in Q4, along with the highest daily production of phenol. The impressive growth in volume was primarily attributed to improved acceptance of the Company's products and improved operational efficiency. Notably, both Phenol and Acetone experienced a significant increase in revenue realisation compared to the previous quarter.

  Furthermore, the phenolics division plans to enhance its downstream products. With the upcoming implementation of projects like MIBC and MIBK, which are solvents, the utilisation of acetone is expected to increase further. Overall, the Company remains optimistic about the future prospects of its phenolics business.

KEY DEVELOPMENTS & GROWTH INITIATIVES

FY 2022-23 has proven to be a transformative year for us, as we have witnessed the realisation of several growth initiatives. A significant milestone for Deepak Phenolics has been the successful implementation of debottlenecking measures, a crucial development that will bolster our production capabilities. This enhancement is set to commence within the current quarter, ensuring a swift and efficient integration. Furthermore, we have greenlit an advanced process control project, which is expected to go live in the subsequent quarter. We have taken several steps to improve our sustainable profitability by adding new products and debottlenecked existing plants. This initiative holds the potential to amplify operational efficiency and elevate product quality, further solidifying our market position and bolstering our competitive edge.

In addition to these accomplishments, we are actively pursuing various other ventures to expand our business horizons. Our SAC unit, a recent installation aimed at enhancing sustainability in Nandesari, has been successfully commissioned, marking a significant step forward. Looking ahead, we are planning to implement the photochlorination and chlorination project in the third quarter, followed by the acid project in the fourth quarter. These endeavours will effectively cater to our present and future requirements. By the first quarter of FY 2024-25, we anticipate the commissioning of our MIBK and MIBC plants, which, as previously mentioned, are derived from acetone. Moreover, the approval for our hydrogenation and multipurpose distillation facility signifies further progress in our expansion endeavours.

Additionally, it should be emphasised that DNL's subsidiary, Deepak Chem Tech Limited ("DCTL"), has been proactively bolstering its workforce by recruiting essential personnel across departments including project management, procurement and support functions. DNL has allocated ₹ 400 Crores to DCTL to part finance the ongoing capital projects undertaken by the Group.

During the year, we have taken substantial measures to mitigate business risks, such as ensuring a consistent supply of critical raw materials and actively reducing debt to fortify our financial position. With the Nandesari plant operating at full capacity and other facilities operating at high utilisation rates, our momentum remains strong. As we gear up to commission multiple plants in the forthcoming quarters, we are poised to deliver growth and generate value for our esteemed shareholders. Acknowledging this, the Board of Directors has announced a final dividend of ₹ 7.50 per equity share, representing a remarkable 375% return on the face value of ₹ 2.00 each for the fiscal year 2022-23, in recognition of the Company's steady performance.

SUSTAINABILITY AT THE FOREFRONT FOR DNL

Our Company is committed to a sustainable future and we have implemented various measures to reduce our carbon and water footprints. Additionally, we have found innovative ways to transform by-products into valuable compounds. These initiatives have been recognised by prestigious awards, such as being named "The Best Compliant Company for the Codes Under Responsible Care" by the Indian Chemical Council and receiving the Divya Bhaskar Pride of Gujarat award for "The Most Responsible Company." As proud signatories of Responsible Care, Together for Sustainability (TfS)) and Nicer Globe, we prioritise environmental, health and safety guidelines. Deepak Nitrite is dedicated to responsible chemistry and the creation of effective solutions.

At Deepak Nitrite, we understand the risks associated with a constrained production process, including operational errors and warehousing misjudgements. To address this, we have taken on greater responsibility for developing and implementing automation and plant safety standards. These measures aim to minimise errors and ensure a safe working environment. Our commitment to quality, environmental standards, human resource management and efficiency in hazardous and complex chemical processes has made us a trusted supplier for major global customers.

We are pleased to share that our Dahej facility achieved a remarkable score of 100 out of 100 in the Together for Sustainability Audit, in the first attempt. It's worth noting that Together for Sustainability (TfS) is the European counterpart to Responsible Care, an esteemed institution in the United States. TfS is highly regarded by large European, Japanese and American companies. We are confident that this milestone will inspire many more companies to follow suit and strive for excellence in sustainability.

FUTURE OUTLOOK

DNL is poised to capitalise on the 'Make in India for the World' initiative and the growing trend of the China+1 strategy, as a multitude of opportunities emerge in the industry. With a lineup of projects worth around ₹25 billion spanning its core product lines, DNL is clearly dedicated to continuous growth and enhancing value. By utilising its strong manufacturing infrastructure and extensive expertise in chemistry, DNL has become a vital partner for major Indian and international conglomerates.

Positioned strategically, DNL is well-equipped to achieve incremental advantages in both its segments by implementing key projects scheduled for the upcoming year. These projects include expanding the capacity of specific products through brownfield projects, enhancing backward integration capabilities to boost margins and ensure a reliable supply, developing valuable downstream derivatives like solvents derived from Phenol and Acetone, establishing new chemistry platforms for photo chlorination and fluorination, investing in a compounding asset to cater to the diverse needs of India's 5G, electronics, EVs and medical devices industries and creating innovative products that leverage highly efficient chemistries to cater to various end-user industries.

Our focus is on implementing a pioneering growth strategy centred around a robust platform. This strategy entails directing investments towards our existing customers and businesses, utilising our current assets as a foundation for new value-added products. By incorporating specialised balancing equipments, we aim to achieve high return on capital employed (ROCE) targets.

Additionally, we are excited to announce the forthcoming establishment of a world-class research and technology centre. This state-of-the-art facility will house versatile pilot plants, compact plants, an environmental laboratory and scalable technology platforms. We are proud to uphold the trust and expectations of all our stakeholders and with enthusiasm and humility, we are dedicated to fostering inclusive, top-quality growth in the short and long term.

Furthermore, I want to take this opportunity to thank all our investors and stakeholders for their continuous commitment and confidence.

Best Regards,

Maulik D. Mehta

Executive Director and CEO

Message from Executive Director - Deepak Phenolics Limited

We take immense pride in our 9.2 million Safe Man Hours and capacity utilisation exceeding 120%.

Meghav D. Mehta
Executive Director
Deepak Phenolics Limited

Dear Investors and Stakeholders,

I am delighted to share with you a reflection on the past year, offering a clear vision of our company's direction for the upcoming financial year.

Amid challenging global market conditions, we have demonstrated resilience and steadfast determination. We take immense pride in our 9.2 million Safe Man Hours, capacity utilization exceeding 120% and a significant reduction in closing inventory. We are thrilled to have achieved a significant milestone of producing one million metric tons of Phenol since our plant's commissioning. This, in combination with the commissioning of our power plant, our NABL-accredited laboratory, our 'Responsible Care' certification and our FDA-certified bulk IPA, exemplifies our commitment to excellence and safety.

We did, however, confront significant obstacles. The industry saw a surge in raw material prices. This affected our margins and, coupled with an overall downturn in consumer sentiment, posed challenges to our operations. Despite these headwinds, we managed to increase our turnover by 14% year on year.

Looking forward, our strategic initiatives are geared towards growth and sustainability. We aim to eliminate production bottlenecks, thereby increasing our capacity to 150%. Our venture into digitization and automation, by transitioning to SAP, embodies our commitment to continuous improvement and process efficiency. We are excited about the impact of Advanced Process Controls and Robotic Process Automation, as they are expected to deliver enhanced efficiency and visibility for our teams, partners and customers.

Equally important is our commitment to environmental sustainability. We are gradually moving away from coal-based energy, increasing our consumption of sustainable fuels like biofuels. Furthermore, our efforts to segregate exotic materials from co-products will provide a dual advantage: boosting our bottom line and simplifying processing.

Undoubtedly, the geopolitical uncertainties surrounding the Russia-Ukraine war, Europe's exposure to key fuels and high interest rates across economies inducing inflation and reducing discretionary spending - are all contributing to a complex global market landscape. Even in the face of these challenges, we remain optimistic as we witness rising demand, evident by volume movement and revenue growth.

Our efforts to enhance shareholder value are persistent and strategic. Our investments in digital transformation, efficient energy utilisation and value optimisation of co-products will drive growth and improve shareholder value.

As we press forward, we remain anchored by our vision of becoming India's fastest-growing intermediate chemical manufacturer. This vision is encapsulated by our "Depend on Deepak" initiative, promising our shareholders, customers and employees a reliable, stable and transparent future.

Thank you for your continued trust in us and we look forward to a robust and prosperous future together.

Best Regards,

Meghav D. Mehta
Executive Director
Deepak Phenolics Limited

PERFORMANCE SNAPSHOT

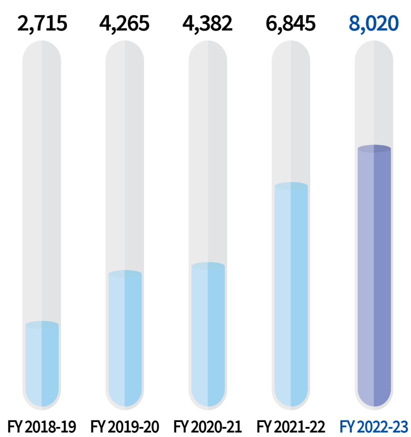
Driving Consistent Value-creation

- Delivered marked improvement across various parameters
- Sustained increase in return ratios, with debt levels at all-time low
- Demonstrated strength of efficient manufacturing model with adequate backward integration and depth of multi-year relationships with key customers

Profit and Loss Indicators

Revenue

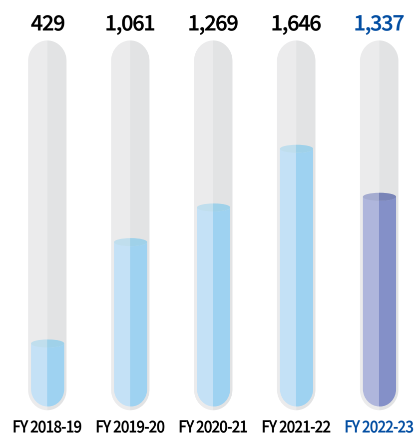
₹ Crores



17.16% 36.56%

EBITDA

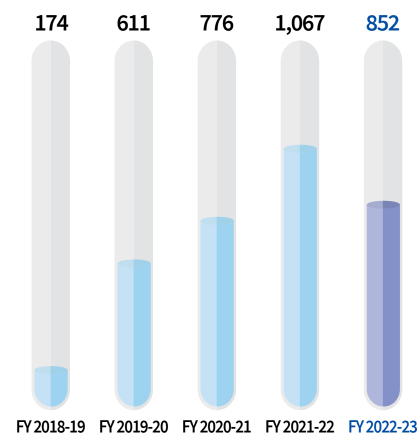
₹ Crores



18.78% 45.00%

Profit After Tax

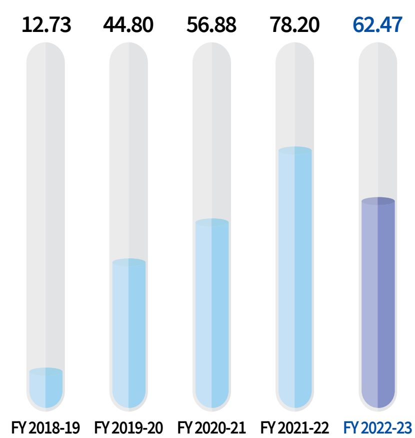
₹ Crores



20.12% 60.90%

Earnings Per Share

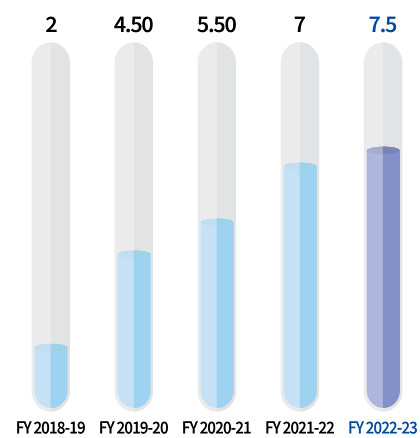
₹



20.12% 59.77%

Dividend Per Share

₹



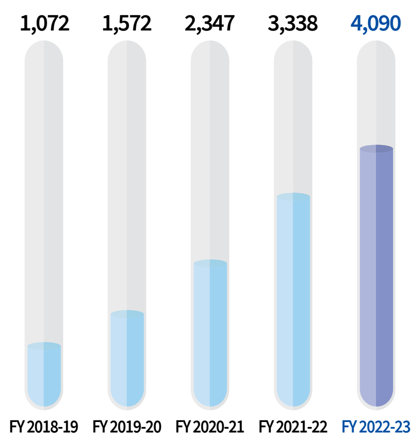
7.14% 41.98%

Y-o-Y Change *5-year CAGR*

Balance Sheet Indicators

Net worth

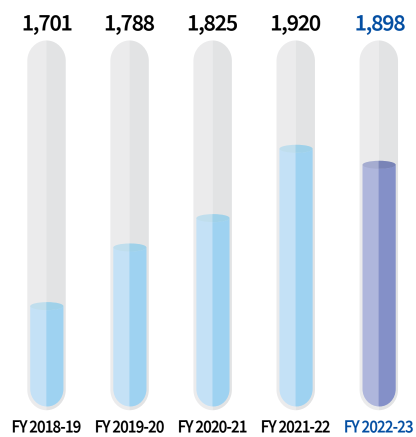
₹ Crores



22.51% 34.71%

Net Fixed Assets

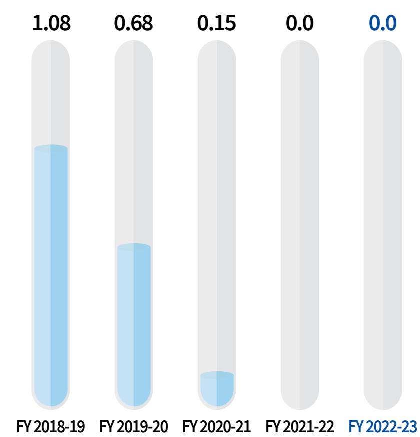
₹ Crores



1.18% 26.63%

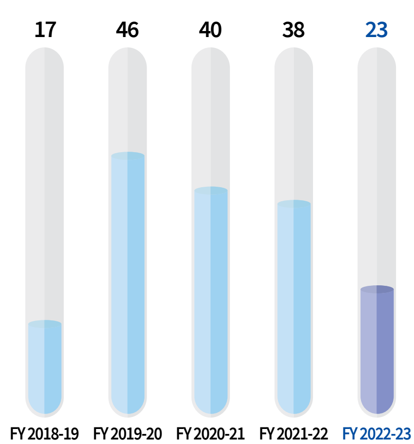
Net Debt Equity Ratio

times



ROE

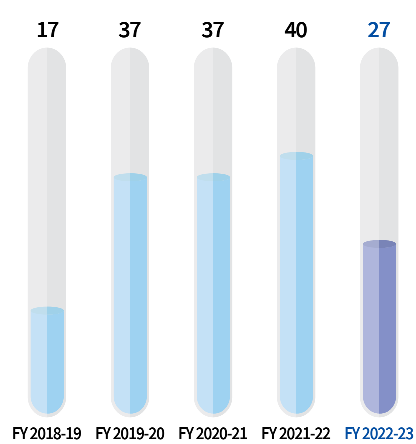
%



38.87% 18.90%

ROCE

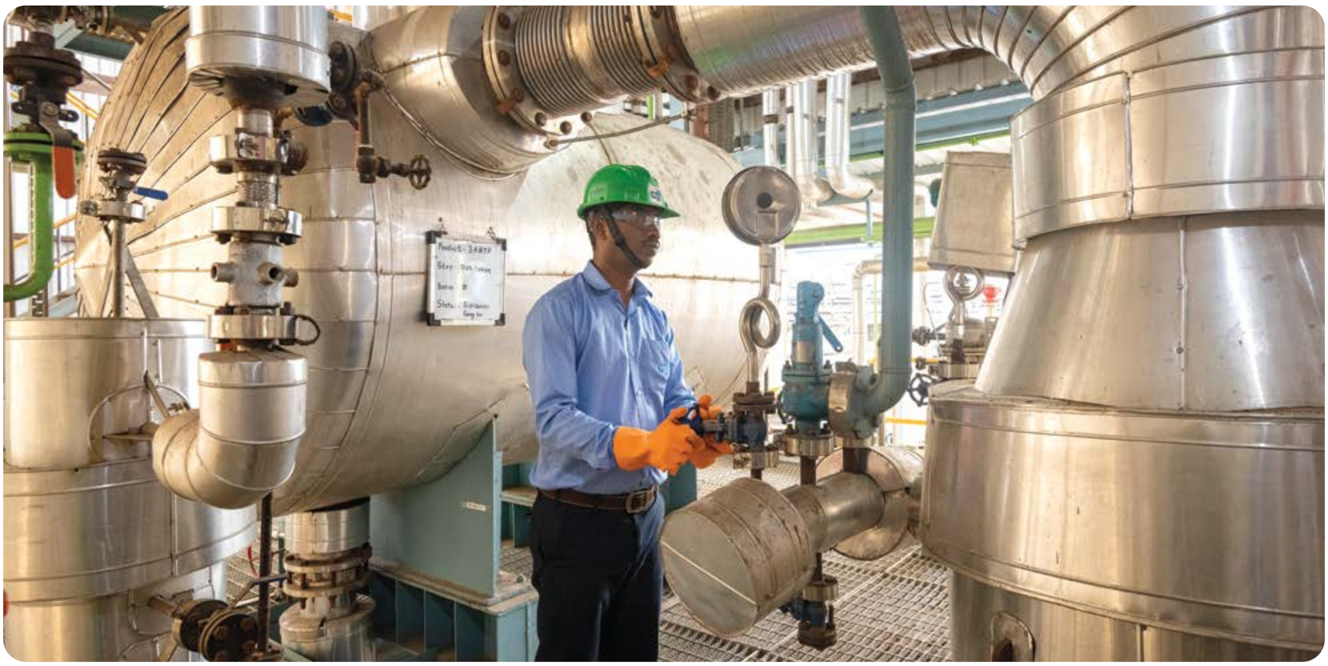
%



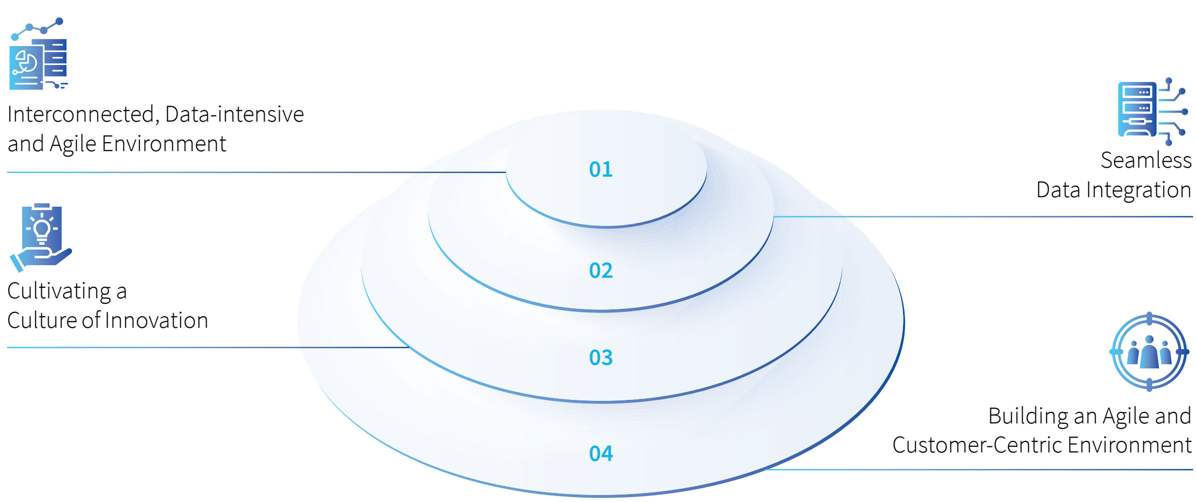
32.26% 21.71%

Y-o-Y Change *5-year CAGR*

Innovative Manufacturing: Building Resilience through Intelligence



1. Smart Manufacturing: Navigating the Digital Age



At Deepak Group, we are undergoing a radical shift from conventional manufacturing to a highly interconnected, data-intensive and agile environment. This transformation is driven by digital technology growth, evolving customer demands and the need for heightened efficiency and resilience.

Seamless Data Integration

Through smart sensor integration, we capture and communicate real-time data, ensuring a smooth flow of information across the organisation. This enhances visibility and fosters supply chain integration. As a part of continuous technology upgradation, the Company is participating in Industry 4.0, process of digitalisation in supply chain, demand forecast and pricing strategy.

Cultivating a Culture of Innovation

Smart manufacturing at Deepak Group extends beyond technology adoption. We foster a culture of continuous learning, innovation and cross-functional collaboration. Our employees are equipped with the skills and tools needed to excel in this new manufacturing landscape.

Building an Agile and Customer-Centric Environment

Our vision for smart manufacturing goes beyond efficiency and productivity. We aim to create an agile, resilient and customer-centric environment. This transformative journey will significantly bolster our competitiveness, drive sustainable growth and position Deepak Group as a leader in the chemical manufacturing industry during the digital era.

2. Visibility and Integration: The Core of Our Strategy

At Deepak Group, we embrace visibility and integration as fundamental pillars of our smart manufacturing approach. These principles permeate every aspect of our operations, empowering us to achieve superior process efficiency, agility and resilience.

Unleashing the Power of Visibility

Our unwavering commitment to visibility delivers numerous advantages. It allows us to quickly identify and address issues, minimising downtime and maximising operational efficiency. Furthermore, it provides valuable insights to our decision-makers, empowering them to optimise processes and drive continuous improvement.

Creating a Synergistic Integration Environment

Integration is not just about connecting systems; it is about fostering a synergistic environment where information flows seamlessly and operations are harmonised. At Deepak Group, our integration strategy encompasses both forward and backward integration, ensuring a coordinated ecosystem that supports our smart manufacturing goals.

2.1 Forward Integration

Our forward integration strategy encompasses a comprehensive approach to ensure the smooth and efficient delivery of our products from production to the market. Our primary goals within this strategy are to prioritise customer satisfaction, foster strong partnerships with customers and distributors and maintain a paramount focus on safety in product distribution.

Collaborating closely with logistics partners, we establish stringent safety protocols and utilise real-time tracking and GPS technologies to monitor the safety of product shipments and personnel during the delivery process.

2.1A Customer Relationship Management (CRM): Strengthening Forward Integration Strategy

Automated customer tasks, Enhanced engagement, Personalised service, Proactive communication

Integration of CRM with ERP system (Links customers order to the manufacturing activities)

Sending price quotes, Real-time about the status of their orders, despatch details and expected delivery times

Our forward integration strategy relies on a robust CRM system that serves as a central repository for customer data, preferences and purchase history. This integration allows for automated customer tasks, enhanced engagement and personalised service.

We have integrated our CRM with ERP systems which establishes a direct link between manufacturing activities and our customer requirements. When an order is placed, relevant details are seamlessly relayed to the concerned department, enabling a swift response to market demand.

Our CRM system facilitates proactive communication with customers, providing real-time updates on order status, despatch details and expected delivery times. This transparency fosters trust and strengthens customer relationships.

2.1B Distributor Partnerships

Our distributors play a crucial role in our forward integration strategy. By fostering strong relationships with our distributors, we ensure an efficient route to market for our products.

Our integrated systems, offers real-time order management capabilities and relevant marketing materials. This not only enables our distributors to provide better service to the end customers but also allows us to manage our inventory more efficiently.

Our forward integration strategy aims to streamline operations, prioritise customer and distributor satisfaction and enhance our competitiveness in the chemical manufacturing industry. Through leveraging CRM and fostering strong distributor relationships, we align production with market needs, improving efficiency and overall performance.

2.2 Backward Integration

Deepak Group Company's backward integration strategy encompasses more than securing a consistent supply of high-quality raw materials – it enhances operational efficiency, safety and transparency in our chemical manufacturing processes.

To improve delivery times, we have implemented GPS tracking for raw material shipments. This real-time tracking system provides accurate location data, enabling us to monitor progress at every stage of the journey. Such visibility empowers us to proactively manage logistical challenges, make necessary adjustments and avoid delays. It also enables us to provide our production teams with proper estimates of material arrival times, facilitating efficient planning and reducing the risk of production stoppages.

Ensuring Safety at Every Step

Safety is paramount when dealing with hazardous raw materials. Our backward integration strategy includes comprehensive safety measures for secure transportation, storage and handling. Technology, such as sensors in transportation units, continuously monitors factors like speed, night-driving, sudden-braking etc. to ensure safe conditions. Moreover, safety protocols are integrated into quality testing and procurement procedures which protect personnel and prevent mishaps during the testing process in our quality labs.

We collaborate closely with suppliers, ensuring adherence to our safety standards through regular audits.

2.3 Driving Operational Excellence

2.3A Auto Filling: Maximising Efficiency and Quality

At Deepak Nitrite, technology plays a pivotal role in enhancing operational efficiency, reducing costs and improving overall productivity through process optimisation and automation. Through the utilisation of digital tools and software solutions, we analyse, optimise and streamline our processes.

One of our successful implementations is ABB Auto filling, an advanced system that automates the loading of tankers with minimum human intervention, while strictly adhering to safety regulations. Seamlessly integrated with our ERP system, it ensures an automated process from billing to load management.

Auto filling is a key component of our optimisation process, streamlining material filling operations. By eliminating manual errors and minimising waste, it maximises throughput, leading to improved operational efficiency and cost savings.

To ensure precision and accuracy, the software incorporates intelligent sensors and measurement devices for material filling. This level of precision eliminates variations in fill levels and ensures consistency.

Safety is a top priority and the software adheres to industry regulations while implementing comprehensive safety protocols. By minimising manual handling and material spillage, the ABB Auto filling software creates a safer work environment for employees, maintaining compliance with strict safety standards.

2.3B Laboratory Automation

At Deepak Group, our Laboratory Information Management System (LIMS) plays a pivotal role in laboratory operations by enabling us to optimise our laboratory workflows, enhance data integrity, compliance and drive operational excellence.

This transformative solution revolutionises laboratory operations, data management and collaboration and empowers us to achieve greater efficiency and productivity. With the integration of LIMS, we successfully optimise processes, reduce manual errors and ensure high quality products delivered to the customers.

2.3C Supply Chain and Logistics Automation

In the dynamic world of supply chain and logistics, we utilise tEG as a transformative solution to address the challenges of managing complex networks, optimising operations and meeting customer demands. tEG Logistics planning and optimisation engines, powered by Cloud Computing, AI, ML & IoT, connect all stakeholders in a single platform with a multi-dimensional workflow. This enables the execution and optimisation of logistics flow, including services procurement, resource planning, allocation, despatch, in-transit monitoring, delivery confirmation and vendor payments.

tEG is tightly integrated with our ERP systems, generating alerts for exceptional incidents. Deepak Group leverages advanced supply chain and logistics software to streamline operations, optimise efficiency and deliver exceptional products to customers.

Our focus on efficient supply chain management, streamlined logistics operations, enhanced visibility and collaboration ensures we remain a leader in the chemical manufacturing industry. We continuously strive for excellence, providing superior value and service to our customers while maintaining a strong competitive edge.

2.3D Production Allocation and Hydrocarbon Accounting

We understand the significance of Production Allocation and Hydrocarbon Accounting in optimising resource management, ensuring accuracy and complying with industry regulations. By leveraging advanced software solutions, we streamline these processes, enhance operational efficiency and facilitate accurate reporting and decision-making.

Our PAR system seamlessly integrates with the ERP, collecting data through sensors. By integrating data from sensors, flow meters and production systems, our Production Allocation software calculates production volumes and allocates them to the appropriate assets, leases, or partners. This data-driven approach optimises resource management, facilitates decision-making and enables efficient utilisation of assets.

Deepak Group leverages Production Allocation and Hydrocarbon Accounting software to enhance operational efficiency and optimisation. This information aids data-driven decisions, process optimisation and loss minimisation.

Our software systems provide visibility into key performance indicators, such as production rates, downtime and hydrocarbon inventories. This visibility allows us to monitor and evaluate operations, identify areas for improvement and implement strategies to enhance efficiency, productivity and the direct push of production data to the ERP system.

Comprehensive reports on production volumes, revenue allocations and key performance indicators are generated by our systems. These reports offer valuable insights into operational performance, cost analysis and revenue distribution, facilitating effective decision-making at various levels of the organisation.

With a commitment to excellence and adherence to industry best practices, Deepak Group remains at the forefront of efficient production allocation and hydrocarbon accounting, driving value creation and operational excellence in the chemical industry.

2.3E Integrated Project Management System

We understand the importance of streamlined project management processes for project success and team collaboration. Through the Integrated Project Management System (IPMS), Deepak Group effectively collaborates with vendors & engineering partners to finalise technical specification, tracking project milestones and resources deployment.

IPMS implementation has helped the timely project delivery, adherence to budgets and stakeholder satisfaction. Through continuous process improvement and technology-driven solutions, Deepak Group maintains its position as a leader in efficient and successful project management and driving excellence.

2.3F Advance Process Control (APC)

We value Advanced Process Control (APC) for its ability to enhance efficiency, stability and performance of industrial processes. APC optimises operations, reduces costs and maximises productivity across manufacturing activities. By accounting for process nonlinearities, dynamics and constraints. Deepak Group is implementing APC in the plant. The system is based on the AI and Utilising mathematical models and historical data, APC predicts process behaviour and adjusts control parameters in real-time, ensuring stability and preventing disruptions.

Real-time monitoring of critical variables enables APC to optimise performance and make timely decisions.

Deepak Group's commitment to leveraging advanced technologies for continuous improvement is reflected in the integration and implementation of APC.

3. Analytics

We embrace the significant benefits derived from analytics in driving organisational success. By leveraging analytics, we gain valuable insights from extensive data volumes, enabling informed decision-making, optimising operations and attaining a competitive edge in the market. Our commitment to innovation ensures the delivery of high-quality products and the achievement of operational excellence. Through effective data utilisation, we achieve increased productivity, cost savings and enhanced customer satisfaction, setting new benchmarks for success in the dynamic realm of smart manufacturing.

In the context of smart manufacturing, analytics plays a crucial role in capturing, integrating and analysing data from diverse sources, including sensors, machines and production systems. To facilitate this process, we have implemented IP21, enabling the efficient capture and analysis of our production data. This allows us to harness the power of analytics to drive continuous improvement and optimise our manufacturing processes.

Furthermore, IP21 stores historical operational data, allowing us to conduct retrospective analysis and generate comprehensive reports. This feature enables us to compare performance over time, track trends and perform root cause analysis for any operational issues that may have occurred.

Predictive Analytics

Emerson's vibration monitoring system plays a vital role in Deepak Group's operations by providing regular health monitoring of single line equipment and other critical rotary machinery. We use condition-based predictive analysis and performing vibration analysis, Oil Analysis, Thermography, Motor current Signature analysis, corrosion monitoring and thickness Surveys.

With early detection and timely maintenance interventions enabled by predictive analytics, Deepak Group can ensure the optimal health and performance of its equipment, minimise downtime and maximise operational efficiency.

Cyber Security Risk Mitigation Strategy

In the digital era, cybersecurity has emerged as a critical concern for organisations worldwide. The Deepak Group recognises the significance of cybersecurity in safeguarding data, protecting operations and mitigating potential risks. As technology continues to advance and organisations embrace digital transformation for improved efficiency and productivity, it becomes imperative to prioritise robust cybersecurity measures. By implementing comprehensive cybersecurity strategies and investing in advanced technologies, organisations can ensure the resilience and continuity of their operations while maintaining trust in an interconnected world. From securing network infrastructure to employee awareness and incident response, effective cybersecurity practices are vital to protect against evolving threats and maintain the integrity of digital assets.

To enhance our cybersecurity practices, we continually invest in advanced technologies and upgrade our solutions. Deepak Group has implemented a range of measures to improve our cybersecurity posture. This includes securing our network with robust firewall systems, intrusion detection and prevention systems and access controls. We prioritise strong authentication mechanisms and encryption technologies to safeguard sensitive information and minimise the risk of data breaches.

Employee awareness and training programmes are crucial in maintaining cybersecurity. Regular training sessions and awareness campaigns educate our workforce about best practices, data protection and potential threats. By fostering a cybersecurity-conscious culture, we empower employees to be the first line of defence against cyber threats such as phishing attacks and social engineering techniques.

In the event of a cybersecurity incident, Deepak Group has a well-defined incident response plan. This plan includes an incident response team, clear communication channels and a documented process for containment, investigation and recovery. Additionally, we prioritise business continuity planning, implementing regular backups, redundancy measures and disaster recovery strategies to ensure smooth operations even in the face of disruptions. Our Security Operation Center (SOC) continuously monitors network traffic and takes proactive actions based on incidents.

Compliance and Regulatory Standards

Deepak Group adheres to relevant compliance and regulatory standards to protect sensitive data and ensure legal and ethical practices. We maintain compliance with industry-specific regulations and standards, such as data protection regulations, privacy laws and cybersecurity frameworks.

By staying updated on emerging regulations and standards, we ensure that our cybersecurity measures align with evolving requirements. Compliance audits and assessments are conducted regularly to validate our adherence to these standards and identify areas for improvement.

Strengthening Commitment to Sustainable Development

Sustainability is at the core of every business decision at DNL. We strongly advocate for the belief that embracing sustainability presents businesses with a remarkable opportunity to foster intelligent innovation and achieve profitable growth. By prioritising sustainability, we strive to establish an equitable society that operates harmoniously within environmental boundaries while simultaneously cultivating a financially viable enterprise. Our ongoing commitment involves actively reducing our environmental impact and consistently seeking groundbreaking product solutions that yield environmental benefits.

We are spearheading sustainability by implementing responsible practices in our operations. Our endeavour is to evolve into a responsible chemical manufacturing company while embracing transparency in the timely disclosures of our social, environmental and economic performances.

Our sustainable development plan is aligned with the UN Sustainable Development Goals (SDGs). Our commitment to United Nations Global Compact (UNGC) principles has enabled us to augment our contribution towards the global 2030 Sustainable Development Goals. We have always endeavoured to minimise negative and maximise positive environmental and social impacts. Our R&D, technical services operations teams work tirelessly to achieve the objectives of safe and sustainable manufacturing.

Sustainability framework at DNL

We have identified Health and Safety, Responsible Sourcing and Supply Chain sustainability, Energy and Climate change management, Water and Waste management, Biodiversity and Compliance as priority areas and continue to work on these parameters to improve business sustainability. We have been developing short-term and long-term measurable goals and objectives pertaining to these areas. We benchmark our systems and practices with peers and identify best practices across industries.

Our Board provides leadership to the Group and strategic direction to the management. It is collectively responsible for promoting the long-term success of the Group through the creation and delivery of sustainable shareholder value. As part of its decision-making processes, the Board considers the long-term consequences of its decisions, the interests of various stakeholders including employees, the impact of the Group's operations on the environment and the need to conduct its business ethically. This is achieved through a prudent and robust risk management framework, internal controls and strong governance processes.

We believe in the philosophy of zero harm, zero waste and zero discharge and our efforts are continuing to make progress on this vision. We have improved our safety records over the period and minimised waste generation through reduce, recycle and reuse policy. Our ambition is to reduce carbon emission significantly in line with India's target.

We support all 17 Sustainable Development Goals (SDGs), along with our prioritised SDGs for the business.

In line with our commitment to the greater good, we strive to strengthen our contribution towards the global 2030 agenda for sustainable development.

Contribution to UN SDGs

1 NO POVERTY

We actively contribute to economic growth and improvements in the quality of life of people globally. As a responsible employer, we provide wages and benefits to our employees which enable them to maintain their standard of living and uphold our supply chain responsibilities. Through strategic investments and partnerships, we make a positive contribution to combating poverty by strengthening and revitalising communities and improving infrastructure.
Our initiatives and capacity helped economic growth directly and is expected to help the marginalised and economically weaker section of the society.

2 ZERO HUNGER

Through our various CSR initiatives, we enable people to earn their livelihoods and support them in becoming 'Aatmanirbhar' through skill development programmes and vocational trainings. We provide organisational, financial and technical support to Women Self Help Groups for them to set up small business and run it independently.

3 GOOD HEALTH AND WELL-BEING

Employee Health and Safety are core business values at Deepak Group, We strive to eliminate negative health impacts from exposure to chemicals in the workplace, at homes and in the communities. Innovations and a commitment to product stewardship have increased the availability of products with health and safety benefits while reducing their environmental footprint. This includes accelerated deployment of best practices in safe production, distribution and wielding of chemicals in emerging markets through practicing and upholding principles of Together for Sustainability, Nicer Globe, Responsible Care. We are also working for healthcare of communities through our CSR initiatives on Healthcare. Please refer to Page No. 90 for more details.

4 QUALITY EDUCATION

Equitable quality education supports economic growth, improved public health and stable societies. We promote science education through philanthropic investment and specific initiatives that target certain regions or populations, including technical apprenticeships and programmes which help improve the professional skills of existing and potential employees. We have been operating mobile libraries under our CSR initiative called 'Project Vivek Vidya', across villages to promote quality education for all. Please refer to Page No. 94 for more information on Project Vivek Vidya

5 GENDER EQUALITY

We continue to support the participation, contribution and success of people throughout the industry through the implementation of programmes and management approaches to advance gender equality.

6 CLEAN WATER AND SANITATION

We undertake initiatives for the reduction in water consumption, wastewater generation and strive towards zero liquid discharge. In addition to this, DNL has installed RO plants at various villages. We have worked with the Government to eradicate open defecation in various villages in Gujarat. During the year under review, the Company recycled and reused 4,20,000+ KL of waste water.

7 AFFORDABLE AND CLEAN ENERGY

We are continuously improving energy efficiency across our facilities. We have taken various initiatives and have made investments in equipments that reduces energy consumption and/or increases efficiency. Further, we have also installed rooftop solar plants at some of our manufacturing facilities.

8 DECENT WORK AND ECONOMIC GROWTH

The safe production and management of chemicals is crucial to economic growth and enhancing quality of life for people globally. Innovation provides business opportunities and a sustainable foundation for global growth. Furthermore, upholding labour standards and respecting human rights throughout DNL's operations and the entire value chain represents a substantial opportunity to advance human development globally.

DNL is strengthening its production assets to promote resilience. Frameworks that promote industrial symbiosis for the Company and their value chains help address environmental and resource concerns, reduce raw material and waste disposal costs, earn new revenue from residues and by-products, support circular business models and develop new business opportunities.

As a multi-locational company, we encourage development that reduces inequalities. In addition to this, we carry out CSR activities in many states across the country which helps reducing inequality among people and facilitate healthy and safe lives.

The Company's manufacturing facilities provide employment to local people, reduces pressure on cities and make cities more sustainable and inclusive, thereby improving the lives of the urban poor.

Our production processes help improve the quality and efficiency of products. Through Responsible Care and the Global Product Strategy, we are committed to advancing sustainable management of materials in all its phases and achieving greater transparency in environmental, health and safety performance.

We are taking concerted actions to address the issue of climate change through a variety of initiatives including: energy efficiency, reducing the footprint of our products and development of innovative solutions to avoid downstream emissions. In addition, we are working to build resilience and adaptive capacity for the sector and its supply chain in response to the impacts of climate change. We also play a key role in the development of solutions that will enable other sectors to strengthen their resilience to climate-related risks.

We collaborate with others in the value chain to reduce marine pollution of all kinds, including nutrient pollution and the prevention and reduction of ocean plastic waste.

We continuously measure and manage our environmental footprint. This includes efforts to mitigate negative impacts that some products can have on ecosystems and biodiversity by improving product formulations and design as well as managing such products. The Company strives to reduce its impacts on land and other natural resources through improving operational management and amplifies philanthropic efforts to halt environmental degradation and protect critical ecosystems.

We are focussed on maintaining standards of ethical business conduct throughout the value chain. This can be achieved through partnerships that reduce corruptions/frauds existing in the supply chain. We also engage with local, regional, national and international bodies on societal structures and laws to promote responsible business practices (including anti-bribery and anti-corruption).

Partnerships are a key enabler to accelerate sustainable development and advance the SDGs.

At DNL, we participate in opportunities to:

- Collaborate with downstream partners, government organisations, NGO groups and other involved stakeholders working towards sustainable development;
- Contribute to improving environmental and safety performance in emerging countries through capacity building;
- Incorporate collaboration as a critical pillar of sustainability efforts/programmes and share technologies/science with partners to enhance sustainable development globally; and
- Encourage open innovation initiatives for the sector.

Our commitment to environment

Our unwavering commitment to environmental protection drives us to continually enhance our practices. We actively pursue improvements in energy efficiency, diversify our sources of energy, implement water recycling and reuse systems, responsibly manage materials and waste and optimise resource allocation. These initiatives not only enable us to achieve operational excellence but also significantly minimise our environmental footprint.

Key initiatives

Energy Conservation

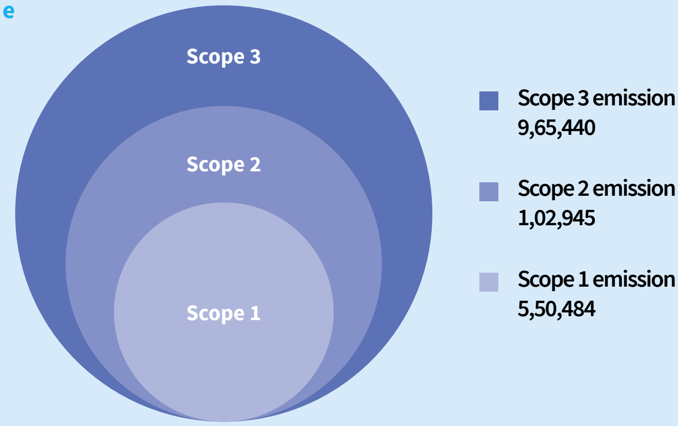
We believe that the efficient and effective use of energy brings agility and resilience to our operations and maximises value creation for our stakeholders. Therefore, we focus on managing our systems and processes to enhance the efficiency of our operations, thus improving specific energy consumption. We undertake selection of energy-efficient technology and equipment across our plants for the conceptualisation of the project. Equipment and technology in the existing plant are also upgraded based on feedback provided in the energy audit. We have replaced the conventional HPMV LAMP with energy-efficient LED light fittings as well as substituted old motors with energy-efficient motors. Installation of waste recovery boilers and steam turbines to generate power are also some of the key projects that we have undertaken. We have replaced solid or liquid fuel with clean fuel i.e. natural gas to enhance energy efficiency and reduce emissions. Further, installation of cooling tower fans with variable frequency drive (VFD) has significantly contributed to power savings and reduction in evaporation loss of cooling water.

Climate Change

Climate change has become an established fact and is intertwined with human activities and industrial operations. Taking well-informed, decisive actions to help address climate change is a priority for our Company. We aim to reduce greenhouse gas (GHG) emissions and building resilience in our business, value chain and local communities, without affecting our growth trajectory.

GHG Emissions

MT of CO_2 e



95.46

Metric Tonnes of CO_2 per Crore ₹ of Revenue

Specific GHG Emission

Our greenhouse gas emissions reduction plan includes the following:

- Promote the use of renewable energy sources
- Implementation of energy efficient equipment in manufacturing processes
- Reduce the specific energy consumption by operational excellence

Water stewardship

We have adopted numerous water conservation activities such as the installation of Mechanical vapour re-compression (MVR) methodology at Roha and Nandesari plants to recover and reuse water from effluent streams and achieve zero liquid discharge. We have also installed Multi Effect Evaporator (MEE) followed by RO to recover condensate water. This initiative resulted in saving 100 KLD of water consumption. 500 KLD of Reverse Osmosis System to recover OBA and Hydrogenation effluent stream at Dahej location was another significant measure to reduce freshwater consumption. During the year, we have recycled and reused 4,20,000+ KL of waste water.

Tree plantation

DNL has undertaken a massive tree plantation drive with the help of the Forest Department in Village Shelavali, Taluka: Shahapur Dist.: Thane, State: Maharashtra. Around 55,000 trees of local species are planted on 50 hectares of land which has helped in bringing positive impact to the environment such as carbon offset, biodiversity conservation, improved air quality, soil erosion prevention and water management. It also provides employment opportunities to the local persons and results in afforestation.

Initiatives to value creation

We have identified Health and Safety, Responsible Sourcing and Supply Chain sustainability, Energy and Climate change management, Water and Waste management, Biodiversity and Compliance as priority areas and continue to work on these parameters to improve business sustainability. We have been developing short-term and long-term measurable goals

Initiatives	Remarks
MVR (Highly efficient and eco-friendly low temperature evaporator with MVR system)	Highly efficient and eco-friendly low temperature evaporator with MVR system for treatment of wastewater and treated wastewater is recycled back to the process. Specific advantages of our low temperature evaporation system using MVR over MEE evaporation system are: • Low steam requirement • Low fuel consumption for steam generation • Low footprint requirement • Less maintenance cost and operation cost
400 KLD - RO Plant	By installation of RO plant, discharge of 300 KL per day of treated wastewater to CETP will be reduced by recycling treated water and conserving natural resources.
Protecto from Cresol from effluent	Effluent from the Nitration plant is treated to extract cresol from the effluent which is used to produce the new formulation as "Protecto". This initiative has reduced incinerable waste by converting it into useful products.
Energy saving like Optimisers	Installation of ML/AI algorithm based new technology (Smart Power Optimiser) in the power distribution system which will lead to power savings of 9% in power consumption. • Direct Savings in Kwh and Energy Consumption cost Reduction @ 9% • Demand side management - Peak demand reduction (KVA) up to 9% • Optimised and clean power by series electrification through impedance matching technique • Better power quality suppressing spike/surge, inrush and transients • Protection of Electronic circuits and VFDs • Deliver pure sine waveform by filtering both utility power and solar PV input • Reduce Machine idle time by operating within nominal/rated voltage levels • Reduced maintenance cost and early ageing of equipment • Safety from Short circuit and single phasing
Hydrogen moisture reduction	In hydrogenation process at Dahej, DNL uses hydrogen through pipeline which contains more moisture and is installed with a moisture separator which helped in cost reduction.
Sodium Sulphate quality improvement with realisation improvement	Reduction in Off-spec product generation by improving quality of product by process improvement resulted in higher realisation.
Installation of Energy efficient Motors	We replaced 50 Motors with energy-efficient motors resulting in the reduction of power consumption of 5,200 kWh/Year.
Installation of VFD	Variable frequency drives were installed for distillation column bottom circulation pumps resulting in the reduction of power consumption by 45,000 kWh/Year.

Other Activities

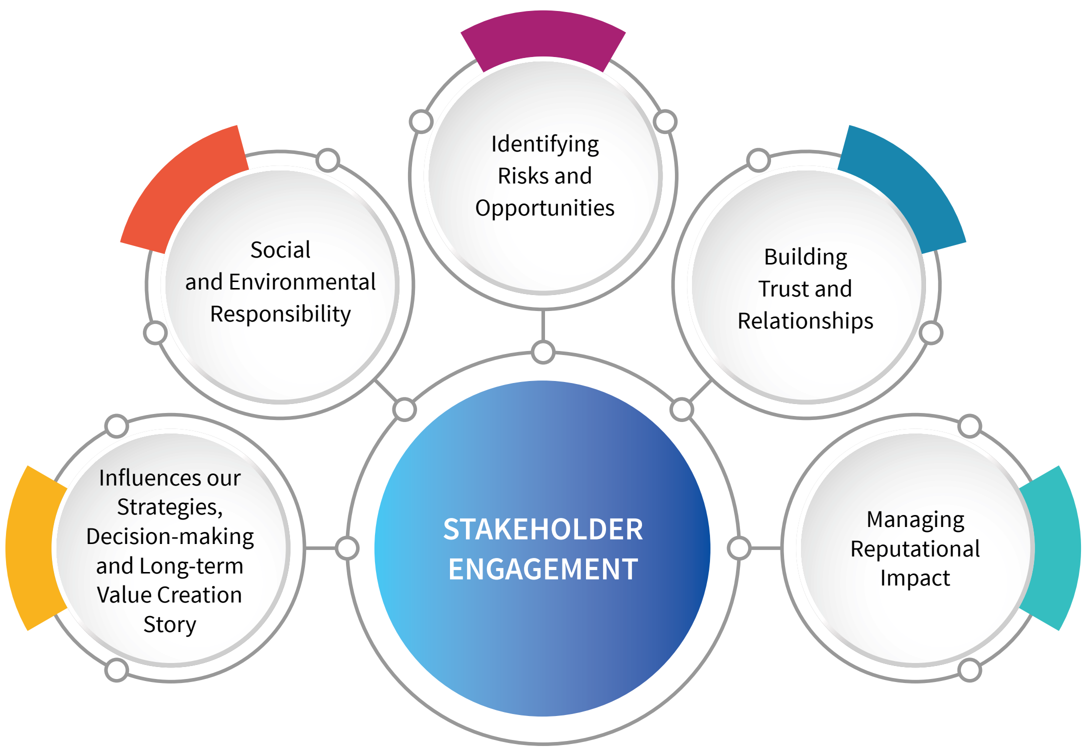
Other notable environment protection activities include installation of online continuous emission monitoring system (OCEMS) for air emission monitoring and control. We also successfully converted canteen waste to biofertiliser and the same is used for green belt development. ETP sludge and agro waste will be used as fuel in the boiler along with coal which is under trial. This will help in utilising the waste generated and reducing coal consumption.

STAKEHOLDER ENGAGEMENT

Working Together for Sustainable Growth

We have identified our key stakeholders as individuals, groups, or organisations who are directly affected by our activities, as well as those anticipated to be reasonably affected as well as those who affect our business. To ensure consistent and effective communication, we have implemented a well-structured engagement system to provide timely dissemination of accurate and relevant information and facilitate interaction with each stakeholder group.

Our ongoing engagements with our stakeholders demonstrate our commitment to transparency, openness and accountability. These connections help us make better and more informed decisions, build trust, manage risks, enhance our reputation and fulfil our social and environmental responsibilities.



As a Company that cares for each of its stakeholders, such stakeholder engagement exercise helps us enhance the trust we enjoy with each of our stakeholders while fostering collaboration and strengthening our long-term relationships with them. Engaging with our stakeholders provides us with an invaluable opportunity to understand their concerns, address any issues proactively and shape the future course of action. The ability to actively managing relationships through ongoing engagements with stakeholders helps us minimise the likelihood of reputational damage and helps strengthen our brand equity with them.

The feedback from our customers plays a crucial role in driving process improvements, enhancing quality and optimising product performance. Engaging with stakeholders such as some of our marquee customers, large investors, suppliers and regulators allows us to enhance our knowledge and gain insights from an outside perspective. They help us in identifying and mitigating any potential risks or seizing future growth opportunities and thus stay ahead of industry, regulatory developments and changing regulatory environment and circumstances across geographies.

Our engagement with our employees helps us identify their needs and aspirations better and allow us to ensure the talent pool and collaborative skill and expertise are aligned with our future growth plans. By engaging with stakeholders, we understand the social and environmental impacts of our operations better as we solicit feedback on sustainability initiatives and collaborate with communities for finding solutions. This engagement helps us align with stakeholder expectations and contribute positively to society and the environment. We believe we can deliver even greater long-term value, prevent value erosion and promote sustainable growth, while strengthening ourselves further as responsible corporate citizens. It also fosters our belief that we care for all its stakeholders through our well-established stakeholder engagement process.

Our policy for stakeholder engagement is available on the website at https://www.godeepak.com/responsible-chemistry/

Shri Meghav Mehta exchanging MoU signed by Deepak Chem Tech Limited with Government of Gujarat to invest ₹ 5,000 Crores, in presence of the Hon'ble Chief Minister, Shri Bhupendrabhai Patel, Hon'ble Minister of State (MoS) Home, Shri Harshbhai Sanghvi, Hon'ble Minister of Industries, Shri Balvantsinh Rajput, Hon'ble Additional Chief Secretary Industries, Shri S. J. Haider and Shri Deepak C. Mehta.

Customers

Methods of Engagement

- Face-to-face meetings
- Phone calls
- Email communications
- Virtual meetings

What is their Expectation / Desired Outcomes?

- Increased value proposition through improved product quality and affordability
- Reliable and consistent supply
- Prompt responsiveness to customer needs and technical enquiries
- Effective and robust grievance mechanism
- Negotiation on pricing

How are we addressing the needs?

- Fulfilling all contractual obligations by timely delivery of high quality products
- Maintaining consistent product quality
- Maintaining ongoing communication and collaboration to meet evolving needs
- Customising product development to specific requirements
- Expanding operations / footprints to meet increasing market demand

Investors

Methods of Engagement

- Annual General Meeting
- Investor/analyst meetings/conferences
- Annual Report
- Quarterly earnings concalls
- Media releases
- Company website
- Dedicated investor email address
- Individual communication channels
- Through Registrar and Share Transfer Agent (RTA)

What is their Expectation / Desired Outcomes?

- Timely and transparent communication regarding the Company's financial performance
- Anticipate future growth through consistent operating and financial performance
- Maintain financial discipline in line with global best practices
- Uphold high standards of governance and safeguarding minority interests
- Seek value and long-term wealth creation with strong fundamentals and regular dividend payments

How are we addressing the needs?

- Ensuring accurate and transparent sharing of information in a timely manner with all stakeholders
- Achieving steady and sustainable performance through a focussed value creation strategy
- Maintaining the highest standards of Corporate Governance
- Consistent dividend payments
- Fostering value creation by identifying opportunities early, building deep-rooted foundation to deliver consistent growth and withstand external risks and uncertainties
- Transparent reporting through Integrated Report and ESG (BRSR) reporting

Employees

Methods of Engagement

- Senior leadership communication sessions
- Performance review and appraisal meetings
- Union meetings for open dialogue and collaboration
- Wellness initiatives promoting employee well-being
- Employee engagement surveys to gather feedback and insights
- Townhall meetings for transparent communication and updates
- Sports events to encourage team building and physical well-being
- Performance awards and recognition
- Social gatherings for employees and their families to foster a sense of community
- Celebration of festivals to promote cultural inclusivity and a positive work environment
- Birthday celebrations to recognise and appreciate employees on their special day

What is their Expectation / Desired Outcomes?

- Professional growth opportunities
- Training and development
- Mental and physical wellbeing and safety
- Fair remuneration and timely payment
- Work-life balance

How are we addressing the needs?

- Strong emphasis on Learning & Development
- Opportunity to grow by setting higher internal mobility targets
- Timely salary payments
- Promoting better Work-life balance
- Special focus on Health and Safety protocols

Suppliers

Methods of Engagement

- Supplier meetings
- Phone calls
- Email communications
- Virtual meetings

What is their Expectation / Desired Outcomes?

- Mutually beneficial, long-term relationships
- Transparency in the selection process
- Negotiations on pricing
- Timely confirmation of quantities and prices, agreement on delivery schedules and timely payments

How are we addressing the needs?

- Ensuring timely order confirmation and providing clear delivery schedules based on demand and anticipated market prices
- Implementing reverse auction methods to enhance transparency across various SKUs
- Timely payments
- Transparency in selection process and pricing

Community

Methods of Engagement

- Conducting regular community engagement through meetings, visits and interactions
- Implementing CSR initiatives to foster community involvement
- Utilising demographic surveys to gather valuable insights and feedback from the community

What is their Expectation / Desired Outcomes?

- Demonstrating sensitivity and responsiveness to urgent community needs
- Promoting equitable and inclusive development practices
- Ensuring compliance with health, safety and environmental performance standards
- Creating job opportunities for local community members
- Engaging in community development activities
- Undertaking corporate social responsibility (CSR) initiatives

How are we addressing the needs?

- Implementing well-structured community development programmes based on thorough needs assessments through CSR initiatives
- Focussing CSR projects on healthcare, education, skill building, livelihood and women empowerment
- Conducting periodic reviews and impact analyses to evaluate the effectiveness of the initiatives

Government and Regulatory Bodies

Methods of Engagement

- Engaging in meetings with local, state and national government officials and ministries
- Participating in seminars, issuing media releases and attending conferences
- Active membership in industry associations
- Taking up leadership or leading positions to share domain knowledge and foster collaboration across the industry

What is their Expectation / Desired Outcomes?

- Regulatory compliance
- Social development and generating employment

How are we addressing the needs?

- Robust governance through Board of Directors having expertise in relevant fields
- Timely and accurate compliance of laws
- Seek opportunities to provide input and insights during the development of new policies, regulations and legislation that impact our industry and the Company
- Participate in consultations and public hearings organised by government, industry bodies, legal bodies, where possible
- Provide well-informed and constructive feedback, backed with evidence and data for fostering growth for the industry
- Stay updated on relevant legislation, policies and regulatory changes that may impact DNL and ensure stringent compliance

MATERIALITY

Managing Priorities to Drive Value-creation

Materiality assessments involve analysing the potential impacts of various factors, such as environmental performance, product safety, employee well-being, community engagement and ethical practices. Focussing on material issues, helps us allocate resources, set goals and develop strategies to effectively manage risks, create value and address stakeholder expectations.

To attain long-term success as a responsible and sustainable business, it is crucial to comprehend and address the significant material matters that affect our Company. These material matters encompass aspects that directly or indirectly impact our capacity to generate, safeguard, or deplete economic, environmental and social value for our business, stakeholders and society as a whole. We consistently monitor pertinent business dynamics, risks, opportunities, sustainability trends, legislative changes, as well as the stakeholder perspectives and suggestions of our stakeholders.

Material Matters Deepak

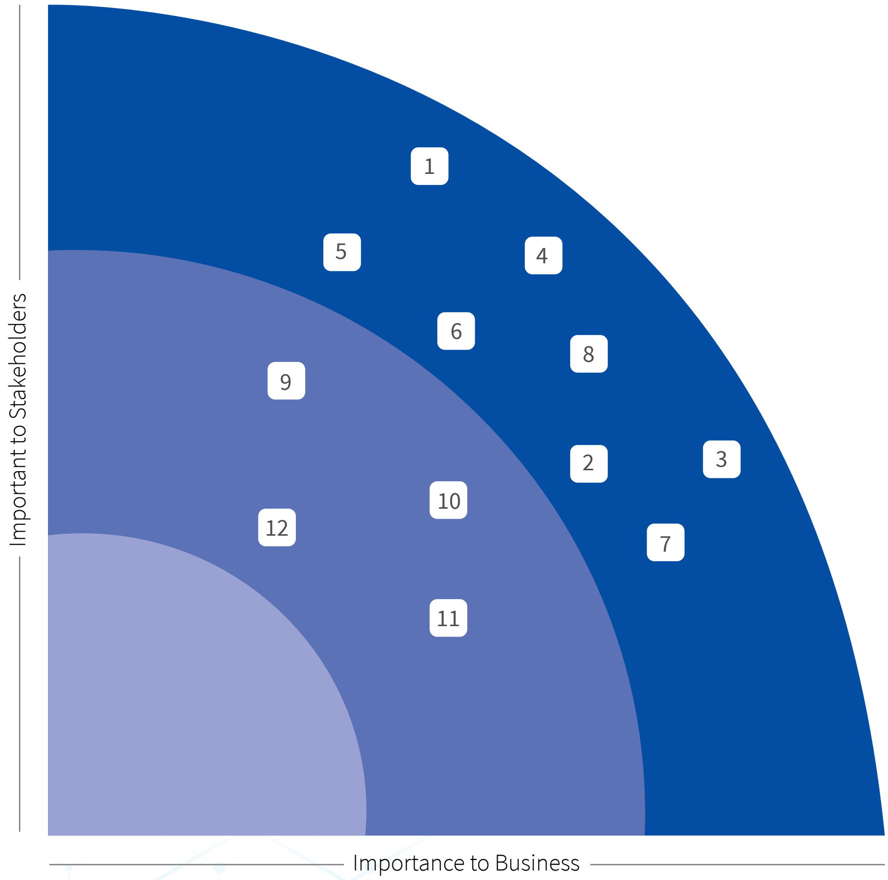
Highly critical areas

1. Sustainable chemistry
2. Product innovation
3. Health and safety
4. Climate change
5. Growth and profitability
6. Customer relationships
7. Governance and Risk Management
8. People strength and development

Medium critical areas

9. Fair remuneration and growth opportunities for employees
10. Digitalisation
11. Supply chain efficiency and logistics management
12. Community development

LOW MEDIUM HIGH



Highly Critical Material Areas

Sustainable chemistry

Issue: The growing recognition of our planet's fragility is propelling the transition towards sustainable solutions. Within our industry, customers are displaying a growing inclination to collaborate with suppliers and business partners who share their dedication and commitment to reduce their environmental footprints. Neglecting to incorporate sustainability into our operations and providing products that meet customers' sustainability and performance expectations can impact our value creation and growth trajectory.

Response: We are strongly committed to driving sustainability in our operations through various initiatives aimed at reducing our carbon and water footprint. Our unwavering dedication to sustainable chemistry is evident in our product portfolio, which increasingly features circular-economy-compatible products. These value-added chemicals are manufactured from by-products, showcasing our proactive approach in utilising resources responsibly with consideration for the environment.

Product innovation

Issue: Our range of chemical intermediates serves diverse end-user industries, including petrochemicals, pharmaceuticals, agrochemicals, personal care, paper, textiles and more. Our customers within these industries consistently seek niche and high-performing products that enhance their own operations. Failing to innovate and enhance our product offerings to meet their evolving demands can have a significant impact on expanding our customer base or strengthening our relationships with existing customers.

Response: By actively monitoring global trends, engaging in close collaboration with our customers and gaining a deep understanding of their product preferences, we continually enhance our range of cutting-edge chemistry solutions. Our relentless commitment to research and development enables us to expand our portfolio and refine existing products. We maintain unwavering dedication to investing in innovation, recognising its paramount importance in ensuring our continued success, regardless of the market conditions.

Health and safety

Issue: Given the inherent nature of our operations, our employees face a range of operational and safety hazards. It is crucial to address any process safety gaps and prevent occupational health and safety (OHS) incidents that could potentially harm our employees. Neglecting employee well-being and safety not only jeopardises their physical welfare but also poses risks to achieving production targets and can have adverse effects on our assets, environment and overall business reputation.

Response: We prioritise continuous safeguarding of occupational health, safety and employee well-being. Stringent safety measures are implemented at all our sites, including regular safety audits and the provision of appropriate personal protective equipment to our employees. We actively promote safety awareness through campaigns and training initiatives.

Climate change

Issue: Climate change stands as one of the most critical challenges confronting our planet today. Given the energy and water-intensive nature of chemical production, our failure to reduce our environmental footprint can have significant repercussions on our standing within the industry and our relationships with customers, investors and society as a whole.

Response: We have embraced environmental consciousness through our commitment to sustainable manufacturing practices. This commitment is evident in our focus on reducing utility consumption, extracting value from waste and adopting clean technologies. We are continuously striving to enhance our energy efficiency. Additionally, we ensure that the effluents, emissions and waste generated at our manufacturing facilities remain within the permissible limits set by the respective Pollution Control Boards.

Growth and profitability

Issue: Maintaining a leading financial performance, characterised by robust growth and profitability, is crucial for sustaining investor confidence in our Company. It also enables us to pursue comprehensive value creation for all stakeholders. Despite the challenges posed by escalating input and energy costs, as well as ongoing volatility in foreign exchange rates, we are committed to upholding a strong and stable financial position. By navigating these market dynamics, we aim to preserve our standing within the industry and foster positive relationships with our customers, investors and society as a whole.

Response: We allocate financial resources efficiently and adhere to best business practices and good governance principles, laying the foundation for a sustainable long-term business. Alongside making disciplined investments within a clear framework, we also adopt a rigorous approach to cost management to optimise our financial performance. Our strategic expansion across the value chain and agility in responding to market changes contribute to our resilience and sustain our performance in a dynamic business landscape.

Customer relationships

Issue: In a rapidly evolving and highly competitive operating environment, the growth of our business is intricately tied to our customer base. Strengthening our relationships with customers is, therefore, a crucial aspect that can profoundly influence our value-creation capabilities.

Response: We are dedicated to provide innovative and cost-effective products to retain and attract customers. We place significant emphasis on actively engaging with them and comprehending their needs to enhance the overall customer experience. This customer-centric approach has proven instrumental in fostering customer loyalty, which stands as one of our most prominent strengths in driving profitable growth.

Governance and risk management

Issue: Amid the dynamic landscape of the chemical industry, which is characterised by escalating macro-economic volatility, robust governance practices play a pivotal role in upholding ethical and transparent business operations. Meeting regulatory compliance requirements and effectively managing risks are paramount in ensuring responsible conduct and long-term sustainability.

Response: Our governance practices have been established by our competent and esteemed Board of Directors, comprising members with relevant industry expertise, independent thinking and extensive global exposure. Aided by practice transparency in financial reporting, sustainability efforts and other relevant disclosures and ethical decision-making processes, bolstered by effective risk management, serve as the foundation of our governance framework. We have instilled a culture of accountability and integrity across the company, recognising its vital role in promoting good governance practices.

We implement and enforce a robust code of conduct and ethical standards to guide the behaviour and actions of employees at all levels. Our Board and management prioritise health, safety and environmental considerations by implementing robust safety protocols, promoting sustainable practices and minimising environmental impact. We have a comprehensive risk management framework to identify, assess and mitigate risks associated with operations, safety, environmental impact and compliance to solidify our governance approach. We ensure strict adherence to all applicable laws, regulations and industry standards to maintain compliance and mitigate legal and reputational risks. We have established board committees, such as audit, risk management, Remuneration committees and more to provide focussed oversight in critical areas. We regularly evaluate our governance practices, identify areas for improvement and implement necessary changes to enhance effectiveness and relevance and build trust with all stakeholders in line with global standards of ESG.

People strength and development

Issue: Neglecting to consistently have the right individuals in place can significantly impact our ability to achieve our business objectives. At the core of our success and sustainable growth trajectory are our people. Our talented and dedicated team plays a vital role in driving our success and achieving our business goals. Their deep domain expertise, technical skills and innovative thinking enable us to develop and deliver value-added products, maintain quality that meets the exacting standards and needs of our customers.

Response: We invest in professional development of our workforce by providing training and growth opportunities to enhance their capabilities and ensure they remain at the forefront of the industry. Moreover, we foster a culture of collaboration, teamwork and inclusivity, which helps us harnes their collective strengths and diverse perspectives of our employees. Through their unwavering commitment and passion, we continue to thrive and excel in the dynamic landscape of the chemical industry.

Medium Critical Material Areas

Fair remuneration and growth opportunities

Issue: Offering fair remuneration and growth opportunities is crucial for driving employee motivation and maintaining smooth operations within our organisation (without any disruption or unrest as well as high retention ratio).

Response: By providing competitive and equitable compensation in line with industry standards, we foster a positive work environment, reduce the risk of disruptions or unrest and promote high employee retention rates. Moreover, by offering growth opportunities such as training, career advancement and skill development programmes, we empower our employees to reach their full potential, further enhancing their motivation and dedication to the Company. Furthermore, we implement performance-based incentives to ensure that employees are rewarded for their contributions. Our commitment to fair and transparent practices is evident in our annual performance-based appraisal system, which evaluates the performance of all employees. Wages and increments for workers are determined in accordance with agreed-upon terms. As a rapidly expanding Company, we place significant emphasis on providing ample growth opportunities to our employees. We follow a structured approach to succession planning and actively cultivate a leadership pipeline to ensure the long-term success and continuity of our organisation.

Digitalisation

Issue: Digitisation in the chemical industry drives efficiency, innovation, improved decision-making and sustainability. Embracing digital transformation is essential for chemical companies to stay competitive, adapt to evolving market dynamics and unlock new growth opportunities.

Response: We are the early adopters of digitisation and this has enabled us to streamline processes through automation, increased operational efficiency and productivity. To match the scale and accelerated growth witnessed in the past decade, digitisation has played an invaluable role in making a tangible impact on the performance of our core functions, including innovation and manufacturing of chemical intermediates, as well as enabling functions such as logistics, HR, finance and administration. Data analysis and optimisation of various operations, such as supply chain management and inventory control have helped us make informed and right strategic choices, leading to better business outcomes. We have also invested in various digitisation-led initiatives to support our sustainability efforts by optimising resource usage, reducing waste and monitoring environmental impact.

Supply chain efficiency and logistics management

Issue: Complex and interconnected supply chains to source raw materials, manufacture products and deliver them to customers are an important part of our operations. Efficient supply chain management is thus crucial for ensuring uninterrupted operations, timely delivery and cost optimisation.

Response: Effective supply chain strategies encompass procurement, logistics, inventory management, demand planning and supplier relationships. Key factors to address them include traceability, sustainability, risk mitigation and compliance with regulations and safety standards. We maintain a strong inbound and outbound logistics and distribution network. Utilising secure modes of transportation with GPS tracking technology, we can monitor the movement of key raw materials and finished goods in real-time. Our well-organised warehousing and distribution systems ensure prompt delivery of customer orders. By leveraging our manufacturing expertise, integrated facilities and agile operations, we consistently deliver reliable performance.

Community development

Issue: The acceptance and support of the community in which our businesses operate are indispensable to our success. Engaging in community development initiatives helps establish us as a Company that cares, has a rich legacy of over 50 years and looks at business beyond profit-making to fostering trust.

Response: Through our dedicated CSR wings, Deepak Foundation and Deepak Medical Foundation, we have positively impacted the lives of over 2 million individuals through a range of programmes. For further information on our community engagement and development activities, please refer to details on CSR activities of the Company covered under Social and Relationship Capital Chapter on the 90 pages in this report.

RISK MANAGEMENT

Adopting a Comprehensive Risk Management Strategy

We have established a robust risk management framework to monitor the risks and uncertainties that our business faces. Our approach is centred around creating and safeguarding value, ensuring that we proactively manage potential challenges and capitalise on opportunities.

Enterprise Risk Management Framework

We have implemented a comprehensive Enterprise Risk Management Framework and Policy that has received approval from our Board of Directors. This framework is aligned with the standards set forth by ISO 31000 and COSO, enabling us to identify risks at all levels, including the shop-floor level. By adhering to this robust risk management framework, we are equipped to proactively identify and address potential risks throughout our organisation.

Our Enterprise Risk Management (ERM) framework is structured to prevent incidents and optimise business outcomes. It empowers management to:

- Gain a comprehensive understanding of the risk landscape and evaluate potential exposure
- Effectively manage overall risk exposure and develop strategies for risk mitigation
- Continuously monitor the effectiveness of risk management practices
- Strengthen controls and make necessary improvements as identified
- Provide periodic reports on risk management to the management chain, including the Board of Directors

Through our ERM framework, we strive to ensure a proactive and systematic approach to risk management, enabling us to safeguard our business and drive sustainable success.

Collaborative Approach towards Risk Management

Each Business and Functional Head is responsible for implementing Risk Management practices within their business units/functions, identifying short, medium and long-term risks, likelihood, impact and devising mitigation strategies against each identified risks. Risk registers are prepared to capture details about each identified risks. By aggregating and evaluating risks across these registers, Deepak Group identifies the Company's principal risks and formulate an appropriate response mechanism. Business and Functional Heads review risks specific to their operations / functions, assess changes in risk profiles and decide on necessary actions to manage and mitigate risks. These risks and mitigation plans are presented by respective Business and Functional Heads to the top management for their review and inputs, every quarter. A comprehensive Risk Management report is then presented to a duly constituted Risk Management Committee of Directors.

The Risk Management Committee within Deepak Group plays a crucial role in overseeing and guiding the organisation's Risk Management efforts. The Risk Management Committee provides overall oversight of the Risk Management process within the Group. It ensures that a systematic and comprehensive approach is in place, aligning with the Group's strategic objectives.

To further support the Risk Management process, the Risk Management Committee collaborates closely with the Board. Through the expertise and oversight of the Board, the Committee further strengthens the organisation's ability to effectively address and mitigate risks. The Board of Directors holds the ultimate responsibility for the management of risks within the Group. They oversee and review reports on the risk matrix, significant risks and mitigating actions periodically.

By implementing effective risk management practices, we are able to:

- Successfully achieve our strategic objectives
- Enhance our decision-making, planning and prioritisation processes
- Capitalise on opportunities while proactively managing risks within a dynamic external landscape
- Establish controls to mitigate or prevent the occurrence of risks
- Prioritise risk and reward considerations and implementation in areas of utmost importance
- Ensure compliance with corporate governance standards

Strategic Global Risks

Global Energy transition impacting businesses

Mitigation strategies

- Continuously monitoring current as well as future situations
- Raw Material linked pass through contracts with the customers. Raw material situation regularly exchanged with key customers to have consensus for price escalation
- Leverage on bulk volumes to secure price & availability
- Develop alternate/multiple vendors to secure material availability

Global Geopolitics and Monetary Risk

Mitigation strategies

- Actively monitoring major price trends – Lead & Lag indicators
- Cost optimisation by spot or contractual purchasing whenever feasible
- Enhanced engagement with customers to be a preferred supplier
- Securing alternative product for the plant to diversify asset utilisation
- Monitoring overall demand and supply development with allied resources of the end industry

Business – Operations Risks

Supply Chain Disruption / Business Interruption Risks

Mitigation strategies

- Enhancing safety stocks, movement of materials through pipelines
- Procuring from different geographies to mitigate shipping delays
- Securing shipments to meet established supply timelines
- Maintain sufficient inventories to serve the customers in case of any disruption in supplies
- Re-negotiating contracted terms for logistic rates

Supplier Dependency

Mitigation strategies

- Diversify sourcing pattern across all materials
- Sourcing on spot basis whenever competitive offers are received from local and import suppliers
- Developing additional vendors for products

Emerging competition to our existing business

Mitigation strategies

- Multi-year contractual engagement for major business
- Positioning as a preferred supplier of choice, addressing key customers' concern
- Enhanced supply planning, with acceptable lead times and risk mitigation buffers
- Focus on new customers in International market and addition of distributors in respective regions
- Retaining volumes in the market by adding more customers
- Long-term tie-up with domestic customers to protect market share and increase export sales to various geographies

Succession Planning/ Critical Position Planning

Mitigation strategies

- Defining Competency Framework
- Assessment of employees on the competency framework
- Individual Development Plan with focus to build capabilities for the role
- Strengthening skills and competencies through Learning & Development
- Developing secondline for key/ critical positions

Information Security and Confidentiality

Mitigation strategies

- Imposing stringent confidentiality obligations
- Sharing of information strictly on need to know basis
- Use of new IT tools to control documents flow
- Regular Training programmes
- Periodic audit / study by external expert and implementing their recommendation

IT System Failure Risk

Mitigation strategies

- Upgrading systems on a continuous basis
- Password protection at different levels to ensure data integrity
- Ensuring Data Security through access control/restrictions
- Regular trainings
- Softwares on multiple servers to avoid disruption due to single failure
- Creation of Disaster Recovery Site. Online backups for recovery

Technology Obsolescence

Mitigation strategies

- Evaluation of technological obsolescence on a continual basis and making necessary investments
- Established contacts with leaders in technology in the areas of the company's operations to access newer and evolving processes and their applications in the manufacture of finished goods.
- Replacement of Machinery and Equipment for taking advantage of technological movements.
- Robust Idea to Plant / Technology selection process to evaluate current and emerging technologies for selection of the most appropriate and sustainable process/technology

Contractual Risk

Mitigation strategies

- Experienced team of professionals with focus on evaluating the risks involved in a contract and restricting our liabilities under the contract
- Impact of all clauses of the contracts are studied in detail to ensure their adherence.
- Various departments of Company work in close coordination to ensure that the Company meets with its obligations under the Contracts.

Financial Risks

Forex Market Volatility

Mitigation strategies

- Monitoring net open position on fortnightly basis and tracking of exchange rate/market on real-time basis to grab the opportunity.
- Having mix of dynamic hedging strategies including Forwards, Options, Range Forwards.

Compliance Risks

Plant Safety Compliances

Mitigation strategies

- Compliance to workplace safety guidelines
- Adherence to Process Safety elements.
- Integrated Management systems and safety audits to ensure compliances.
- Training to all employees regarding SOPs and safety system.
- Identification of near miss, unsafe conditions and unsafe actions and actions based on the same.
- Incident investigation and implementation of preventive actions.
- Safety review by the top management.

Environment Norms Compliances

Mitigation strategies

- Daily monitoring and maintaining of all environmental parameters
- Third party environment monitoring.
- Ensuring disposal of hazardous wastes & spent acid as per PCB norms.
- Amendments to CTE and CTO wherever required.

Reputational Risks

Reputational Risk

Mitigation strategies

- Implementation and communication of policies and guidelines
- Regular interaction and open communication with stakeholders
- Encouraging interaction by respective Site Heads/HR Heads with the local community people/villagers
- Media monitoring including print and social media
- Creating employee awareness

Harnessing Opportunities in the Indian Chemical Industry

The Indian economy is showcasing a robust recovery across diverse sectors, positioning itself for a return to the pre-pandemic growth levels in FY23. According to a report by Deutsche Bank, India is expected to emerge as a USD 7 trillion economy by 2030. This ambitious projection signifies India's potential to double its economy in seven years from its current GDP of USD 3.5 trillion, driven by factors such as demographic dividend and improvement in domestic consumption. Notably, India's remarkable average growth rate of 7.5% per annum over the past two decades, second only to China's 9.6% growth, further reinforces its promising growth trajectory.

In the last decade, India's chemical industry has grown significantly owing to burgeoning demand growth and generating wealth for shareholders on a global scale. The industry is positioned to further expand its presence in both consumption and manufacturing worldwide. As many countries shift their attention to domestic self-sufficiency and localised supply chains, India's manufacturing competitiveness is proving to be strong compared to other major global chemical players. This positions India as a potential hub for chemical manufacturing in the near future.

Growth Drivers

Structural Shift from China

China's chemical industry has experienced significant structural changes due to industry consolidation, environmental reforms and stricter financing regulations. This has resulted in uncertainty for global companies relying on China for their raw material supply chain. The COVID-19 pandemic has further prompted these companies to seek alternative locations, such as India. With its strong value proposition coupled with comparable scale, technology, raw materials and supportive government policies, India is emerging as a preferred destination for global chemical companies. India is emerging as a preferred destination for global chemical companies.

Favourable Government Policies

The Company foresees huge potential in import substitution, as a substantial portion of India's chemical requirements are currently met through imports. The government's focus on building a self-reliant India aligns with this opportunity and provides favourable conditions for the growth of the industry. Furthermore, policy reforms such as Make in India, production-linked incentive (PLI) schemes, 100% FDI in the chemical sector through automatic route and improvements in business environment augur well for the industry growth.

Large Potential for Import Substitution

Over the years, we have historically concentrated on products where the domestic market relied heavily on imports, starting from its first product, Sodium Nitrite to Phenol. This is continuing in the form of several other products that the Company has already announced or is in the process of announcing.

Shift in Customer Preferences

Customer preferences have undergone a significant shift, with a clear inclination towards environmentally sustainable and socially responsible products and services. Moreover, customers are now placing greater emphasis on health, hygiene and demanding greener and safer alternatives. Sustainability has become pivotal for the chemical industry and many companies are shifting to green chemistry as part of their commitments to decarbonisation.

Increasing Digitalisation

The chemical industry is increasingly leveraging digitalisation and advanced technologies such as artificial intelligence, machine learning and Internet of Things (IoT) to gain a competitive edge by enhancing plant efficiencies, integrating processes and reducing costs.

Our Strategy

We have strategically positioned ourselves to identify the abundant opportunities and leverage them to drive sustained, high growth. We are making continuous investments in various intermediates, upstream and downstream products reaffirming the Group's philosophy of import substitution thereby supporting and fulfilling the country's mission of Make in India.
The proposed capacities are expected to fulfil the growing demand for these products in India as well as cater to increasing export demand. Further, these products cater to varied end-user industries which form a significant part of core industries to grow in sync with the growth in India's GDP.

Value Creation Model

Input

Financial capital
- Equity: ₹ 27.28 Crores
- Reserves: ₹ 4,063 Crores
- Capital employed: ₹ 4,335 Crores

Manufactured capital
- Property, plant and equipment: ₹ 1,898 Crores
- Manufacturing facilities: 6
- Assets under construction: ₹ 283 Crores
- Investments in operational excellence and health and safety
- Capital expenditure: ₹ 142 Crores

Intellectual capital
- Digitalisation/technology/process improvement initiatives
- R&D professionals employed: 98
- Sustained investments in R&D

Human capital
- Employees and workers: on payroll: 2,204
- Contractual employees and workers: 3,154
- Women employees: 89
- Total hours of training: 60,757
- Continuous investment in training and development and health and safety initiatives

Social and relationship capital
- Customers: 1,000+
- Strong distribution network
- Suppliers: 400+
- CSR expenditure: ₹ 20.96 Crores

Natural capital
- Environment expenditure: ₹ 60+ Crores
- Investment in effluent plant and environment management system, environment/biodiversity conservation
- Efficient use of Natural resources

Processes

Pillars of value creation

Strong governance practices

Effective risk management

Deep culture of innovation

Skilled people

Environmentally sustainable operations

Our team focusses on innovating new compounds/ value-added products, improving processes of existing products, recovery of products from effluents

The products sent to B2B customers across diverse sectors through water and surface transport

For providers of financial capital
We deliver consistent, profitable and responsible growth

For our people
We strive to provide equal opportunities to all our employees, ensure capacity building, training and a safe work environment

For suppliers
We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications

Raw Material is procured from suppliers and transported to plants via water and surface transport

We use various complex processes to manufacture products across Advanced Intermediates and Phenolics. The effluents generated during the manufacturing process are recovered to develop by-products where possible and the rest are treated for safe disposal

For customers

Value to customers by providing high-quality and sustainable products

For communities around us

We contribute towards improving the living conditions of communities around us through our CSR activities and, at the same time, ensure that our production processes do not have any adverse impact on the environment

For providers of financial capital

We deliver consistent, profitable and responsible growth

Outcomes

Financial capital

- Revenue: ₹ 8,020 Crores (Y-o-Y growth of 17%)
- EBITDA: ₹ 1,337 Crores
- Profit After Tax: ₹ 852 Crores
- EPS: ₹ 62.46
- Return on Capital Employed (RoCE): 27%
- Dividend: ₹ 7.50 per share (375%)

Manufactured capital

- 30+ High Quality Products
- 1 MN TPA of Production
- Fatality: Nil
- 120%+ utilisation of Phenol Plant

Intellectual capital

- New products/process launched: 4
- Cumulative patent applications filed: 60
- Cumulative patents granted: 21

Human capital

- ₹ 1.50+ Crores Revenue per employee
- Highly motivated employees

Social and relationship capital

- Impacted 6,00,000+ lives through CSR activities
- Long-term Customer Relationships
- Healthy Relations with Supply Chain Partners

Natural capital

- Water recycled: 4,20,000+ KL
- Increased use of Renewable Energy
- 36% Water recycled from Waste water generated

STRATEGY

Our strategy for better tomorrow

Our strategic priorities are directed towards delivering strong returns to shareholders, driving consistent value-creation and creating a stronger and more sustainable organisation with enhanced competitiveness.

Our strategies

Strategic Focus Area 1: Expand Capacities

Progress made during the year

- Commissioned capacity installation at Spent Sulfuric Acid Concentration (SAC) plant for captive power consumption as well as reduced procurement from open market
- Undertook debottlenecking and commissioning of capacity of Phenol plant
- Greenfield project for acetone derivatives MIBK and MIBC is underway and expected to be commissioned in FY 2024-25
- Backward integration projects in key raw materials, fluorination and photochlorination are ongoing and will be commissioning in FY 2023-24
- Acid Plant is under implementation and commissioning is expected in Q4 of FY 2023-24
- Approved project for Polycarbonate compounding in line with our commitment to enter Polymer compounding business to participate in India's large and niche requirements in 5G, electronics, EVs, defence and medical devices
- Approved project for manufacturing Sodium Nitrite in Oman plant
- Elevated capacity utilisation on a sustained basis

KPIs

- Optimum capacity utilisation
- Cost optimisation
- Operational efficiency

FY 2023-24 priorities

- Commissioning of various brownfield and greenfield projects in a phased manner
- Planned capacity expansion is expected to add further volume growth and strengthen market share

Material issues addressed / impacted

- Supply chain efficiency and logistics management
- Growth and profitability
- Customer and supplier relationships

Capitals Impacted

Strategic Focus Area 2: Enhance Margins

Progress made during the year

- Optimise product mix with high-margin, value-added products
- Continued process optimisation, productivity improvements and energy conservation to reduce costs
- Improve asset fungibility in line with customer's schedule for key intermediates

KPIs

- Optimum operating margin
- Cost of goods sold
- Earnings Per Share
- Profit Before Tax

FY 2023-24 priorities

- Improve operational efficiency of manufacturing and logistics network
- Continue to focus on growing product segment to achieve better margins

Material issues addressed / impacted

- Growth and profitability

Capitals Impacted

Strategic Focus Area 3: Operational excellence and safety

Progress made during the year

- Asset integrity study & OEE across all locations to improve productivity and reduce effluents in existing plants
- Enhance use of narrow band technologies for manufacturing and automation
- Ensuring better capacity utilisation and better process towards cost leadership
- Adequate steps undertaken to ensure safety like process automation to eliminate human error, enhanced training and frequent audits, stringent measures and protocols

KPIs

- Optimum plant utilisation
- Improve SHE aspects

FY 2023-24 priorities

- Continue to operate at optimum capacity
- Efforts to enhance safety and operational efficiencies

Material issues addressed / impacted

- Health and safety
- Digitisation

Capitals Impacted

Strategic Focus Area 4: Widen product portfolio

Progress made during the year

- Meaningfully enhance core technology platforms including nitration, reduction and diazotisation; and build platforms including fluorination and photochlorination
- Investment in manufacturing products that utilise core technology platforms for new agrochemical and pharmaceutical intermediates
- Setting up facilities for downstream or value accretive products

KPIs

- New products launched during the year

FY 2023-24 priorities

- Focus on new product development to drive growth
- Improve operational efficiency across the manufacturing network
- Logistics excellence

Material issues addressed / impacted

- Product innovation
- Sustainable chemistry

Capitals Impacted

Strategic Focus Area 5: Sustainable growth

Progress made during the year

- Sustained alignment to Responsible Care, Together for Sustainability (TfS) and Nicer Globe affiliation
- Focus on value from waste initiatives
- Conduct regular energy audits for all locations
- Promote a positive HSE culture and maintain safe operations
- Proactive compliance with all local and national regulatory requirements

KPIs

- Reduction of specific freshwater consumption
- CSR spends, beneficiaries and impact
- Energy conservation efficiency

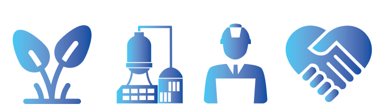
FY 2023-24 priorities

- To achieve 90+ TfS score across all our plants

Material issues addressed / impacted

- Climate change
- Health and safety
- Customer relationships
- Community development

Capitals Impacted



GOVERNANCE

Ethics, Transparency and Integrity, pillars for our success

We proactively promote the principles of ethics, transparency and integrity to ensure sustainable excellence in our business. Our strong corporate governance philosophy and risk management ensures continued growth for the Company and high stakeholder trust and confidence.

Role of the Board

The Board of Directors is responsible for providing guidance, oversight and strategic direction to the management in achieving its objectives based on our culture, ethics and values. The Board clearly understands the business dynamics and environment under which the Company operates and the challenges and opportunities associated with the business operations. This collaborative approach helps ensure long-term sustainability of the business and maximise stakeholders' interest.

Board Composition and Diversity

The Board of the Company has an optimum combination of Executive and Non-Executive Directors. The Board consists of 12 Directors, of which, 3 are Executive Directors and 9 are Non-Executive Directors. Out of 9 Non-Executive Directors, 6 are Independent Directors including one woman Independent Director. Our Board is composed of highly-skilled professionals who bring a diverse range of skills, perspectives and corporate experience to the organisation. The Board's expertise extends across Business, Finance, Law, IT, HR, Chemicals and Project Management.

62 Years

Median age of Directors

30+ Years

Average Experience of Directors

~100%

Average attendance in Board meetings

Board Committees

The Board Committees operate under specific terms of reference which sets out its role and responsibilities, composition and scope of authority.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship and Investors Grievance Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Project Committee

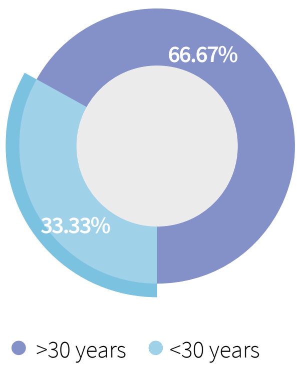
Ethical and Transparent Practices

Corporate governance forms the bedrock of the Company's business on a day-to-day basis. With good governance an important pillar of our operations, we have always sought to elevate the level of transparency and ensure that integrity, accountability and fairness are hallmarks of its dealings with shareholders, customers, investors and other stakeholders. Our Board appreciates the importance of ethics and its contribution to value creation and is committed to instilling ethical values and transparent practices throughout the Company.

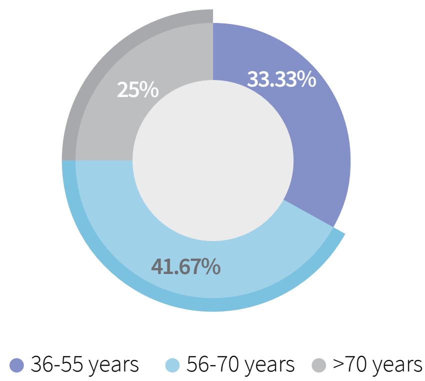
Code of Conduct

Our values and culture continue to be the cornerstones of governance. We are of the view that the correct institutional culture must flow from the top as there is no substitute for ethical leadership. We have formulated and adopted a Code of Conduct ('the Code') for the members of the Board and the Senior Management in terms of requirements of the Listing Regulations. Our Code is integral to the way we operate, laying the general principles designed to guide all Directors and Senior Management for the ethical conduct of business and compliance of laws. Our Directors, Committees and Management have affirmed their responsibility for embedding good governance practices into our business in consistence with the provisions of the Code.

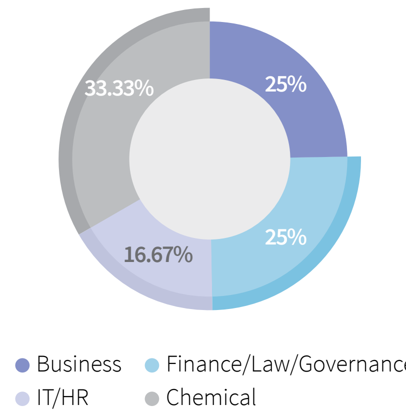
Diversity Based on Experience



Board Age Profile



Diversity Based on Expertise



BOARD OF DIRECTORS

Leading from the front

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Deepak C. Mehta is a Science graduate from the University of Bombay. With a career spanning around five decades, Shri Deepak C. Mehta has been at the forefront of India's emergent Chemicals Industry, steering Deepak Group into a market leading player in the Chemical Intermediates sector.

Under his dynamic leadership, Deepak Group has undergone revolutionary expansion & strategic diversification, foraying into new products and segments, augmenting existing capabilities and an ever-increasing geographic penetration, both international & pan-national. Today, Deepak Group is a recognised leader in the Chemicals Industry with marquee customers across more than 45 countries spanning every continent on the globe.

Shri Mehta is deeply passionate about the development of India's industrial prowess. He has regularly chaired & steered committees at industry for a fervently striving to propel the nation on a global leadership stage. He is the Chairman of the National Chemicals Committee-FICCI and the Sector Skills Council, FICCI.

He has served as a President at the Indian Chemicals Council (ICC) and been a member of 'Task Force on Chemicals Industry' constituted by the Government of India, to increase the competitiveness of India's Chemicals Industry.

Shri Maulik D. Mehta
Executive Director & CEO

Shri Maulik D. Mehta is a Bachelor of Business Administration from the University of Liverpool, UK. He holds a Master's degree in Industrial and Organisational Psychology from Columbia University, USA. He recently graduated in Owner/President Management - an executive MBA programme from the prestigious Harvard Business School, sharpening his leadership dexterity and knowledge to bring a fresh breath of global business insights and agility in the Company management.

Shri Maulik D. Mehta has been at the helm of the organisation as the Executive Director & Chief Executive Officer since June 2020. He took over the charge in an extremely challenging and uncertain environment during the peak of the COVID-19 pandemic, where the priority was to ensure the security and healthcare of the workforce and safeguard the interests of the investors.

Shri Mehta has a dynamic and innovation-driven work acumen, evident in his 15-years hands-on, outcome-driven work ethic across key areas such as business development, patent and product development, human resources, brand equity, external relations, as well as formulating a future-ready Group strategy.

He is an avid ESG champion and under his leadership, the Company has embraced "Responsible Chemistry" as a mantra to drive diversity, equity, inclusion, circularity and sustainability while maximising profits and delivering value to all stakeholders. His technology-forward approach and global vision have been instrumental in developing executive strategies and initiatives that have significantly improved both the top-line and bottom-line. Shri Mehta's consensus-oriented management has demonstrated excellent leadership in all aspects of the business.

Shri Sanjay Upadhyay
Director (Finance) & Group CFO

Shri Sanjay Upadhyay is a qualified Cost Accountant and a Company Secretary. He has completed an Advanced Management Program from Wharton, USA.

Shri Sanjay Upadhyay has over 40 years of experience in the areas of Finance, Treasury, Taxation, Commercial, Secretarial and Corporate Restructuring. He oversees Risk Management, Governance, Investor Relation and IT functions. Apart from these, he also has expertise in growth strategy, acquisitions, restructuring, etc.

Shri Sanjay Upadhyay joined the Company in 1994. During the span of his career, he has held important positions in the Company. He was inducted in the Board as Director (Finance) from April 2017 and was designated as the Director (Finance) & Group CFO of the Company from August 2022. He is also on the Board of several companies within the Deepak Group.

In his role as Group CFO, he is focussed on driving financial performance of the Company through rigour and synergy in capital allocation, investment management decisions and portfolio optimisation.

Shri Meghav D. Mehta
Non-Executive Director

Shri Meghav D. Mehta is a Mechanical Engineer from the Rochester Institute of Technology (New York, USA) with a specialisation in Material Science Technology and Alternative Energy. He is the Executive Director at Deepak Phenolics Limited ('DPL') and is Non-Executive Director of the Company. Prior to his current role, he served in various positions including Project Coordinator, Project Risk Manager and Strategy Head. He brings his Mechanical Engineering background to bear on his strategic and operational responsibilities, demonstrating an exemplary blend of technical knowledge and strategic acumen.

He is an astute strategist and has executed several significant projects, including setting up Phenol and IPA plants in DPL, both of which had a transformative impact on Deepak's industrial capabilities and contributed to the country's Make in India and Atmanirbhar story.

His current focus areas is to establish an extremely sharp and able project management group who would be responsible for the execution of all major group projects, currently being implemented and to be implemented over the years, thus contributing towards serious upliftment of capability of the organisation which is on a growth curve for next several years.

He is also at the helm of affairs of digitalisation in the Group. This shall be encompassing all spheres of activities like – procurement, marketing, operations, logistics, hydrocarbon accounting, quality etc. He is a great advocate of Artificial Intelligence and Machine Learning and constantly working towards engaging these concepts into any and every sphere of activity of the Group.

At a very young age, he has shown great degree of maturity and at his heart of his professional ethos is his personal philosophy - "Everything is an opportunity for us to become the best versions of ourselves." This perspective extends to his work, inviting everyone in the Company to embrace the chance to continually learn, grow and strive for excellence.

Shri Ajay C. Mehta
Non-Executive Director

Shri Ajay C. Mehta has a Bachelor's degree in Science from the University of Mumbai and a Master's degree in Chemical Engineering from the University of Texas.

He has over 35 years of experience with chemical, petrochemical, fertiliser, manufacturing and investment companies. He has been actively associated with the Company since 1984 and was the Managing Director of the Company from December 1989 till December 2017. With extensive experience, a comprehensive approach and industry foresight, Shri Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited. He is presently the Non-Executive Director of the Company and Managing Director of Deepak Novochem Technologies Limited. He is a member of the Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture and various other developmental institutions and social organisations.

Shri Sandesh Kumar Anand is a Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course from I.I.P., Dehradun. He has completed an Advanced Management course from IIM Ahmedabad.

He has a rich experience of more than 50 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management and Strategic Planning in petrochemicals, refining and other allied Industries.

He was also the Member of various committees of State and Central Government and also the advisor of Government on Chemical Weapons Convention.

Shri Sandesh Kumar Anand
Non-Executive Director

Shri Sanjay Asher has a Bachelor's degree in Commerce and Law from the University of Bombay. He has been a practicing Advocate since 1991 and was admitted as a Solicitor in 1993. He is also a qualified Chartered Accountant. He has over 30 years of experience in the field of law and corporate matters.

He is presently a Senior Partner with Crawford Bayley & Co. established in 1830. He specialises in the field of corporate law and commercial law, cross-border mergers and acquisitions, joint ventures, mergers and acquisitions and capitals markets.

Shri Sanjay Asher
Independent Director

Smt. Purvi Sheth is a B.A. in Economics & Political Science from St. Xavier's College, Mumbai University and a CPD Holder in Business Strategy & Leadership from Wharton Business School, USA.

Smt. Sheth is an expert consultant and advisor to some of the most prestigious Indian and multinational companies, boards and CEOs. Her contributions have proven value in business growth, leadership development, executing complex strategic engagements and repeatedly contributing to intellectual capital and organisational enhancement. She helps organisations create business opportunities and competitive advantage via Strategic HR & talent management.

Effective in boosting and impacting business performance and productivity, Smt. Sheth has successfully elevated several businesses through advanced leadership processes and their implementation. She is an expert in translating solutions into practical and profitable applications. A skilled presenter, communicator and trainer, she has achieved huge success, impacting organisational and leadership performance.

Smt. Purvi Sheth
Independent Director

Shri Dileep Choksi is a Chartered Accountant with a Bachelor's degree in Law and a member of The Institute of Cost Accountants of India.

Shri Choksi has been a practicing professional for around 44 years. Prior to setting up C.C.Chokshi & Co., he was the joint Managing Partner, National Leader - Tax and Financial Advisory Services of Deloitte, India until 2008.

His areas of specialisation include accounting, tax and corporate advisory services for domestic and international clients, finalising collaborations and joint ventures, corporate restructuring, turnaround and change management strategies and analysing tax impact of various instruments. He is also a member of the Society of Trust & Estate Practitioners Limited (STEP). He has also been on the Boards of the Taxation Committee of the Indian Merchant Chambers and the Bombay Chamber of Commerce & Industry.

He has worked with Shri N.A. Palkhivala in the preparation of the most prominent book of Kanga and Palkhivala's – The Law and Practice of income tax (Eight Edition) – the last edition written by late Shri N.A. Palkhivala and Shri B. A. Palkhivala.

Shri Dileep Choksi
Independent Director

Shri Vipul Shah
Independent Director

Shri Vipul Shah is a Bachelor of Science in Chemical Engineering and Master of Science in Polymer Science from the University of Texas, Austin, United States.

Shri Shah has led various leadership positions across the globe in Dow Chemical International and has been the President, CEO and Chairman of Dow India and Chief Operating Officer of Reliance Industries Limited. In Reliance Industries Limited, he had initiated a number of strategic initiatives in the petrochemical segment to leverage digital platforms, entered into advanced materials & composites and enabled circular business models to further accelerate segment's growth.

With over four decades of experience in the petrochemical and plastic polymers sector, Shri Shah has spearheaded various initiatives and practices to increase sustainability within the industry.

Shri Shah has also served as the Chairperson of the Management Committee for the Chlorine Chemistry division of the American Chemistry Council (ACC).

Shri Prakash Samudra
Independent Director

Shri Prakash Samudra studied Chemical Engineering at The Indian Institute of Technology (IIT), Bombay and graduated in 1973. From 1973 until 1981, Shri Samudra worked in Larsen & Toubro Ltd., Mumbai. In 1981, he joined ThyssenKrupp Industrial Solution Group, formally known as UHDE India Ltd.

Shri Samudra has a rich experience in acquisition and project implementation including Planning, Procurement and Construction of several EPC-LSTK /EPCM projects in the field of Petrochemicals, Caustic Soda/Chlorine, Polymers, Fertilisers, Oil Refinery, Organic and Inorganic Chemicals, Cryogenic Tank Systems in India and Middle East region.

He superannuated from ThyssenKrupp Industrial Solutions in June 2021 as the Managing Director & CEO. He is active presently in the Industry as a Consultant.

Shri Samudra had been the Chairman of various leading industry associations such as the Indian Institute of Chemical Engineers (IIChE, Mumbai Regional Center) for 2 years from 2005-07 and the Process Plant & Machinery Association of India (PPMAI) for 2 years from 2003-05.

Shri Punit Lalbhai
Independent Director

Shri Lalbhai received his Bachelor's degree in Conservation Biology from the University of California, Davis and Master's degree in Environmental Science from Yale University. He also has an MBA from INSEAD, France.

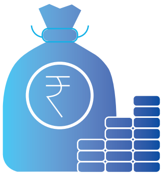
Shri Punit Lalbhai is the Vice Chairman and Executive Director at Arvind Ltd. He is responsible for the Group's Textile, Engineering, Technical Textile and Environmental businesses.

He has driven the Arvind's entry and growth in technical textiles and advanced materials, which has become its fastest growing segment. Arvind is now globally recognised for its Human Protection Garments, Industrial Fabrics and Glass & Carbon Composite Products. He has also been involved with the growth of Anup Engineering – a capital goods manufacturing company – and that of Arvind Envisol – an upcoming waste-water treatment company. He also serves as the Chairman of the CII committee on Technical Textiles and is a governing council of ATIRA.

He has served on several international boards that drive thought leadership in environmental sustainability. He was part of the inaugural board of the Sustainable Apparel Coalition, serves on the board of the Organic Cotton Accelerator and is the current Chairman of the Apparel Impact Institute.

Shri Lalbhai is passionate about higher education. He is active in the Ahmedabad Education Society and is on the boards of both Ahmedabad University and CEPT University.

He has been a heartfulness meditation practitioner since 1998 and a trainer of the system since 2012.



FINANCIAL CAPITAL

Financially strong, ready for next giant leap.

At Deepak Nitrite, we intend to provide optimum returns to the providers of our financial capital. Our prudent financial management enables us to navigate through business downturns and ensure long-term growth and sustainability.

Material issues addressed

- Growth and profitability

Key risks considered

- Business risk
- Funding risk

SDGs impacted

Managing our financial capital

We have a robust financial management strategy that assesses the requirement of funds for sustainable business operations as well as investments towards growth opportunities. Our focus is on delivering sustainable value to our stakeholders despite economic challenges or industry upheavals. Regular investments are made in our manufacturing and intellectual capital to deliver quality products to our customers; human and social capital for the well-being of our employees and communities; and natural capital for promoting environmentally responsible behaviour. These investments are made in a carefully balanced and calibrated manner to achieve financial objectives.

We ensure adequate liquidity, optimal cost of funds and maintain healthy gearing ratios. Our aim is to maintain a strong balance sheet through proactive liability management. We also review all our investments based on our stringent capital allocation framework to maximise shareholder returns

Performance in FY 2022-23

- Reported strong revenue growth despite a challenging external environment marked by rising prices of key raw materials, high logistics costs and supply chain disruptions due to the Russia-Ukraine war
- Revenue of ₹ 8,020 Crores in FY 2022-23 owing to stable customer demand and high plant efficiency with all plants operating at high utilisation rates
- The Phenol plant recorded a utilisation rate of more than 120% and achieved the highest-ever quarterly domestic sales with highest daily phenol production. In January 2023, we crossed the milestone of 1 million tonnes of phenol production on a cumulative basis since inception
- EBITDA performance was impacted due to a combination of internal and external factors such as high input costs, disrupted global demand and supply and fire at Nandesari Plant which caused non-availability for about 40 days
- The Board of Directors has recommended a Final Dividend of ₹ 7.50 (375%) per equity share of ₹ 2.00 each for FY 2022-23
- On a consolidated basis, Deepak remains debt free with a net worth of ₹ 4,090 Crores thereby strengthening its balance sheet for future expansion

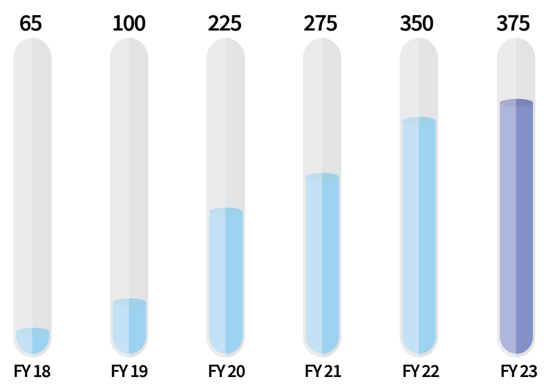
Value creation

Consistently rewarded shareholders

Market Cap. (in ₹ Crores)

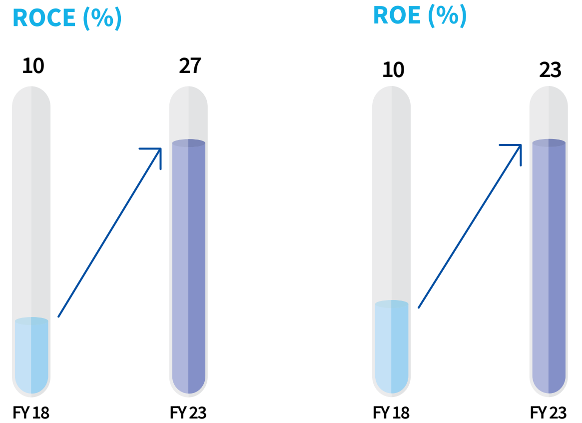
31 March '18	31 March '23
3,394	25,128

Dividend (%)



Excellence in execution

Sustained Increase in return ratios, with zero debt levels



Communique of Director (Finance) & Group CFO

DNL is committed to returning value to its investors and all shareholders. Given the Company's healthy performance, the Board has recommended a higher dividend of ₹ 7.50 per equity share of face value of ₹ 2.00 each, being 375%, for FY 2022-23. The Company remains resolute in its pursuit of continued productivity growth in the upcoming year

Shri Sanjay Upadhyay
Director (Finance) & Group CFO

Dear Stakeholders,

Your Company achieved a notable performance in the fiscal year 2022-2023 in the backdrop of a demanding environment characterised by various internal and external factors. Despite these challenges, we efficiently managed our operational activities and fulfilled our supply commitments, ensuring a consistent and steady supply of products to our customers.

Pioneering the way in sustainability, your Company has embarked on numerous endeavours aimed at diminishing its environmental footprints while simultaneously generating value-added compounds from by-products, all in a concerted push towards a sustainable tomorrow. With sustainability at the core of our endeavours, we are empowered to foster inclusive growth and bring forth societal value, all the while curbing our environmental impact and upholding a responsible approach throughout our value chain.

AGILE BUSINESS FRAMEWORK

Your Company has demonstrated its agility in achieving growth while maintaining the quality and safety standards by leveraging our expertise in chemicals and the value chain. Our success can be attributed to our balanced revenue growth strategy, which includes diversification across products, end-user segments, customers and geographies. This is interwoven with a focus on sustainability to ensure that we are meeting the needs of customers while respecting our commitments to our people, the environment and the communities within which we operate.

Amidst operational and macroeconomic challenges, our business model has proven resilient and we have emerged stronger and more confident. Incremental investments have led to increased capacity, while sustained demand from end-user industries has driven growth in both our topline and bottom-line. We have developed a sustainable business model that serves over 30 end-user markets, mitigating some market fluctuations. Amidst several challenges, the safety of our personnel, materials and operations across all our sites has been our topmost priority.

PAVING THE WAY FOR A SUSTAINABLE TOMORROW

At DNL, we continue to emphasise the significance of responsible chemistry, an all-encompassing approach that incorporates environmental conservation, the well-being of people and the prosperity of our customers, suppliers and communities. It is this very spirit of sustainability that drives us to undertake proactive initiatives to protect and nurture our sphere of influence.

As we navigate the ever-changing landscape of business, industry, society and our planet, we are committed to building a sustainable future through our 3P approach: Plant, process and people safety. At DPL, Dahej, an astounding 12 million safe man-hours – an irrefutable testament to our unwavering dedication to safety. Additionally, our Company has gained international recognition as a responsible corporate citizen. For us, sustainability holds significance that goes far beyond obligatory corporate responsibility. It acts as a protective shield, safeguarding the future growth of our Company, while seamlessly integrating into our business strategy, operations and structure. It has become an indispensable cornerstone of our overall framework.

DNL remains resolute in its commitment to responsible chemistry and the production of impactful solutions. To minimise errors, we have assumed a greater role in developing and implementing additional automation and safety standards within our plants. As a result, we have emerged as the leading suppliers for major global clients, thanks to our steadfast adherence to quality, environmental practices, effective human resource management and our ability to handle complex and hazardous chemical processes with efficiency.

This year, a remarkable milestone was achieved at our Dahej facility. It received a perfect score of 100 out of 100 in the Together for Sustainability Audit. This prestigious evaluation, similar to the renowned Responsible Care program in the United States, garners immense respect from large European, Japanese and American companies.

This year, a remarkable milestone was achieved at our Dahej facility. It received a perfect score of 100 out of 100 in the Together for Sustainability Audit. This prestigious evaluation, similar to the renowned Responsible Care program in the United States, garners immense respect from large European, Japanese and American companies. We take immense pride in this achievement, as it serves as a ground-breaking moment that will undoubtedly inspire many more similar accomplishments in the future. Thus, we continue to embrace responsible chemistry, sustainable practices and the pursuit of excellence. Together, we can shape a better, greener and safer world for generations to come.

Moreover, on the sustainability front, the Company is expanding its in-house waste treatment capacity as part of the projects under implementation, leading to a decrease in its footprint. It is also increasing its ability to backward integrate, thereby de-risking its supply chain. As a responsive company, we take pride in our deep process expertise and commitment to producing complex chemicals using safe and sustainable methods, making us the preferred partner of choice for global customers.

EXEMPLARY TRACK RECORD

DNL has displayed exceptional adaptability in seizing opportunities, predicated on our global competitiveness and strong customer relationships. This has enabled us to meet our customers' demands while maintaining high levels of operational efficiency. Carefully navigating the volatile macroeconomic environment, we ended the year on a positive note, with consolidated revenues increasing by 17% yoy to reach ₹ 8,020 Crores. Our financial discipline has ensured that we reported EBITDA of ₹ 1,337 Crores and a net profit of ₹ 852 Crores for the year.

On a standalone basis, we are debt-free, with a surplus of ₹ 400 Crores in cash, bank balances and investments. Our net debt-to-equity ratio, on a consolidated basis, has improved to 0.03x from 0.2x in FY 2021-22, reflecting our commitment to improving the Company's capital structure. We have also used cash flow to enhance operational efficiency and extensively improved our working capital, resulting in higher ROCE. Deepak Nitrite has achieved a ROCE of over 25% for the last 16 consecutive quarters on a standalone basis.

Carefully navigating the volatile macroeconomic environment, we ended the year on a positive note, with consolidated revenues increasing by 17% yoy to reach ₹ 8,020 Crores. Our financial discipline has ensured that we reported EBITDA of ₹ 1,337 Crores and a net profit of ₹ 852 Crores for the year.

As we continue to reduce debt and maintain dividends, we are strategically deploying cash flow into growth projects, which will further enhance our business proposition.

An unfortunate incident of fire happened at our Nandesari unit resulting in damage of facilities and loss of production for about 40 days. The Company has lodged an insurance claim for business interruption and reinstatement of assets. All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

CAPEX UPDATE

We have announced investment aggregating to ₹ 2,500 Crores for expanding our capacity, enabling assured availability of inputs, backward integration for improved efficiency, widening of product portfolio and assimilation of new chemistries within our operations –

- To enhance market share and maintain our leadership position, we have planned brownfield projects for certain key products. These projects aim to meet the growing demand and improve the overall business proposition.
- A Greenfield expansion in Polycarbonate compounding will help us venture into the Polycarbonate business. This expansion will provide valuable insights into the market, including niche and major players. It will also enable the catering of specialised demand in new-age applications such as 5G boxes, EV batteries, medical devices and more.

- Another project focussed on backward integration will incorporate new chemistry platforms like photochlorination and fluorination, we aim to reduce supply chain risks in the agro space and expand the range of products using these chemistries. It will strengthen the backward integration capabilities for key inputs.
- The MIBK-MIBC project involves forward integration. These products are derived from acetone and the objective is to introduce new chemistries thereby enabling utilisation of a higher proportion of acetone internally to manufacture MIBK and MIBC. This move enables the production of other downstream value-added products.

These projects will contribute to our robust revenue growth, expand its market share, improve margins, mitigate business risks through a diversified product mix and strengthen customer and supplier relationships.

UPGRADE IN CREDIT RATING

Deepak Nitrite has a strong reputation and holds a dominant position in a wide range of product categories. Your Company's financial performance has been consistently improving, reflecting the disciplined ingrained into its growth strategy. As a result, ICRA has reaffirmed Deepak Nitrite's long-term rating as ICRA AA and short-term rating as ICRA A1+. Additionally, ICRA has upgraded Deepak Phenolics, the Company's wholly owned subsidiary, from ICRA AA- to ICRA AA for the long-term rating and reaffirmed the short-term rating as ICRA A1+. The long-term rating outlook for both Deepak Nitrite and Deepak Phenolics has been revised from Stable to Positive.

Notably, these credit rating upgrades indicating an improved creditworthiness were attained within a short span, even amidst challenging circumstances such as mounting inflation, tightening liquidity and an unfavourable capital raising environment.

DIVIDEND – ELEVATING SHAREHOLDER RETURN

DNL is committed to returning value to its investors and all shareholders. Given the Company's healthy performance, the Board has recommended a higher dividend of ₹ 7.50 per equity share of face value of ₹ 2.00 each, being 375%, for FY 2022-23. The Company remains resolute in its pursuit of continued productivity growth in the upcoming year.

FUTURE ENDEAVOURS

To remain future-ready, we believe investing is crucial and a part of our growth strategy. Our governance pillars are integrity and transparency and we prioritise long-term value creation through our financial reporting and governance practices. The Company's future looks bright, driven by various internal and external factors. We are dedicated to leveraging this momentum and creating value for all stakeholders.

On behalf of the Board of Directors and the management team, I would like to express our gratitude to all our shareholders for their trust and confidence in DNL. We remain cautiously optimistic that DNL will continue to deliver long-term value to both its internal and external stakeholders.

Best Regards,

SANJAY UPADHYAY
Director (Finance) & Group CFO

MANUFACTURED CAPITAL

Scaling up for the next level of growth

We consistently invest in augmenting our capabilities and best-in-class equipment and machinery to achieve excellence in manufacturing and ensure safe and efficient operations. Our integrated operations, efficiency-enhancing efforts and capacity expansion projects set us up well for an accelerated growth path.

Material issues addressed

- Supply chain efficiency and logistics management

Key risks considered

- Raw material risk
- Operational risk

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Augmenting manufacturing capabilities

Leveraging our robust manufacturing infrastructure and extensive expertise in chemistry, we have emerged as a key partner for major Indian and international conglomerates. We see significant opportunities going forward which will necessitate us to enhance our capacities and competencies. FY 2022-23 has been a year in which a lot of our growth initiatives have taken shape.

We are making significant strides towards scaling manufacturing capacities. Debottlenecking is a crucial development as it enables us to enhance production. As Phenol capacity utilisation has peaked, we are undertaking debottlenecking of the Phenol facility which will increase production by about 10% from current levels;

and is expected to come on stream in the first half of FY 2023-24. We have successfully commissioned the installation of SAC unit which has significantly enhanced sustainability at Nandesari plant. Our photochlorination and chlorination plants are slated to be commissioned in the third quarter of FY 2023-24 and the acid project in the fourth quarter of FY 2023-24. Both these plants will significantly enhance profitability once commissioned and fully ramped up. It will also cater to internal captive consumption needs.

Our MIBK and MIBC plants are scheduled for commissioning by next year. These are derivative products of acetone and the objective is to captively use acetone to manufacture MIBK and MIBC thereby going into downstream value-added products. Our hydrogenation and multipurpose distillation facility has been approved marking further progress in our expansion plans. With multiple brownfield and greenfield projects underway to be commissioned in the coming year, we are poised to deliver improved performance and growth. More significantly, we have also approved investment to set up a facility in Oman to manufacture key chemicals and benefit from low-cost inputs of raw materials and energy to serve global markets.

Recognised for quality excellence

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environment Management System
- ISO 45001:2018 - Occupational Health, Safety and Management System
- HALAL Certification
- Responsible Care Certification
- GOTS Certification
- Responsible Care
- TfS (Together for Sustainability) Certification

Operational excellence

We focus internally to enhance our operational excellence. Multiple initiatives such as process optimisation, productivity improvements and energy conservation are implemented across our manufacturing facilities. We continue to work towards cost optimisation through backward integration and recycling as well as maximising asset utilisation for enhancing return on investment.

Key initiatives undertaken in FY 2022-23:

A. Advanced Intermediate Segment:

- Implementation of LIMS – Laboratory Information. Management System in QC Lab
- Installation of RO Plant at ZLD unit
- Installation of 40Kwp Solar rooftop system to use renewable energy
- Received international award in Quality circle forum for the best kaizen presentation
- Migrated from Chlorination method to Evaporation method for nitro effluent treatment
- Recycling of wastewater from Cooling tower blowdown and domestic sewage
- Treatment of effluent water at ETP by bio-degradation method instead of Stripping at MEE plant, thereby saving steam and power

B. Phenolics Segment:

- Debottlenecking of Phenol capacity by 10% from current level, expected to be operational by H1-2023-24.
- Stabilisation of second Boiler, Captive Power Plant (CPP) at Phenolics facility.
- Operated Phenolics facility on islanded mode through CPP, which helped avoid ten to twelve stoppages due to power disturbances
- Phenolics Facility received Responsible Care Certification.
- IPA received certification to meet requirements of Indian, US and British Pharmacopeia
- During the year, Phenolics business achieved major milestone of cumulative production of 10,00,000 MT of Phenol since commencement of operations
- With sustained plant utilisation above 120%+ capacity, highest yearly production of Phenol was achieved

Awards & Accolades

Business Today Award for Best CEO Chemical Sector

Shri Deepak C. Mehta was adjudged a winner by a respectable jury led by Shri Ajay Piramal and was presented the Best CEO Chemical Sector Award for the 2^{nd} consecutive year for his dynamic, distinguished and visionary leadership by the Hon. Minister of Civil Aviation, Shri Jyotiraditya M. Scindia and Shri Aroon Purie, India Today Group Chairman, at the 11^{th} edition of the BT Best CEO Awards 2023.

2022 Hurun India Special Jury Award

The 2022 Hurun India Special Jury Award was conferred on Shri Deepak C Mehta, CMD, Deepak Nitrite for his outstanding contribution to the sector and the Indian Economy.

Best CFO Award by ICMAI

Shri Sanjay Upadhyay, Director (Finance) & Group CFO of Deepak Nitrite Limited conferred with the Best CFO Award by ICMAI at the 7th CMA awards 2022, in the category of private manufacturing-Medium

ASSOCHAM BEST CFO OF THE YEAR (Chemical Sector)

Shri Sanjay Upadhyay, Director (Finance) & Group CFO, Deepak Nitrite Ltd. was awarded the Best CFO of the Year in Chemical Sector by ASSOCHAM Vibrant Bharat CFO Summit & Awards.

The award celebrates the hard work, innovation and vision of the most extraordinary CFOs across a wide range of sectors, recognising excellence and achievement in financial leadership. The winners were selected through a strict jury-led process and was presented to him by Shri Subhash Chandra Garg- Former Finance Secretary, Ministry of Finance in New Delhi.

Business World Best CFO Large Enterprise award to Shri Sanjay Upadhyay

Shri Sanjay Upadhyay - Director (Finance) & Group CFO, Deepak Nitrite Ltd. won the award for Best CFO in the Large Enterprise category at the 6th Annual Edition of BW Best CFO & Finance Strategy Summit & Awards 2023 held in New Delhi.

ICAI Award for Excellence in Financial Reporting for FY 2021-22

Deepak Nitrite Limited was awarded by The Institute of Chartered Accountants of India (ICAI) for Excellence in Financial Reporting for its Annual Report 2021-22. The Company was adjudged winner in Silver Shield in Manufacturing & Trading Sector (Turnover equal to and between ₹ 500 Crores and ₹ 3,000 Crores).

Leading CFO of the Year 2022

Shri Ajay Jajoo, Chief Financial Officer & Chief Risk Officer of Deepak Phenolics Limited won the Leading CFO of the Year 2022 award in the category Pharma & Chemicals CFO of the Year. The award was announced at CII CFO Excellence Award 2022 awards ceremony.

Three LACP Awards to Deepak Nitrite's 51st Annual Report

Deepak Nitrite's 51st Annual Report won three awards at the League of American Communications Professionals (LACP). The report ranked among Top 100 Reports Worldwide, winning The Gold Award for excellence within its industry and won Technical Achievement Award for overall excellence in the art and method of Annual Report communication.

HUMAN CAPITAL

Promoting a high-performance culture

We are a people-first organisation and we make every effort to provide our employees with an open, inclusive and dynamic work environment which is conducive to their career growth. We continuously invest in talent development and capacity-building programmes that drive employee engagement and improved performance.

Material issues addressed

- Health and safety
- People strength and development
- Fair remuneration and growth opportunities for employees

Key risks considered

- Employee health and safety risk
- Attrition

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Learning and Development

Learning and development is a key differentiator for the Company. As workplaces and businesses evolve, it becomes imperative for companies to develop employee skills and capabilities to respond to emerging trends and opportunities. We have a wide range of learning and development approaches to develop our people. These include on-the-job learning; mentoring and coaching; classroom training workshops; peer circles; and digital/mobile learning.

Notable Initiatives

- Parivartan - Capability building initiative which includes learning interventions of 3-4 months covering behavioural aspects and technical skills. All interventions are in association with institutional organisations.
- Pravesh - Comprehensive, one-year, talent development programme designed for freshers and encompasses mentoring, behavioural and safety training, as well as project assignments. Through this programme, we lay the groundwork for their professional development and ensure a seamless transition into our organisational culture.
- Kaushalya - Multi-disciplinary engineering certification program for campus trainee batch 2022 of the UPL University with the objective of capability building.
- Launch of annual calendar and monthly deployment of technical/functional and behavioural trainings.
- Certificate programs – Six Sigma Yellow Belt, Project Management, Scaffolding, IMS-internal auditor, Safety Awareness, Vibration Analysis, etc.

60,757

Training man hours

CASE STUDY

Rewards & Recognitions

Deepak Group has a comprehensive Rewards & Recognitions (R&R) framework in place which is designed to enhance employee morale and engagement by recognising and rewarding individuals, teams and managers who rise above and beyond expectations from their roles, contribute beyond their job description and continually deliver excellence. The framework applies to all personnel, directly employed with Deepak Group and are on-rolls, across locations and functions.

These exemplary awards underpin our organisational values viz. Integrity, Empathy (ownership/responsiveness), Collaboration/Teamwork, Agility and Innovativeness as well as our inclusive work culture and employee development capabilities. The awards were presented by the Chairman in a ceremony organised for the Group and are listed as under:

- Value Champion
- The Most Inspiring Leader
- The Best Employee
- The Most Innovative Employee
- The Best Coordinator
- The Best Cross-Functional Team

Diversity & Inclusion (D&I)

Diversity and inclusion is of utmost importance to us. We are an equal opportunity employer when it comes to attracting, retaining and developing new talent. It enables us to foster a respectful and inclusive workplace for our colleagues, embrace diverse perspectives and drive innovation and engagement with our communities. We also provided certification training to the Prevention of Sexual Harassment Committee (POSH) Committee during the year to promote a safe and healthy work environment for female employees.

We have identified 5 pillars along with the top management to promote D&I across the Deepak Group which include:

1. Brand Image and Communication

- Being an equal opportunity employer in all out-recruitment communications
- All our corporate communications have a reference to Deepak Group being EOE

2. Culture Building/Awareness

- Monthly dialogues are conducted with the Leadership team and the SBU heads to have high-level corporate leadership involvements and formal commitments
- Townhalls are conducted across all locations of DNL with direct communication between the CEO and the Board Members and all the DNL employees
- Employee Resource Groups are formed and FGDs are done to create inclusive goals towards D&I

3. Talent Acquisition

- Veteran hiring is done at middle management and senior management levels
- Hiring of female senior employees in leadership roles

4. Ecosystem

- Rolled out D&I Policy for Deepak Group
- Formation of the D&I Council which is a three-tier committee led by our top leaders and directors

5. Administration and Infrastructure

- Identified the area for infrastructure improvements to make the buildings more accessible and meet the needs of a diverse workforce

89
Women employees

2,204
Permanent employees and workers

5,358
Total Workforce

UNIQUE INITIATIVE

Promoting Sustainability with Electric Vehicle Subsidy Programme for Employees

In an effort to encourage employees to transit from fossil fuel-based vehicles to Electric Vehicles and thereby contribute to reducing the Company's carbon footprint, we have commenced an innovative programme.

We provide a subsidy to employees upon purchasing electric vehicles (two-wheelers or four-wheelers).

Employee Engagement

We believe that motivated employees are key to the success of the organisation. Regular employee engagement programmes are conducted to ensure strong bonding between the employees and the Company. Understanding engagement status and initiating need-based actions to enhance engagement continues to be our prime focus.

In FY 2022-23, we launched the Group-wide employee engagement survey 'Project Aikyam' in partnership with the Great Place to Work Institute.

Other employee engagement initiatives during the year were:

- Tie-ups with TLSU, GSFC University and UPL University for customised learning interventions
- Outbound training for unit employees
- Family meets for DRDC employees
- Town halls
- Celebration of Navratri festival, Women's Day, Yoga Day, birthday occasions and other festivities, etc.

Health and Safety

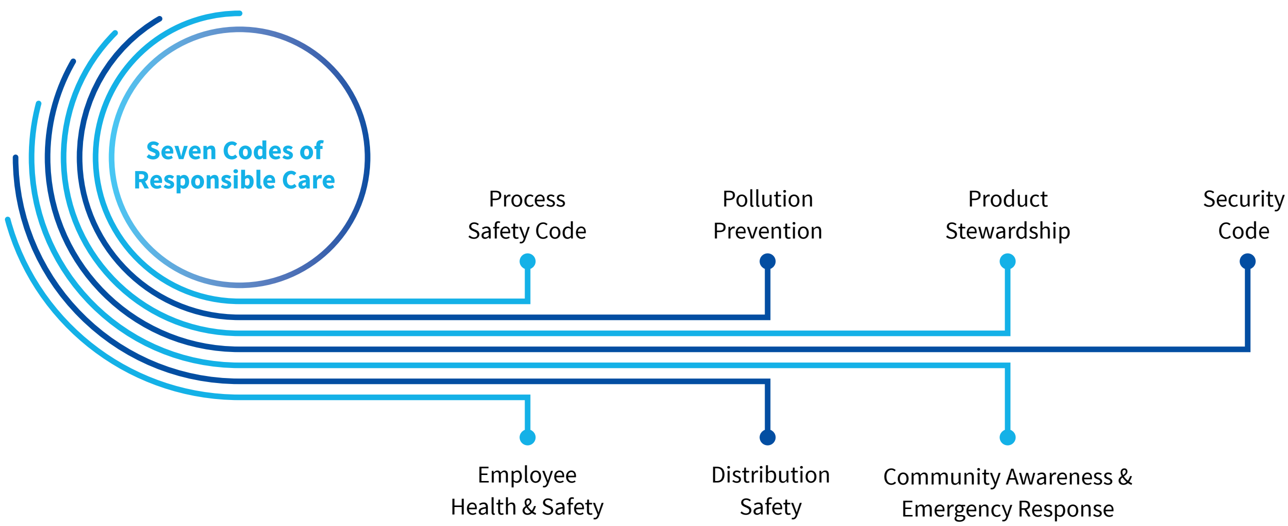
We care for our team members and adopt stringent practices to ensure their safety and well-being. We strive to create a productive and health-promoting workplace that enables our employees to foster health and improve performance and productivity.

Key initiatives in FY 2022-23

- Visual safety instruction for tank farm gantry operations and logistic park
- Successful rollout of HIRA campaign
- Deployment of safety observers for carrying out closed safety compliance monitoring throughout plant shutdown schedule. Plant shutdown was successfully achieved without any loss time injury
- Conducting safety talks with all the workers
- Implementation of HSE management system across all locations of DNL in line with ISO 45000 and ISO 14001. The Plan-Do-Check-Act cycle is also followed for continual improvement

Nil

Incidents of labour unrest



Culture and Mindset change:

Deepak Group recognises that mindset and cultural change are essential for driving innovation, embracing transformation and remaining competitive in a rapidly changing business environment. By fostering a growth mindset, promoting collaboration, empowering employee engagement and cultivating a learning culture, we pave the way for continuous improvement and success

Through strong leadership, open communication and a supportive environment ensures that the necessary mindset and cultural shifts are embraced by employees at all levels. By collectively embracing change and adapting to new challenges, we create a dynamic organisation that thrives on innovation, fosters creativity and achieves sustainable growth in the ever-evolving industry.

Embracing a Growth Mindset

We, at Deepak Group, encourage employees to adopt a growth mindset, where they believe in their ability to develop new skills, embrace challenges and learn from failures. By fostering a growth mindset, we cultivate a culture of continuous learning, resilience and adaptability.

Employees are encouraged to seek new opportunities, explore innovative ideas and embrace change as a catalyst for personal and professional growth. This mindset shift allows us to adapt to evolving industry trends, identify new market opportunities and proactively respond to dynamic business environments.

Promoting Collaboration and Knowledge Sharing

We, at Deepak Group, recognise the power of collaboration and knowledge sharing in driving cultural change. We promote an inclusive and collaborative work environment where individuals across departments and hierarchies are encouraged to share their ideas, expertise and perspectives.

By breaking down silos and fostering cross-functional collaboration, we create a culture that values diverse insights and encourages collective problem-solving. This collaborative approach promotes innovation, fosters creativity and accelerates the implementation of new ideas and technologies.

Empowering Employee Engagement and Ownership

Deepak Group believes in empowering employees to take ownership of their work, contribute meaningfully and drive positive change. We encourage employees to voice their opinions, share their feedback and actively participate in decision-making processes.

By empowering employees with autonomy and decision-making authority, we foster a sense of ownership and accountability. This empowerment allows individuals to take risks, experiment with new ideas and drive impactful outcomes. It also promotes a sense of pride and commitment among employees, enhancing their engagement and satisfaction.

Continuous Learning and Adaptability

Deepak Group encourages a culture of continuous learning and adaptability. We provide employees with access to learning and development opportunities, whether through formal training programmes, workshops or knowledge-sharing platforms.

By nurturing a learning culture, we enable employees to acquire new skills, stay updated with industry advancements and embrace emerging technologies. This emphasis on continuous learning enables us to adapt to evolving market demands, innovate and remain ahead of the competition.

Succession Planning

Our succession plans are regularly reviewed and updated to align with the evolving needs of the organisation. We maintain a structured and well-documented approach to succession planning, ensuring that concerned stakeholders are aware of the identified successors and the timeline for potential leadership transitions. By being proactive and transparent, we minimise disruptions and maximise the effectiveness of our succession planning efforts.

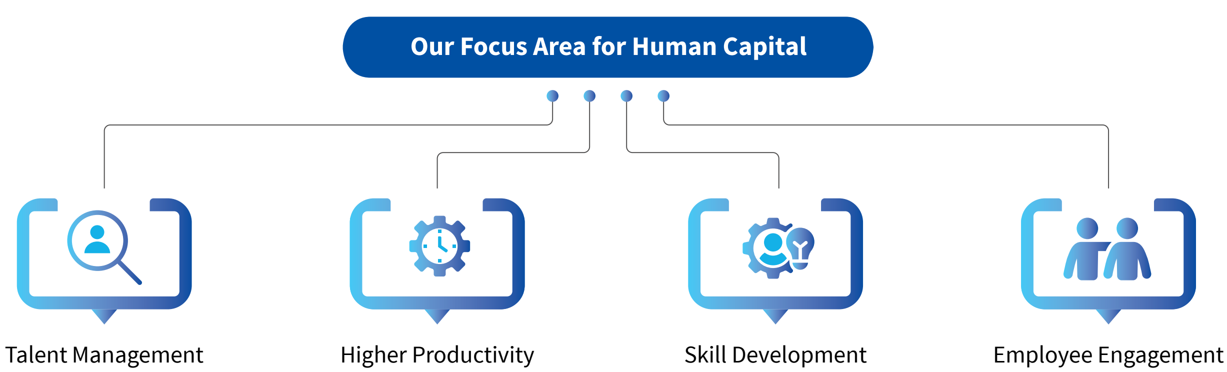
The key features of our succession planning programme include:

- Identification of critical positions based on 'Job Evaluation methodology'
- Assessment centre process for existing incumbents undertaken to identify key talent
- Initiation of IDP (Individual Development Plan) and structured developmental process for employees to build capabilities for higher roles
- Rotation of employees through internal mobility for various key positions which is further supported by structured developmental interventions to facilitate their smooth transition to new roles
- Mapping of key talent to various critical positions and structured interventions to ensure availability of talent for various positions (including at senior level)

CASE STUDY

Special recognition for life-saving effort

Shri Ravinder Kumar, Assistant Manager-Security has gone beyond his duty to save an unknown man's life by giving first aid treatment for chest pain and helped him reach hospital on time which saved his life. This spirit is commendable and highly appreciated by the Deepak Group.



INTELLECTUAL CAPITAL

Imbibing a culture of innovation and efficiency

Material issues addressed

- Digitisation
- Product innovation

Key risks considered

- Product quality risk
- Digitisation risk

SDGs impacted

Information Technology

Technology can significantly enhance our ability to withstand and recover quickly from difficult circumstances. This might include cloud solutions to protect data, AI-driven predictive analysis to anticipate market changes, or advanced automation to maintain operations under a variety of conditions. Innovation can also foster resilience by encouraging a culture that is adaptable and capable of pivoting in response to new challenges or opportunities.

Furthermore, technology can help in streamlining operations, reducing inefficiencies and freeing up resources. This includes automation technologies to reduce manual work, AI and machine learning to optimise processes and data analysis tools to inform

decision-making. Innovation in operational procedures and business models can also drive efficiency.

We are upgrading our ERP system to SAP S/4HANA with the industry best practices, which is going to be hosted on Google Cloud. Most of the operations are being optimised and going to be seamlessly integrated with technology platforms such as RPA(Robotic Process Automation), data lake, dashboards and analytics. SAP S/4HANA offers a single source of truth for all business data. This means that every department in the manufacturing process, from procurement to sales, is looking at the same data, leading to better decisions. RPA ensures that data entry and transfer between systems are consistent and error-free. SAP S/4HANA comes with powerful analytics tools that provide real-time insight into operations. We intend to use these insights to improve processes and optimise resource allocation.

Commencement of Digital Twin Journey

To maintain an edge in the current business scenario and take advantage of emerging technologies, we are continuously working towards adopting and embracing changes. We worked to enable Digital Twin Platform for all business processes like Enterprise Data Management, Advanced Process Control, Asset Performance Management, Asset Information Management, Predictive Maintenance, Intelligent 3D Models development and integration of all functions with RPA (Robotic Process Automation), Analytics, Artificial Intelligence & Machine Learning Models, etc.

Our vision and our step-by-step approach are driving our actions such as SAP Implementation, Predictive Maintenance, etc. It is refining all business processes and establishing cross-functional clarity to reap benefits by strengthening best practices, establishing better controls and achieving higher level performance. This enables better and meaningful visibility and transparency at Digital Twin platform and acts as a dependable source of facts and truths.

Few activities are highlighted below for activity level sense of progress:

1) BVA: Business Value Assessments & Return of Investment Exercise are done for forward path.
2) Various Databases like Equipment Database, MRO Database are identified and enriched for better results.
3) Structures like Asset Structure, Business Structure, Organisation Structures are identified at Group level and in configuration in view of the next level of agility in all processes.
4) Maintenance & Reliability Business Process with Cross-functional requirements are identified and tested with a target to implement APM PM and other modules by September 2023.
5) Vendors for APM, Analytics, Artificial Intelligence and Machine Learning, developing Intelligent 3D Models and integrations are identified and will be taken up with appropriate time for realisation of above vision with best cost & benefit insight and planning.
6) Condition Base Maintenance are implemented like Vibration Analysis, Risk Base Inspections, Root Cause Analysis and CAPA monitoring and next level of improvement are targeted to implement by enabling continuous monitoring.
7) Considering the existing level of operation and diversity of plants and sites of the Group progressively, phase-wise implementation approach is taken up. The purpose is to ensure smooth and seamless transformation addressing all the change management aspects with current level and due stress and strain needs to handle site-specific business requirements.

Talent Management

Research and Development

Our innovation infrastructure is comprised of a centralised research facility (Deepak Research and Development Centre, DRDC) at Nandesari, Gujarat. DRDC is recognised by the Department of Scientific & Industrial Research, Government of India and is equipped with state-of-the-art equipment for developing sophisticated technologies. Our R&D team consists of highly skilled and competent team members who bring in the best practices in the industry.

Within DRDC, we also have advanced facilities such as a state-of-the-art process engineering lab, a kilo lab and a process intensification lab. These setups play a crucial role in generating scale-up data for all the products developed in our R&D Centre. To enhance the efficiency of lab scale development, we utilise the Design of Experiments (DOE) methodology, supported by specialised software for screening and optimisation. This approach significantly accelerates the pace of our development process.

To support new technology platform and continuous process development, we have invested in flow reactor, flow meters, etc. under Process Engineering Research & Innovation (PERI).

The Analytical team plays a pivotal role in supporting synthetic chemistry, hence the analytical capabilities for additional requirements are also enhanced by purchasing various new analytical tools such as Gas Chromatography (GC), Gas Chromatography/Mass Spectrometry (GCMS), High Performance Liquid Chromatography (HPLC), Liquid Chromatography/Mass Spectrometry (LCMS), Ultra Performance Liquid Chromatography (UPLC) and Ion Chromatography (IC). The Analytical Lab has also been expanded to accommodate these additional instruments.

During the year, DRDC developed process for two key monomers for the Speciality polymers serving multinational customers. It also developed continuous process of two products with a complete digitalised system which enables in-process data generation with robust process control. It also facilitates online analytical data extraction for specific experiments. The online behavioural-based safety portal is in function which gives online updates on unsafe acts, incidents, etc. which has helped the team to work more safely and efficiently.

Key R&D focus areas:

- New product development
- New technology platform development to serve the niche requirements of our customers
- Improvement of productivity as well as yield in existing products
- Reduction of our resource consumption

Process Safety Activities

DRDC has a dedicated process safety team which analyses the chemical processes for safe operations based on in-house ARC, DSC, RC (with gas evolution analysis). The team also takes help of third-party labs for other safety data generation e.g. powder safety data.

Technology

We are actively engaged in the development of several new technology platforms. Currently, we are focussing on advancements in fluorination and Photo chlorination chemistry, high-pressure oxidation reactions for acid formation and gas-solid reactions for acid formation for pharma use. To support these efforts, we have established a pilot facility specifically designed for vapour phase processes. In order to improve yield and quality while reducing operational costs, we have implemented laboratory-scale CSTR setups. These setups enable us to convert batch mode reactions into continuous mode, thereby achieving better efficiency and cost-effectiveness in our operations.

98
R&D professionals employed

17
Ph.Ds employed

60
Cumulative patent applications filed

4
New products launched

21
Cumulative patents granted

State-of-the-art pilot plants

Furthermore, we have established two cutting-edge pilot facilities, strategically located in Roha, Maharashtra and Nandesari, Gujarat. These pilot facilities play a crucial role in bridging the gap between our R&D activities and the commercial production of intermediates for various industries such as agrochemicals, dyes and pharmaceuticals enabling us to seamlessly deliver high-quality products. The pilot facilities are equipped with state-of-the-art infrastructure, including stainless steel and glass-lined reactors, as well as distillation columns for both gas and liquid raw materials. Moreover, they are fully equipped with advanced instruments, a Distributed Control System (DCS) and essential utilities such as chilled brine, low-pressure steam, cooling water, temper water and more.

Development of idea to plant process (ITP)

The Technical Organisation plays a vital role in generating ideas, developing sustainable processes and transitioning them into the manufacturing plant. To ensure efficient progression, a dedicated team conducts a thorough review of the entire process, starting from idea generation, through technical development and up to the production plant. This comprehensive evaluation is known as the Idea to Production (ITP) process. The activities are carefully mapped and relevant documents are formalised to facilitate the seamless flow of information and tasks. The primary objective of the ITP project is to define the technical process, identify the required infrastructure and establish a document system to support the entire process. Additionally, in-depth safety reports for both chemicals and processes are included, ensuring a comprehensive understanding of potential hazards and necessary safety measures.

The overall ITP concept includes:

1. Process flow:
   - Idea collection and assessment (ICA)
   - R & D process
   - Technology transfer
2. Responsible team identification
3. Responsibility matrix

Digitalisation of ideas to plant trials

- To enhance data management throughout the entire process, we have implemented a highly secure web-based suite of tools. This suite allows us to efficiently manage all data, from initial ideas to commercial trials
- The system is designed to store data in a structured format, ensuring that information is organised and easily searchable. It helps prevent knowledge loss and facilitates seamless information flow within the organisation

CASE STUDY

During the year, we successfully implemented the process for a chemical used as an agro-intermediate. This involved processes where a lot of new ideas across chemistry and engineering were implemented to achieve the desired stringent quality. The process involves the removal of unwanted isomers efficiently to achieve the target CTQ parameters. The commercial samples of the said product have been approved by potential customers.

Benefits of digitalisation of ideas to plant trials

- Auto curate dashboards to connect Board rooms to Laboratory
- Documentation of the Lab Records are all digitised and on-line mode
  - Formats designed to extract data/information
  - Reports and presentations are created by the system through aggregation
- Ensures data integrity, data security and data traceability
- Reduce the time spent by scientists in making management reports significantly
- Open and transparent R&D team availability
- Using fortnightly reports and reduce the time of technical reviews
- No orphan data points and complete audit trail and tracebacks

Training of technical team

We organised two workshops on process safety and process scale up which saw participants from all the functions of Deepak Group. This workshop introduced the salient features of process safety pertaining to Deepak Group competency. The complete aspects of process safety and process scaleup were explained in detail during the workshop. This will help the teams in developing processes where the emphasis on scalability and safety starts from the lab itself.

Currently, the team is working on Aspen – for engineering data generation, Mixit – effects of mixing parameters, ai.minits – instant generation of minutes of meeting and also for follow-up with relevant stakeholders.

Key initiatives in FY 2022-23:

- Two new continuous Vapour phase processes were developed in the lab and successfully validated at pilot scale and the industrialisation work is in progress
- Several process optimisation and waste reduction activities were undertaken by the technical team to improve productivity and profitability

SOCIAL AND RELATIONSHIP CAPITAL

Fostering relationships of mutual trust and respect

We continue to deliver on our responsibility towards our communities with utmost sincerity. By creating meaningful opportunities through education, skill development, healthcare and promoting social equity, we intend to bring holistic change in the lives of people residing within and outside our impact zones and foster mutually beneficial relationships.

Material issues addressed

- Customer relationships
- Community development

Key risks considered

- Sustainability risk

SDGs impacted

Our CSR vision

We believe we are catalysts of change and growth enablers. We focus on empowering and enlightening our communities and supporting their aspirations. True to our belief that CSR projects must be robust and impactful to bring transformational changes in people's lives, we collaborate with trusted partners for executing social welfare initiatives.

Our CSR wings, Deepak Foundation and Deepak Medical Foundation, were started back in 1980s by Shri C. K. Mehta, our Chairman Emeritus. Deepak Foundation partner with various private and public entities to support underprivileged communities. With its social footprints in many states in India, the Company is steadily working towards promoting equality for all.

Promoting Healthcare

Construction of New Hospital Building and Renovation of existing Hospital Buildings of Medical Care Centre Trust (Kashiba Children's Hospital, Vadodara)

Company has undertaken a major CSR Project for supporting Medical Care Centre Trust ('Trust') for construction of a new Hospital Building and renovation of their existing hospital buildings at Vadodara.

Medical Care Centre Trust Hospital, popularly known as 'Kashiba Children's Hospital' is a renowned name for affordable treatment for children and women, not only in and around Vadodara district but also in neighbouring states of Gujarat. The Hospital of the Trust treats 30% of their patients either partially or totally free of cost. The Trust has been running since beginning on donations received from donors as well as support from Government.

Various medical facilities provided by the Trust include Paediatric Cancer Department, Paediatric Intensive Care Unit, Neonatal Intensive Care Unit, Apang Shishu Kendra (Specially abled children centre), Shri Jalaram Blood Centre – Regional Blood transfusion centre, Cleft lip and palate restoration centre under Smile Train Project.

The Trust has two existing Hospital Buildings constructed in the year 1982-84 and other one during 1990. The Trust's original hospital building constructed in the year 1982-84 required substantial renovation while newer building required strengthening. The Trust believed that due to growing demand from patients, it was essential to construct a new Hospital Building in the space available in the campus of the Trust. Thus, they approached the Company for support for construction of new hospital building as well as renovation and strengthening of their existing hospital buildings.

The Company has taken up the opportunity to support the Trust in the noble cause under the Corporate Social Responsibility initiative. The Construction work of the new hospital building is underway and it is expected to be operational by next year.

Mobile Health Units (MHUs)

Mobile Health Units are useful in providing quality healthcare services in geographically challenging underprivileged areas where other health facilities are non-existent, non-functional, or inaccessible. Their presence in underserved areas can be leveraged for introducing innovative and preventive health care aimed to improve specific health and nutrition indicators of key vulnerable groups like women, children and the elderly.

During FY 2022-23, we supported a total of seven MHUs in providing primary health services across 204 villages around Palghar and Raigad in Maharashtra and Bharuch, Chhota Udepur and Savli in Gujarat. Around over 1,79,000 beneficiaries were treated fortnightly with services like doorstep OPDs and referral services, specialist camps, anaemia prevention among adolescents and undernourished children and family planning counselling.

1,29,746
OPDs served through MHUs

CASE STUDY

A holistic MHU initiative

Kartik Jangam Waghe, aged 6 years, lives with his parents in Ambe, Mokhada in Palghar district of Maharashtra. His father is a labourer and his mother is a homemaker and lives in difficult economic conditions. He complained of swollen fingers in his hand for the past 15 days and came with his father to MHU OPD. He had small blisters on his hand and pus in the blisters and was unable to fold his fingers. He did not receive proper treatment from private and government hospitals. The medical officer at MHU examined him and he was diagnosed with skin inflammation and rashes. The medical officer prescribed a medicine course and anti-allergic ointment to him and emphasised the importance of a hygienic environment for him. He was also advised to avoid playing in the soil. The prescribed treatment and medication proved effective in improving his condition. His hand blisters are cured and he regained the ability to fold his fingers.

Help Desk at Sir Sayajirao Gaekwad District Hospital, Vadodara

Deepak Foundation operates a Help Desk at Sir Sayajirao Gaekwad District Hospital for the past 13 years providing care and support services to patients who seek outpatient services or are referred for critical cases at government health facilities. Most of these patients are financially disadvantaged and cannot afford services from private healthcare providers. The Help Desk, equipped with information technology, offers round-the-clock services and has been serving over 25,000 patients annually. Providing information on service delivery points, counselling patients, coordinating with medical staff to ensure patients receive the maximum benefits of health schemes, assisting patients in accessing wards and facilities, providing transportation services within the hospital premises and coordinating with agencies for emergency supplies are some of the major activities.

Deepak Medical Foundation

Deepak Medical Foundation (DMF) Nandesari was set up in 1982 to provide medical and healthcare facilities to communities in and around the industrial belt of Nandesari, Vadodara, Gujarat. DMF Nandesari started as a mother and child clinic (MCH Unit) and now has evolved into a full-fledged 28 bedded multispecialty hospital. It includes 10 bedded ICU services, Covid care centre, 24x7 Casualty, OPD, IPD and other specialty services such as gynaecology and obstetrics, paediatrics, psychiatric, dental with experienced and well-trained nursing staff and para-medical staff. The hospital also has a fully equipped diagnostic and pharmacy centre with nominal rates. Periodic health camps are conducted at the community level and free-of-cost paediatric check-ups are provided to preschool children.

Key highlights FY 2022-23:

- Promoted outpatient, in-patient department and occupational health care services with a focus on general and specialised services
- A total of 8,627 patients in OPD and 810 patients in IPD were treated with bed occupancy of 44%
- Health cards were provided to 448 patients at a discount to the regular beneficiaries
- Sonography services were provided to 695 women
- Nearly 6,249 employees underwent health checkups from different industries at the factory site
- The pharmacy facilities catered to 10,751 prescriptions and diagnostic services were provided at reasonable rates with 11,626 lab requests attended and 42,942 lab tests performed

178
Nutritional kits provided to 89 TB patients in 4 PHCs in Nandesari

122
Nutritional kits provided to 61 TB patients in 6 PHCs in Naswadi

Deepak Pathology Laboratory & Diagnostic Centre

With extensive experience in offering healthcare services to industrial workers, we established Deepak Pathology Laboratory & Diagnostic Centre (DPLDC) as a comprehensive medical laboratory and diagnostic centre in Dahej, Gujarat. It provides affordable, accessible and reliable diagnostic services to general population and employees of various industries to ensure their safety, wellbeing and early diagnosis of diseases. The medical laboratory also provides services via our MHUs.

Its services include

- Diagnostic and screening services for occupational health problems
- Medical laboratory check-ups including periodic annual, bi-annual health check-ups, pre-employment and executive health check-ups, check-ups at retirement and others
- Timely and quality medical laboratory services to employees and population of Dahej PCPI

Key activities undertaken in FY 2022-23

- Periodic check-ups of the employees: pre-employment and post-employment check-ups
- Medical camps at community level
- Health camps in collaboration with Mobile Health Units
- Documentation for NABL Accreditation
- Training of the staff

20,196
Beneficiaries

1,15,526
Tests conducted

Empowering Education

Project Vivek Vidya

Project Vivek Vidya, a unique mobile library programme run in Gujarat, Maharashtra and Telangana, aims at improving access to age-appropriate quality story books and reading materials to 7,000+ underprivileged children aged 6-15 years. This helps in improving reading, cognitive, behavioural and social competencies of the children which are mapped annually to assess the programme's impact. It also involves training to local community women named Vidya Sathis and dedicated staff members who actively engage with the children and provide direct support.

During FY 2022-23, the project incorporated various aspects of the National Education Policy 2020 such as vocational skill-building activities, exercises based on 21st century skills with a focus on basic literacy and numeracy. Basic English sessions were introduced to enhance functional and spoken English skills among Vidya Sathis and children in grades 3 to 8. Vocational skill-building activities were also conducted to prepare students for the future. Around 750 children were trained in vocational skills such as diya making, rakhi making, paper bag making and kitchen gardening. A key aspect of the project's sustainability is the training provided to over 100+ local women in areas such as classroom management, storytelling techniques, literacy and numeracy concepts, teaching and learning material development, the importance of art and craft in education, Vedic Maths and 21st-century skills. Consequently, more than 40 local women have initiated their own coaching units at home while providing educational support to children in their communities.

8,149
Children enrolled under Project Vivek Vidya

CASE STUDY

Inspiring journey of a Vivek Vidya beneficiary

Padhiyar Disha is an eight-year-old, joyful and adorable student from Rampura village. Her family consists of five people. Her father, Yuvraj Singh, works in a retail private firm and her mother, Kokila Ben, is a housewife. She has one brother and one sister. Disha is a Project Vivek Vidya beneficiary. She refused to attend the remedial classes and finish her worksheet owing to her weak reading abilities. She did not read any of Vivek Vidya's worksheets or story book. She used to have difficulty reading Gujarati language, story books and pictures.

Our field supervisor conducted extensive home visits and parent counselling. With the help of Vidhya Sathi, she started reading Gujarati language. It had a significant impact on her studies. Counselling has helped her and she has been attending sessions on a regular basis and has contributed significantly to each session. She expresses interest in various activities led by the field supervisor and Vidhya Sathi. The use of various TLMs has improved her reading and picture comprehension abilities and now she can fluently read story books. Her parents are grateful to the organisation and its staff for bringing a significant difference in her life.

Supporting Women Empowerment

Project Neem Sattva

Our holistic intervention, Project Neem Sattva supports SHG women in Suva village, Bharuch, Gujarat in product development and marketing of neem-based products to create a livelihood opportunity for themselves.

During FY 2022-23, several key activities were conducted including formulation of neem extract preparation, development of hand wash and handmade soap formulations, installation of machinery and equipment and establishment of an end-to-end value chain for production. The project also conducted training and capacity building programmes for the SHG women, including training sessions on hand sanitiser preparation, handmade soap making and product promotion and marketing.

Around 31 SHG women are earning an average monthly income of ₹ 3,082. Around 3,857 litres of handwash, 975 kgs of soap and 220 litres of sanitisers were produced in FY 2022-23. A cumulative sales of ₹ 5,00,861 was recorded in the fiscal year. Overall, the project has had a positive impact on the livelihoods of the SHG women in improving their living standards and boosting their confidence, skills and socioeconomic status.

Project Samanvay

Project Samanvay is an integrated cluster development project undertaken in 10 villages across Savli block of Vadodara district. The project aims to strengthen 100 SHGs, covering around 1,000 women, by identifying their training needs and building their capacity for income generation.

In FY 2022-23, we conducted various entrepreneurial and income generation activities for SHG women members like animal husbandry, stitching, handicraft, cooking, teaching, candle-making, etc. Additionally, new SHGs were formed and polyhouses were set up to facilitate agriculture-related activities.

These initiatives resulted in the formation of 84 SHGs with a total of 890 members. A revolving fund of ₹ 5,10,000 was received and the income generated from these activities amounted to ₹ 10,08,090.

This project made significant progress in empowering women through capacity building, training and income generation activities. It has also improved access to healthcare services and established linkages with government schemes.

Integrated Child Development Services (ICDS)

We have partnered with the Department of Women and Child Development, Government of Gujarat for providing supportive supervision to 67 Anganwadi Centres (AWCs) in the Vadodara district of Gujarat to strengthen the ICDS programme in these villages. Under this programme, we train women volunteers to track and counsel adolescent girls, conduct home visits to promote iron-folic acid tablet consumption and nutrition intake and distribute sanitary napkins to promote menstrual hygiene. Additionally, efforts are made to address malnutrition among children through regular weight monitoring, treatment and follow-up of underweight children and conducting annual health check-up camps. Pre-school education is also promoted through early childhood education sessions and school readiness assessments. This comprehensive approach has positively impacted the health, nutrition and education outcomes of the targeted communities.

In FY 2022-23, 8 model Anganwadis were developed and 205 malnourished children were treated. 538 pregnant women and mothers of infants received parents counselling sessions. A total of 7,881 beneficiaries including children, pregnant and lactating mothers and adolescent girls received supplementary nutrition at AWCs. We followed up with 515 adolescent girls for IFA compliance and dietary counselling.

Uplifting Farmers

Project Abhivruddhi

This project was initiated in March 2021 with an objective to provide support ecosystem to Farmer Producer Organisations (FPOs). Project Abhivruddhi is implemented in 24 blocks across nine districts in Gujarat and Maharashtra. We provide support in FPO management, production, processing, value addition and market linkages. We also provide support linkages with bank, credit and government schemes.

The implementation of the FPO scheme in India has yielded significant achievements. Of the 24 established FPOs, 15 are registered under the Farmers Produce Company Act 2013 and 9 are registered under the Cooperative Act 1962. A total of 4,187 farmers have become members of these FPOs, covering 308 villages. The FPOs have collectively raised a share capital of ₹ 48.28 Lakhs.

Further, 221 board of directors meetings and training sessions have been conducted for FPOs, along with 223 farmer awareness meetings in FPO villages. 18 FPOs have participated in exposure visits to gain valuable insights and 16 FPOs have established offices and agro-input shops. Several FPOs have applied for projects under the PM Formalization of Micro Food Processing Enterprises (PMFME) scheme to secure finance and subsidies. In terms of infrastructure, 20 FPOs have set up administration and accounting systems, obtained necessary licenses for business operations and conducted baseline surveys, diagnostic studies and prepared business plans. 10 FPOs have obtained Import Export Code Certificates and 18 FPOs have received institutional training. These achievements demonstrate the substantial progress made in empowering farmers and promoting sustainable agricultural practices through the establishment of FPOs.

Skill Building & Livelihood

Project Akanksha

To meet the increasing demand for skilled manpower in industrial automation and digitisation, we established a skill upgradation centre within the Dahej Industrial SEZ in collaboration with the Centre for Entrepreneurship Development (CED) to provide training in high-demand courses like housekeeping and data entry operations, covering a range of essential skills and knowledge. With state-of-the-art infrastructure and training facilities, the skill upgradation centre ensures candidates receive quality training from industry experts. The training combines theoretical sessions with practical hands-on experience enabling the candidates to apply their knowledge effectively. Upon completion of the courses, candidates receive industry-recognised certificates which help them in their future careers.

Since its collaboration with Deepak Foundation in September 2022, a total of 120 candidates have registered and are actively participating in regular classes. Among the registered candidates, 100 are enrolled in the Data Entry Operator course, while 60 are pursuing the industrial Housekeeping course. 23 successful candidates from the housekeeping course have secured placements in various malls and stores in Bharuch and Dahej showcasing the centre's effectiveness in preparing candidates for employment opportunities and bridging the skill gap in the region.

Home Health Aide Course

Demand for home health aide services in India is expected to rise due to factors such as ageing population, increase in chronic illnesses and a greater awareness of the benefits of home-based care. The Home Health Aide course covers essential topics such as medical terminology, infection control, patient safety, communication skills and personal care assistance with practical hands-on training and internships. It is affiliated with the National Skill Development Corporation under the Healthcare Sector Skill Council and includes a government-approved six-month certificate course for individuals in the age group of 18-40 with a minimum educational qualification of Class 10th. We are providing home health aide course in Vadodara and Hyderabad in collaboration with local healthcare providers, community organisations and government agencies.

Since 2014, we have registered approximately 2,500 candidates for the course. Around 1,600 candidates who passed the exams have been successfully placed in jobs. In FY 2022-23, around 400 candidates were enrolled and approximately 350 of them passed the course and secured placements. Salaries for home health aides range from ₹ 4,000 to ₹ 20,000, depending on the location and assigned responsibilities.

CASE STUDY

Success Story of HHA course

Smt. Parvathi Kumari is 29 years old and belongs to Tintega Village in Bhagalpur District of Bihar. Her husband took her to the Deepak Foundation in Hyderabad and enrolled her in the Home Health Aide (HHA) course. She studied hard and learned Telugu from her HHA batchmates. As she belongs to a poor family, she faced many restrictions on working and earning income from her family. With her husband's support, she pursued her education without any gaps and completed her degree with good ranks. She is now capable of supporting her family. Parvathi was placed well in the HHA batch student team and emphasised on academic and practical education. Several options for placement were presented after their training. After being questioned by the nursing faculty head and proving her willingness to work three shifts in compliance with hospital criteria, Parvathi was selected to work as an assistant nurse. She is now psychologically sound and has steadily expanded her knowledge of subjects relevant to the nursing profession. She and her husband express their gratitude to the Deepak Foundation and HHA teachers for their dedication in providing high-quality instruction and building their students' self-confidence.

Vocational Training for Special Children

Samaj Suraksha Sankul

Samaj Suraksha Sankul is a childcare institute for which a public -private partnership MoU was inked with the Department of Social Justice & Empowerment for its operations and management in Vadodara, Gujarat. The goal of the project is to rehabilitate over 90% of children and young adults with special needs at Sankul through skill building, higher education, rehabilitation and employable skills to enable independent lives.

The project operates a school for visually impaired children and currently accommodates over 150 children from Vadodara and surrounding districts. The interventions and initiatives of the project are categorised into three areas viz. Education, Medical and occupational therapeutic intervention and Economic rehabilitation/vocational training.

In FY 2022-23, the project had 355 beneficiaries, including children residing in Sankul, school-going children from nearby slum areas and outside children. The beneficiaries consisted of visually impaired children, physically challenged children, children in need of care and protection, aftercare boys, children in early intervention centres and children from nearby slum areas. The Samaj Suraksha Sankul project aims to transform the lives of specially-abled and destitute children by providing them with comprehensive support and opportunities for their growth and development.

A total of 121 children were trained in vocational courses such as ITI training, home health aide, file making, computer learning, music training, kitchen gardening, etc. in FY 2022-23. 85 visually impaired children were enrolled in mainstream schools. The children successfully adapted to the normal school pattern with immense hard work and dedication. Despite the infrastructure challenges, these students scored wonderfully in their first semester exams. The students participated in different competitions like district level long jump, running, short put, javelin throw, state level braille reading, elocution competition, singing competition, chess competition, etc. and won prizes for the same.

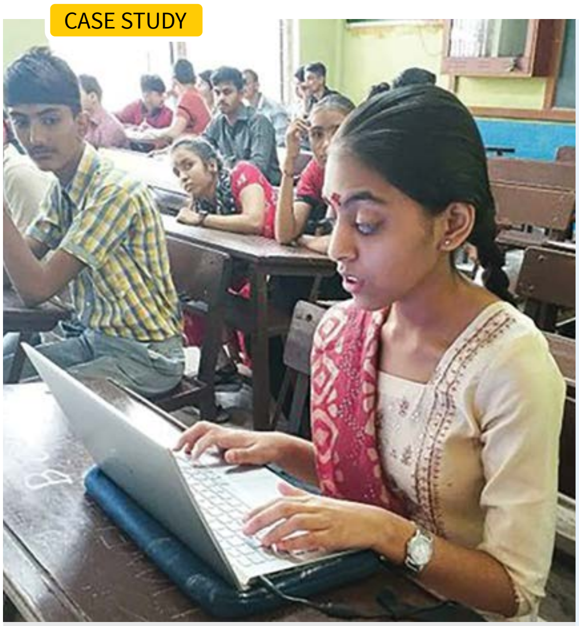
Project Navi Pahel

Project Navi Pahel is a school programme for children living in slums in proximity to Sankul. Due to the lockdown and lack of internet access, these children had no access to teaching. Therefore, we conducted basic education training, remedial coaching, counselling sessions, self-awareness activities, health checkups, etc. for students through this initiative.

60

Students participated in Project Navi Pahel in FY 2022-23

CASE STUDY



Tweet

Harsh Sanghavi
@sanghaviharsh

Breaking barriers with her sightless might,
Yesha Makwana writes her way to new heights!

Vadodara's Samaj Suraksha Sankul's student Yesha Makwana becomes the first visually impaired student in Gujarat to write her 10th grade exams by herself.

She ignite hope in darkness.

Breaking barriers with sightless might

Yesha Makwana, from Vadodara, became the first visually impaired student in Gujarat to write her 10th grade board exams independently using the laptop. The exam question paper was opted by Yesha in Braille and she successfully answered all her papers within the stipulated time limit. She studies at Web Memorial School as part of the inclusive education in the Sankul School and Resource Centre supported by the Deepak Foundation. She is with Sankul for the last two years and before that, she never worked with computers in her life. This historic milestone was achieved due to the collaborative efforts of the school principal, staff and management who trained her to accurately compose and format her answers on the computer.

Through compulsory unit tests, she used to mail her work to the school which then converted the matter from print to text and then to Braille enabling Yesha to attempt the paper in the stipulated time. The school utilised Non-Visual Desktop Access (NVDA) to equip Yesha with the necessary skills which gave her the confidence to undergo the 10th standard board exams independently. Yesha's academic prowess is reflected in her outstanding performance as she secured 82% in her preliminary exams and stood first in her class. She is enthusiastic in every field and doesn't define herself as "divyang". She is also good at singing and other activities and wants to become an IAS in the future. The exceptional feat achieved by Yesha caught the attention of Shri Harsh Sanghvi, Hon'ble Minister of State for the Home Department, Government of Gujarat, who acknowledged her remarkable journey on April 7, 2023. Yesha's ability to overcome numerous obstacles to achieve her goals serves as an inspiration to others.

Project Sangaath

We are supporting Project Sangaath, a unique community-based intervention aimed at increasing convergence of eligible households under government schemes and social safety net programmes. We are undertaking this project in Vadodara, Chhotaudepur, Bharuch, Morbi and Savli districts of Gujarat; Yamunanagar, Haryana; Palgarh and Raigad districts; and 1 cluster in Pune, Maharashtra. The intervention is centred around developing sustainable models of development by strengthening the utilisation of government services and empowering communities to drive change.

20,736
Adhikaar cards activated

84,500
Applications submitted

92
Schemes facilitated

Under this project, we have established Jan Suvidha Kendras in Gram Panchayat offices across these villages with support from district administration and developed a database of pre-requisite documents for 100% of beneficiaries in the intervention villages and linked at least 80% of eligible households with selected government schemes and safety net programmes. An in-house information technology innovation – Adhikaar Card is issued to each household with essential pre-requisite documents for facilitating the application process. The primary beneficiaries of the project encompass vulnerable household members, the elderly, widows, destitute individuals with disabilities and pregnant and lactating women. Additionally, the project also benefits Panchayat Raj stakeholders, block and district-level government officials and grassroots functionaries.

Customers

Customer satisfaction is our topmost priority and crucial for the Company's success. We implement a wide range of initiatives to strengthen customer relationships to establish ourselves as a reliable and preferred partner of choice. Through continuous engagement and innovation, the values are built on the foundation of long-term, transparent and trusted relationships. We also have robust systems and resolution mechanisms in place to ensure that customer feedback is incorporated and grievances are resolved effectively.

Delivering High-Quality Products

- Adhering to the IS standard globally and certified by BIS/ REACH registered
- Long-term contracts with key bulk customers and adhering to agreed contracts
- Ensuring timely and best quality of products as per customer needs on a consistent basis
- Robust pricing strategies ensuing a win-win situation

30+
High Value Products

56+
Applications

1,000+
Customers

Suppliers

Our strong and trusted relationships with suppliers and other business partners ensure steady supply of raw materials and continued business operations. We firmly believe in strengthening supply chain with responsible practices and high standards of health and safety, human rights, business integrity and environment protection.

400+
No. of suppliers

NATURAL CAPITAL

Committing to a planet positive future

We are committed to addressing climate change concerns and are taking measurable actions to ensure a low-carbon future. We deploy the most stringent systems, processes and controls across our manufacturing units to monitor our environmental footprint and undertake initiatives to make our operations more efficient and sustainable.

Material issues addressed

- Climate change

Key risks considered

- Sustainability risk

SDGs impacted

Our approach to sustainable development

- Sustained investments in cleaner and cost-efficient technologies
- Reduce, reuse and recover for resource conservation and sustainable growth
- Reduce carbon footprint
- Conserve natural resources
- Minimise discharge and disposal

CASE STUDY

TOGETHER FOR SUSTAINABILITY

DNL Dahej Plant Sets Unprecedented Record with Perfect Score in TfS Audit

We are committed to embedding sustainability in our processes and are proactively working together to address the most pressing environmental, social and economic challenges facing the world today. Our commitment has been acknowledged by EcoVadis through its comprehensive Together for Sustainability (TfS) audit. In this audit, our DNL Dahej plant achieved a perfect score of 100 out of 100 on the first attempt. The TfS Auditor was astonished on outstanding results and he emphasised that DNL is the first company in the history of TfS to receive a flawless score of 100/100 on the first attempt.

This accomplishment showcases our unwavering efforts towards promoting sustainable development.

Key initiatives in FY 2022-23

Emission management

We are strategically increasing our energy efficiencies by equipping our plants with modern and energy efficient equipment and technology. These measures are enabling us to minimise emissions and energy consumption while improving the plant's efficiency. We are progressively shifting to renewable energy and our R&D team is continuously working to improve product yield. We are also working on carbon offsetting for the carbon we generate by planting trees. We have installed electrostatic precipitators, bag filters and scrubber systems in the boilers during the year. We have also replaced older inefficient boilers with newer ones that emit significantly lesser pollution.

6,53,429 MT CO_2e
Scope 1 & 2 emissions

22%
Reduction in Specific GHG Emission

45,360 kWh
Energy savings through renewable sources

Water management

We are taking a holistic approach to water management by adopting water conservation philosophy based on the principles of reduce, reuse and recycle. This approach assists us in achieving our future goal of water positivity. Our intent is to make our operations water efficient and reduce our reliance on fresh water. We are aiming to reach zero-liquid discharge for our facilities. We implemented Zero Liquid Discharge system (ZLD) at the Hyderabad unit which involves the following benefits:

a. Effluents with high TDS are first given primary treatment and processed through a multi-effect evaporator system, from which the concentrate effluent is sent to a fluidised bed recovery system to recover sodium sulphate salt and treated water is reused in the process

b. Sewage treated in Sewage Treatment Plant followed by RO plant.

In Roha and Dahej units, approximately 60% of treated water was recovered from total wastewater generated by the installation of Reverse Osmosis system.

4,20,834 KL
Water recycled and reused

36%
Water recycled from total wastewater generated

Waste management

Natural resource management and decreasing environmental impact of production is crucial to us. We utilise resources efficiently and reduce waste generation. The waste generated during our manufacturing processes is disposed of responsibly and in accordance with regulatory requirements under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. We adhere to the Pollution Control Board's air emission standards and do not use any ozone-depleting substances (ODS) in our operations. We recycle all the plastic waste through CPCB-registered plastic waste processor (PWP) and address post-consumer waste through EPR management. 100% Fly ash is handed over to the brick and tiles manufacturer as per fly ash notification.

86%
Waste reused and recycled

45,158 MT
Waste recycled for producing the value-added products

19,033 MT
Co-processing waste sent to third-party cement plant as alternative fuel resource

Our strategic priorities

- Achieve 40% water recycling from total wastewater generation
- Increase capacity of rainwater harvesting
- Recycle 90% of hazardous waste from total waste generation
- Energy savings by installation of renewable energy sources

Paryavaran Today Awards 2023 for Excellence in Recycling Hazardous Waste

Deepak Nitrite Limited was awarded by Paryavaran Today for Excellence in Recycling Hazardous Waste at the Paryavaran Today Awards 2023.

Management Discussion and Analysis Report

GLOBAL ECONOMIC SCENARIO

During FY 2022-23, the global economy was posed with formidable challenges, impeding its progress towards the 2030 Sustainable Development Goals (SDGs). The overhang of subsequent waves of COVID-19 remained a threat, while the war in Ukraine led to sanctions that disrupted global supply chains causing shortages for a variety of inputs and consumer products and driving a ripple effect throughout the globe. The resultant surge in inflation impacted businesses as well as consumer spending as a rise in food and energy prices significantly upended spending patterns. Central Banks responded to these inflationary pressures by raising interest rates which caused forex rate volatility, heightened balance of payment pressures and exacerbated sovereign debt sustainability risks in developing countries. Towards the end of the fiscal year, second order effects were witnessed in the global banking and technology sectors where bank failures and headcount reductions fanned fears of severe recessionary conditions. These shocks are expected to continue and have an impact on the world economy in FY 2023-24.

The current economic scenario has led to a decline in consumer confidence and investor sentiment, as rising interest rates and dwindling purchasing power weigh on the global economy. This has resulted in some compression in the global trade, with lower demand being witnessed for consumer goods and persistent supply chain challenges compounded by the prolonged war in Ukraine. As a result, the global growth rate is projected to reach

its lowest point at 2.8% in 2023, followed by a modest increase to 3.0% in 2024. Global inflation is expected to decline, albeit at a slower pace than previously predicted, from 8.7% in 2022 to 7.0% in 2023 and further to 4.9% in 2024.

The world economy's return to pre-2020 levels of economic growth seems increasingly difficult. Despite more than a year passing since Russia's invasion of Ukraine and fading of pandemic concerns through less severe COVID-19 variants, many economies are still grappling with the aftermath of events of the last 3 years. The continuous tightening of global financial market is further impeding the recovery process. Consequently, numerous economies are anticipated to face slower income growth in FY 2023-24, along with rising unemployment. Additionally, despite central banks' efforts to combat inflation by raising interest rates, achieving price stability could be a lengthy endeavour. In the medium term, the outlook for growth appears less promising than in the previous years.

Asia: Emerging through global challenges

Asia and the Pacific's economic headwinds of the previous year are fading as global financial conditions improve, food and oil prices drop. These developments are fostering the region's prospects, with growth predicted to increase from 3.8% in 2022 to 4.6% in 2023 and 4.4% in 2024, making it the world's most dynamic major region and a bright spot in the slowing global economy.

The dynamism is driven by the region's emerging and developing economies, which are set to expand by 5.3% this year, as supply-chain disruptions fade and the service sector thrives. China and India are expected to contribute to more than half of the global growth, with the rest of Asia contributing an additional quarter.

Cambodia, Indonesia, Malaysia, the Philippines, Thailand and Vietnam are all back to their robust pre-pandemic growth levels. These economies are showing their true potential as the pandemic induced supply-chain disruptions fade and the service sector booms. Their economic growth is set to continue, driven by the region's dynamism, making Asia and the Pacific a region to watch for investors and businesses looking for growth opportunities.

The escalation of Asia's inflation, which surpassed central bank objectives last year, has started decelerating. Although core inflation is yet to ease significantly, there are positive indications as the headline inflation reached its peak in the second half of last year. It is widely anticipated that inflation is set to return to central bank targets during the course of next year, as financial and commodity challenges ease.

The rise in inflation beyond the targeted levels has led to a hike in interest rates by central banks. As a result, Asian currencies have been recovering, reversing approximately half of last year's losses, thereby reducing the strain on domestic prices.

This development has relieved some pressure on businesses and consumers, but it is worth noting that the economic outlook remains uncertain due to various geopolitical and environmental risks that may impact the region's inflation rate.

Global GDP Growth

Particulars	Actual	Projections	
	2022	2023	2024
World Output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
United States	2.1	1.6	1.1
Eurozone	3.5	0.8	1.4
Japan	1.8	1.8	1.8
United Kingdom	4.0	-0.3	1.0
Other Advanced Economies	2.6	1.8	2.2
Emerging Market and Developing Economies	4.0	3.9	4.2
China	3.0	5.2	4.5
India	6.8	5.9	6.3

INDIAN ECONOMIC SCENARIO

The International Monetary Fund (IMF) has projected growth in India to increase from 5.9% in Calendar Year 2023 to 6.3% in Calendar Year 2024. India is expected to maintain its position as the fastest growing large economy in the world.

The IMF also projects India's inflation to slow to 4.9% in the current year and further to 4.4% next fiscal year. Despite these challenges, private consumption in the first half of the fiscal year has been the highest since FY15, leading to a boost in production activity and enhanced capacity utilisation across sectors. The expansion of public digital platforms and measures to boost manufacturing output are expected to contribute to economic growth in India.

The Budget 2023 is characterised as growth-oriented, progressive and prudent, with a specific focus on stability and sustainable development. The Budget introduces various policy measures aimed at generating demand for a variety of chemicals, including construction chemicals, emission control catalysts, thermoplastic polyurethane materials TPUs, bio-pesticides and more. Additionally, changes in the Basic Customs Duty (BCD) rates for goods such as crude glycerin, denatured ethyl alcohol, acid grade fluorspar and specified chemicals for the manufacture of pre-calcined Ferrite Powder are expected to provide impetus to increase domestic manufacturing of these products, aligning with the Make in India initiative.

The total expenditure in the Budget Estimate (BE) for FY 2023-24 is estimated to be ₹ 45,03,097 Crores (₹ 45.03 Lakh Crores), with the total capital expenditure amounting to ₹ 10,00,961 Crores (₹ 10 Lakh Crores). This reflects the Union Government's continued strong commitment to boosting economic growth through investments in infrastructure development, leading to a significant increase of 37.4% in capital expenditure compared to the Revised Estimate (RE) for FY 2022-23. The Budget 2023 emphasises on the Government's focus of promoting economic growth and development through strategic investments and policy measures in the chemical sector and other key areas, while maintaining prudence and stability in fiscal management.

With a strong rebound from the challenges of the pandemic-induced contraction, the Russian-Ukraine conflict and inflation, the Indian economy is showcasing a robust recovery across diverse sectors, positioning itself for a return to the pre-pandemic growth levels in FY 2022-23. According to a report by Deutsche Bank, India is expected to emerge as a USD 7 trillion economy by 2030, fuelled by the triple engines of rapid financialisation, clean energy transition and the digital revolution. This ambitious projection signifies India's potential to double its economy in just seven years from its current GDP of USD 3.5 trillion, driven by factors such as demographic dividend and domestic consumption that have been historically instrumental in driving India's economic growth. Notably, India's remarkable average growth rate of 7.5% per annum over the past two decades, second only to China's 9.6% growth, further reinforces its promising growth trajectory.

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INDUSTRY OUTLOOK AND TRENDS

Prior to the Russia-Ukraine conflict, the global chemicals market was projected to record a higher CAGR of 6.2% and an estimated value of USD 6.8 tn between 2020-2025, compared to 3.6% CAGR and USD 5.0 tn reported between 2015-2020.

The conflict has disrupted supply chains for many chemical companies, particularly those that rely on imports or exports from Russia or Ukraine. This has led to shortages of certain chemicals and raw materials, as well as increased prices. Further, there is increased political and economic uncertainty, resulting delays or cancellation of investments. Due to the imposition of sanctions, Companies have had to shift production into alternate regions. Due to these challenges, as per the most recent projections, the global speciality chemicals market is expected to clock a CAGR of 5.2% over 2020-25E.

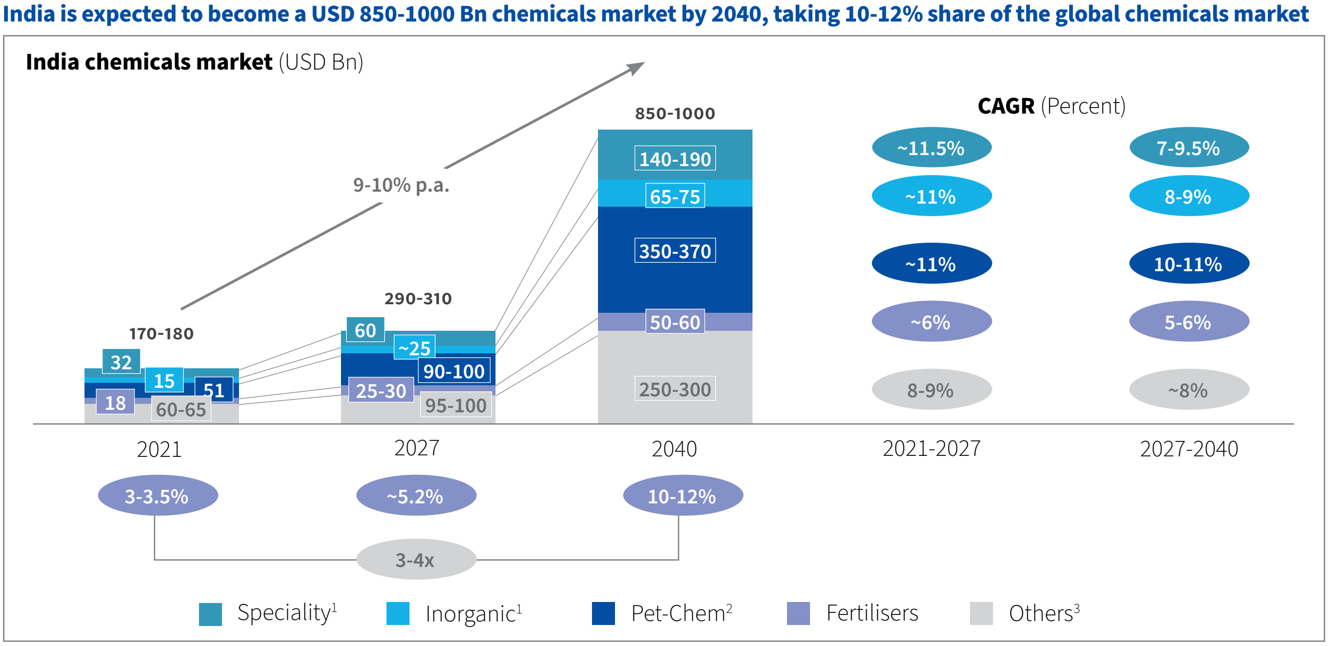
The global chemicals industry has been fairly resilient to the upheavals across the global economy. The following mega-trends are likely to play a huge part in shaping the progress in the years ahead:

- **Sustainable and Green Chemistry:** The chemical industry is under increasing pressure to adopt sustainable and environmental friendly practices. Many companies are investing in green chemistry, which involves using renewable resources, reducing waste and emissions and creating safer products.
- **Digitalisation:** The chemical industry is also embracing digitalisation, which involves using advanced technologies such as artificial intelligence, machine learning and the Internet of Things (IoT) to optimise processes, increase efficiency and reduce costs.
- **Consolidation and Mergers:** The chemical industry has been undergoing consolidation and mergers, with companies seeking to achieve economies of scale, diversify their product portfolios and expand their geographic reach.
- **Shift in Demand:** There is a shift in demand for chemicals from developed countries to emerging markets, particularly in Asia, where there is a growing middle class and increasing demand for consumer goods.
- **Increased Regulations:** The chemical industry is facing increasing regulations around the world, particularly in areas such as environmental protection, worker safety and product quality. Companies are working to comply with these regulations while maintaining profitability.

DOMESTIC CHEMICAL INDUSTRY

In the last decade, India's chemical industry has excelled in capitalising on demand growth and generating wealth for the shareholders on a global scale. Riding on this success, the industry is positioned to further expand its presence in both consumption and manufacturing worldwide. As many countries shift their attention to domestic self-sufficiency and localised supply chains, India's manufacturing competitiveness is proving to be strong compared to other major global chemical clusters. This positions India as a potential hub for chemical manufacturing in the near future.

India is expected to become a USD 850-1000 Bn chemicals market by 2040, taking 10-12% share of the global chemicals market



[1] 2027 estimations basis sub-sector level CAGRS from IHS Markit; 2040 projections basis end-use sector nominal GVA CAGR (weighted)

[2] Estimated basis EIL 2020 and 2040 projections; 5% price CAGR assumed for 2021, 2027 and 2040 projections

[3] Includes pharma products (vaccines, injectables, OSDs, medical devices etc.) as per NIC's industry division 21. Also includes some personal care consumer products (e.g. Shampoo, hair oil, toothpastes, soaps etc.) as NIC's industry division 20

Source: MoCPC 2021 report: "Chemical & Petrochemical Statistics at a Glance", Invest India, "India Petrochemicals Scenario 2040 by EIL. and IOCL, IHS Markit, UN Comtrade, McKinsey Global Institute, Press search

Over the next two decades, India is projected to contribute over 20% to the incremental global consumption of chemicals. The domestic consumption and demand for chemicals are anticipated to increase from USD 170-180 billion in 2021 to USD 850-1,000 billion by 2040 (Source: McKinsey Report).

India is poised to become the fastest-growing global demand centre for chemicals, with domestic consumption projected to grow at a CAGR of 10% going ahead. This growth is driven by factors such as rising disposable incomes, a favourable demographic dividend, the global preference for environmentally friendly alternatives and the expanding diversification of global chemical supply chains.

The chemical sector in India is expected to experience significant growth driven by robust demand from various industries, both domestically and through exports. The speciality chemicals industry, in particular, is witnessing strong growth fuelled by increasing domestic consumption. To meet the rising demand, manufacturers are expanding their production capacity. Additionally, anti-pollution measures in China are creating opportunities for the Indian chemical industry in specific segments. The fast-paced growth of the Indian chemical industry is inevitable and it is transitioning towards speciality materials to cater to evolving user industry needs. The speciality chemicals sector is playing a crucial role in shaping India's economic landscape and it is poised to benefit from future demands from local industry as India ramps up the share of manufacturing in economic growth.

FOCUS ON REDUCING CHEMICAL IMPORTS

India's chemical market has traditionally relied on imports, but over the past decade, domestic manufacturers have made giant strides in new technologies, capabilities and processes. Additionally, the emphasis on backward integration and 'Make in India' initiative is likely to reduce India's dependence on imports.

The Government aims to boost domestic production of chemicals, transforming India into a manufacturing hub by reducing imports. India's appeal as a manufacturing destination has grown due to competitive labour costs, cost-efficient manufacturing units and recent changes in corporate tax rates. Indian speciality chemical players have developed unique capabilities and established global supply relationships, despite industry-specific challenges like inadequate infrastructure, high costs of raw materials, expensive capital and the need for facility modernisation. The government has introduced initiatives like Aatmanirbhar Bharat and Make in India to stabilise the industry. However, a major hurdle is shrinking profit margins due to rising raw material costs and higher operating expenses, especially during the COVID pandemic. It is crucial to prioritise the domestic production of essential chemical compounds in India. Chemical companies in India could benefit in the long term from rising domestic demand in various sectors like agriculture, consumer goods, infrastructure, automotive, electronics and healthcare, driving around 50% of incremental growth in the chemical industry as the economy expands. These factors are expected to generate lucrative opportunities in different chemical sub-segments. With policy support from the Central Government and subsequent spends by Indian chemicals majors across R&D, backward integration and technological initiatives, India is gradually reducing its import dependence, while a strong emphasis on exports is providing a much-needed fillip to narrow the trade gap.

STRUCTURAL GROWTH DRIVERS FOR INDIA

Shift in customers' preferences – There is a noticeable change in customer preferences as they are now showing a greater inclination towards environmentally sustainable and socially responsible products and services. Additionally, customers are placing greater importance on health and hygiene and are insisting on greener and safer alternatives.

Increasing per capita consumption – The current per capita consumption of chemical products in India is about one-tenth of the global average and is expected to double by 2025.

Digitalisation and Industry 4.0 – Chemical companies are leveraging digitalisation to gain a competitive edge by enhancing their plant efficiency, integrating their processes and utilising innovative digital business tools. As part of this trend, they are implementing digitalisation initiatives and tools in their supply chains, demand forecast and pricing strategies.

Growing M&A and investment-related activity – The strong surge in M&A and investment activities is being propelled by several factors, including downstream value-added opportunities, robust demand for speciality chemicals and the need to realign portfolios. Major players in the global oil & gas and chemical industries are keen on exploring downstream prospects in emerging economies like India. This trend has already taken shape, with industry leaders like Saudi Aramco, Total and BASF expressing their interest in India's thriving chemical sector.

Structural shift from China – China's chemical industry has experienced significant structural changes due to industry consolidation, environmental reforms and stricter financing regulations. This has resulted in uncertainty for global companies relying on China for their raw material supply chain. The COVID-19 pandemic has further prompted these companies to seek alternative locations, such as India, that provide stability and benefits in terms of low-cost labour and favourable investment policies.

Innovation and sustainability – The chemical industry is adopting a management principle that aims to add value by striking a balance between the economic and socio economic system that is panning out post impact of the pandemic and ongoing Ukraine war. In pursuit of sustainability and green chemistry, chemical companies are continuously innovating their products, technologies and processes and collaborating closely with customers and suppliers throughout the value chain.

Favourable Government Policy – In addition to 'Make In India' and 'Atmanirbhar Bharat', the Govt. has implemented host of reforms and policy initiatives to support chemical manufacturing in India. The focus is to increase the share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. In order to achieve this ambitious target, the Government in the Union Budget 2022-23 allocated ₹ 209 Crores (US$ 27.43 million) to the Department of Chemicals and Petrochemicals.

INDUSTRY OUTLOOK

The Indian chemical industry has favourable underlying prospects due to supply chain disruptions and anti-pollution measures undertaken in China. This, in addition to trade conflicts between the US, Europe and China presents ample opportunities for the Indian chemical industry across specific chemical value-chains.

Improved infrastructure through PCPIRs or SEZs, will further enhance competitiveness and development of the industry. Under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy, dedicated integrated manufacturing hubs aim to attract an investment of ₹ 20 lakh Crores (US$ 276.46 billion) by 2035. To bring about structural changes in the domestic chemical industry, future investments should focus not only on transporting fuels like petrol and diesel but also on setting up crude-to-chemicals complexes or refineries that cater to chemical production.

The Government has promoted various policy initiatives such as mandating BIS-like certification for imported chemicals to prevent the dumping of cheap and substandard chemicals into the country. The Indian Government recognises the chemical industry as a key growth element and forecasts to increase the share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of ₹ 1,629 Crores (US$ 213.81 million). The Government of India is also considering launching a production-linked incentive (PLI) scheme for the chemical sector to boost domestic manufacturing and exports.

India's 2034 vision for the chemicals and petrochemicals sector has been set up by the Government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The Government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters (Source: IBEF).

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PERFORMANCE OF YOUR COMPANY

Deepak Nitrite Limited ('DNL') has demonstrated remarkable agility in capitalising on the pockets of opportunities available during the year. The sustained focus on driving operational efficiencies has ensured that the plants operate at consistently high utilisation levels. During the period under review, the Company set new production and sales benchmarks for several leading products steered by encouraging demand scenario. Despite volatility due to macroeconomic developments, DNL delivered a strong performance during the year with healthy revenue growth witnessed for key products, especially Phenolics. As a result, consolidated revenues were higher by 17% on a year-on-year basis in FY 2022-23.

During the year, the Company merged the strategic business units of Basic Chemicals, Fine & speciality Chemicals and Performance Products into a single unit called 'Advanced Intermediates'. This will not only allow DNL to evaluate the performance of the entire Group as two business segments, i.e., Advanced Intermediates and Phenolics, but also allocate the desired time and resources based on the value generated from these segments. As a process, the business segments are interconnected given the high integration levels that the Company has achieved, thereby higher margins in one segment may result in lower margins in another. Therefore, it is necessary to view the performance of the Company in a holistic manner to enable a fair assessment. This year, the Company has focussed on customer relationship enhancement and wallet share gains. Nonetheless, the Company has been able to either maintain or gain market share in almost all products by proactively assessing the market situation and ensuring adequate supplies, reinforcing its position as a dependable partner and has increased its wallet share in almost all products.

Operationally, the global landscape has been characterised by significant fluctuations in crude oil prices, plant shutdowns in Europe and China, rapid change in input prices, volatility in forex rates and logistical challenges. DNL has utilised its rich experience in manufacturing and has carefully countered the unforeseen challenges around logistics and supply chain management to ensure that it adheres to the supply commitments. As a result, the availability of critical intermediates has remained consistent even under the volatile operating conditions. In addition, the Company has remained nimble and responsive to the opportunities available due to change in the operating environment, leveraging them to further enhance operations.

One of the key strengths of DNL as a leading chemical intermediates Company is the wide range of products it offers. The diverse portfolio of chemical intermediates caters to various end-user industries, such as dyes and pigments, agrochemicals, pharmaceuticals, plastics, textiles, paper, home & personal care, laminates, ply, adhesive, paints, auto etc. The Company's manufacturing facilities are strategically located in Gujarat, Maharashtra and Hyderabad (Telangana), with its R&D facility located in Nandesari (Gujarat). All the products are certified by Responsible Care. Moreover, DNL's Dahej facility received an unprecedented score of 100 upon 100 in Together for Sustainability Audit.

The Company supplies its products across user segments in most continents such as Europe, North & South American countries, Asia and Africa. DNL exports to approximately 45+ nations worldwide and is known for its cost leadership across major products. It aims to grow its footprint in high-value intermediates and has initiated several growth plans to achieve this goal.

In FY 2022-23, the Company surpassed the ₹ 8,000 Crores mark of revenue, that stood at ₹ 8,020 Crores, which represents an increase of 17% compared to the previous year. By efficiently operating its plants, effectively sourcing raw materials and actively managing the logistical challenges, the Company has sustained high volumes for its products. However, profitability has not grown in line with topline growth due to a combination of factors including high inflationary pressures, particularly in commodities and pet-chem input and interruption of business due to fire at Nandesari plant. As a result, the Company reported an EBITDA of ₹ 1,337 Crores, lower than the EBITDA of ₹ 1,646 Crores achieved in the prior fiscal year. The EBITDA margin declined by 738 basis points (bps) year-on-year, reaching 16.67%. PBT for the year amounted to ₹ 1,146 Crores, reflecting a decline of 20% over the previous year, while PAT stood at ₹ 852 Crores, 20% lower than was reported in the previous fiscal year. Your Company proactively pursued opportunities in all product categories, with keen focus on ethics and transparent business practices further deepening the 'Depend on Deepak' initiative.

In terms of revenue contribution, the domestic market accounted for 80%, while exports accounted for 20%. Domestic revenues grew by 22%, while steady demand in key export geographies resulted in a 2% increase in export revenues. The Company was able to maximise the utilisation of its facilities and compete in both domestic and export markets, leading to improved profitability. DNL is methodically investing in expansion projects to diversify its expertise and widen the addressable market, with an objective of expanding the product portfolio where it has a clear competitive advantage. This will diversify the Company's offerings and strengthen its operational integration.

Overall, the demand outlook seems to be resilient, with most industries returning to normal production levels. There is an additional demand emerging from strategic shift in the global supply chain from China to other countries, particularly India.

Your Company enters into FY 2023-24 with a de-risked business model, a robust balance sheet and a pipeline of projects lined up for commissioning. This provides an attractive growth outlook and the Company will endeavour to sustain the performance momentum.

Post the incident of fire, the Company has obtained help of several eminent external experts to strengthen the system further, across all its units to ensure such incidents don't recur and towards this , the Company has already incurred a sizeable investment and have duly completed all the safety audits & checks.

1. Advanced Intermediates

Your Company delivered steady revenue growth on the back of sustained demand from key customers and end user industries. This performance was achieved despite non-availability of Nandesari plant for a period of about 40 days due to fire. Further, the after-effects of pandemic and the global sanctions imposed on Russia led to rise in crude oil and related petrochemical-based intermediates. Combined with fluctuations in foreign currency rates and sharp shifts in spot prices of commodities, there were myriad operational challenges.

The Company has actively pursued opportunities both domestically and internationally, demonstrating a commitment to fulfilling delivery obligations and catering to ongoing demand landscape despite external headwinds. Its competitive position and assured supply of key inputs suggest that it will maintain its strong performance momentum. While revenue growth has been strong, growth in EBITDA has been impacted by the sharp increase in input costs compared to the corresponding period last year. The Company has taken proactive measures to address this issue by creating in-house capacity for key inputs, development of relationship with alternate vendors, benchmark based pricing and creating storage facilities. The Advanced Intermediates segment has successfully expanded its international customer base and is expected to continue the performance momentum based on positive demand trajectory and shift of global supply chains to India. The Company's future performance will be driven by new multiyear contracts with pass-through clauses, strong demand and its ability to negate cost increases to customers.

In FY 2022-23, revenue increased by 21% to ₹ 3,034 Crores versus ₹ 2,511 Crores in FY 2021-22. The growth is owing to contribution from established products and ability to cater to the healthy demand and increase in market/wallet share. EBITDA was lower by 7% to ₹ 631 Crores during the period under review for reasons enumerated above. EBIT came in at ₹ 555 Crores, translating into a margin of 18% demonstrating a resilient performance despite the current operating environment faced with several challenges.

With the Nandesari plant fully restored and other plants running at high utilisation levels, the Company is well poised to deliver profitable growth moving ahead. Captive power supply and assured supply of critical raw materials further de-risks the operations. With multiple brownfield and greenfield projects set for commissioning in the coming quarters, the performance trajectory is set to elevate, further embellishing its value creation journey. However, presently market conditions are very volatile due to various factors like revocation of zero covid policy in China and elevated interest rate resulting in compressed demand.

User Industries under the segment:

Advanced Intermediates

Colourants, Rubber Chemicals, Explosives, Dyes, Pigments, Food Colours, Pharmaceuticals, Diesel Blending, Agrochemicals, Glass, Personal Care, Paper, Detergents and Textiles.

Phenolics

Laminates, Ply, Adhesive, Paints, Auto, Pharmaceuticals, Plastics, etc.

2. Phenolics

Deepak Phenolics Limited ('DPL'), is a wholly owned material subsidiary of your Company. DPL is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol ('IPA').

Phenol is a versatile industrial organic chemical and is used for manufacture of various chemical intermediates. Phenol is consumed in a broad spectrum of end-user segments, including ply, laminates, foundry, paints, rubber, surfactants, pharmaceuticals and agro-chemicals. Acetone and IPA are mainly used in pharmaceutical end use and also in paints, adhesives and thinners amongst many others.

DPL entered the FY 2022-23 amidst a robust business environment as global recovery took root after the COVID-19 related concerns and restrictions were slowly withdrawn globally, including in India. At the same time, events in Europe and Ukraine caused a major spike in energy prices, including for household use, which resulted in a marked shift in consumer spends towards basic essentials like food and energy. An unusual pull from transport fuels caused Benzene prices to spike to unprecedented levels in the middle of the year. However, the market witnessed a steady decline thereafter as global consumption declined, new capacities of Phenol came on-stream in China and downstream BisPhenol-A and Polycarbonates lost their lustre. A continuous bear phase in Phenol caused chain margins to shed nearly 25% from the previous year.

DPL stabilised its operations of second Boiler as well as the captive power plant in the initial months of the year and consequently, improved the operational reliability significantly. DPL could avoid at least ten to twelve power disturbances related plant stoppages thanks to operating the power plant on an islanded mode. Despite the challenges and while the Asian producers were struggling to keep operating rates above 75%, DPL created new benchmark in terms of volumes of production and sales. DPL was awarded the prestigious Responsible Care certification by ICC during the year. DPL's IPA product was also certified to be meeting the quality requirement of Indian, British and American (US) Pharmacopeia, reflecting the commitment to produce world class quality products. DPL also commenced debottlenecking its Phenol production capacity by 10% over and above the current level of production, which is expected to be operational by the end of H1 of FY 2023-24.

DPL also started trials of using bio fuels in its boilers to reduce its usage of fossil fuels and it is planned to further scale it up during FY 2023-24.

During FY 2022-23, DPL achieved robust sales growth despite external headwinds, aided by the Phenol plant operating at high utilisation levels. Average capacity utilisation for the year stood at more than 120% which is meaningfully higher than the rated capacity. Revenues increased to ₹ 4,986 Crores in FY 2022-23 from ₹ 4,318 Crores in FY 2021-22. Revenue growth was linked to enhanced volumes of production and sales. Despite the improved top line performance, EBITDA margin compressed compared to the previous year. Profit After Tax reduced to ₹ 445 Crores in FY 2022-23 as against ₹ 624 Crores in FY 2021-22 which was largely due to drop in chain margins.

DPL continued to remain the largest producer of Phenol and Acetone in India with a market share of ~56%. Further with expanded capacity of IPA Plant, your Company is able to reduce import dependency of IPA. During the year under review, your Company successfully placed its volumes in the domestic market to reflect its commitment towards Aatmanirbhar Bharat.

3. Investment in Deepak Chem Tech Limited

The Group aims at growing through organic route, through its 100% subsidiary company, Deepak Chem Tech Limited ('DCTL'). With its Registered Office at Vadodara in the State of Gujarat, DCTL is in the process of implementing various projects to produce intermediate chemicals for various applications leveraging existing competencies and product portfolio of the Group. DNL has invested ₹ 9.50 Crores as equity and ₹ 395.50 Crores as Compulsorily Convertible Debentures (CCD) into DCTL towards part funding the on-going projects.

As of now, DCTL is incorporating projects across two sites in Gujarat under both the business segments – Advanced Intermediates (AI) and Phenolics. To start with, DCTL is implementing several projects for an overall capital outlay of approx. ₹ 2,000-2,200 Crores across new products, upstream and downstream products. DCTL has acquired big-parcel of land at Dahej, Gujarat, where it is implementing most of the projects.

DCTL has already created a very strong project implementation team, which works closely with the R&D and Technical Services toward licenses and technical know-how and executing projects for the Group. DCTL has an existing employee strength of 135 which largely comprise of project team. It puts special emphasis on timelines and cost of projects while simultaneously looking deeply into various aspects such as health, safety, environment and compliances. In line with the Group's philosophy, it walks extra mile towards ensuring sustainable processes and easy scalability so that, in future, the Group's ability to expand is much more at less costs so to achieve better efficiency, green processes and reducing carbon footprints.

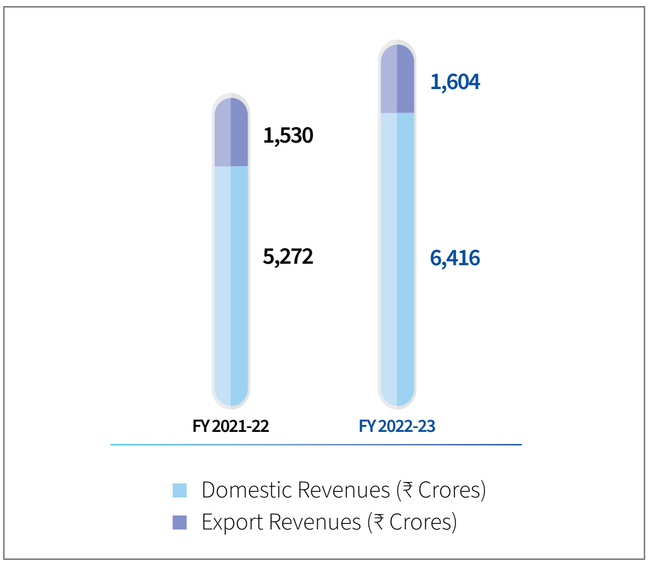
Alongside project implementation, DCTL is also creating a full capability operations team to ensure smooth take over and running the gamut of operations across all plants at various locations.

In a recent event, DCTL has signed an MoU with the Government of Gujarat, whereby it announced its intent of implementing another Phenol and Bisphenol A capacity. It is worth mentioning that, Phenol is a pre-cursor of Bisphenol A, while Bisphenol A is a pre-cursor of Polycarbonate. DCTL is already in the process of implementing a project of Polycarbonate compounding (i.e. downstream products of Polycarbonate).

During FY 2022-23, DCTL generated a total revenue of ₹ 1.41 Crores and a net loss of ₹ 0.56 Crores.

GEOGRAPHICAL PERFORMANCE

Domestic Revenues for FY 2022-23 stood at ₹ 6,410 Crores when compared to ₹ 5,272 Crores in FY 2021-22. Revenue contribution from Exports stood at ₹ 1,562 Crores, up by 2% when compared to ₹ 1,530 Crores in the previous financial year. On a Standalone basis, mix of Domestic versus Export Revenues has been 57:43 in FY 2022-23.

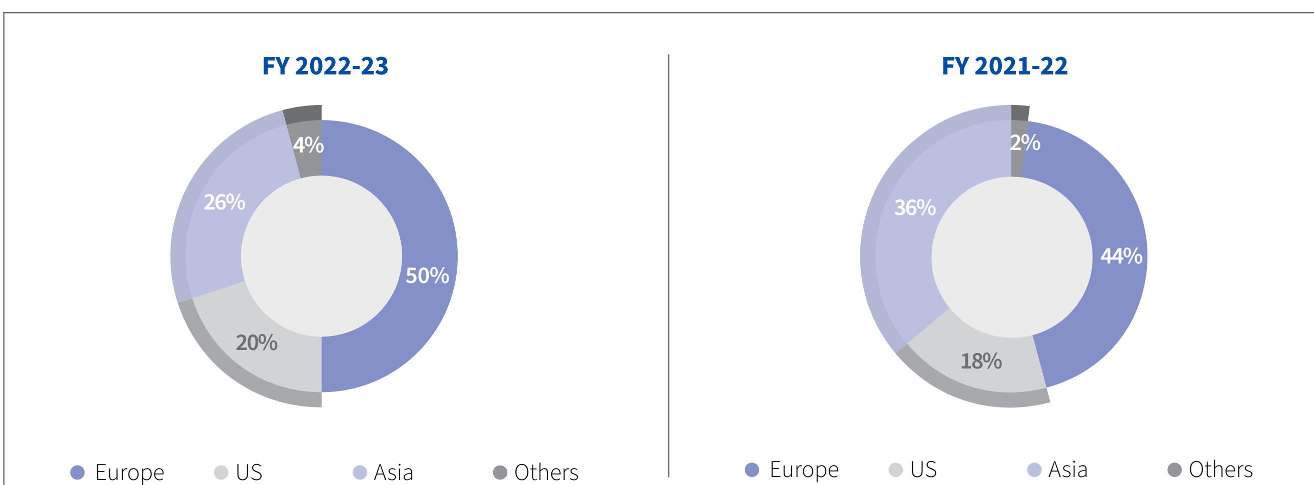


During the year, there was a significant increase in domestic revenues, by 22%, as demand in key end-user industries recovered. Further, with stringent COVID protocols in place in China in the early part of the fiscal year and increased shipping costs and logistics charges, domestic suppliers did become more competitive than imports.

The growth in demand was catered to despite capacity constraints during the first half of the year and DNL was able to maintain the wallet share for most of its products. The Company has maintained its position as a preferred supplier for key domestic customers, thanks to its competitiveness. This has been further complemented by efficient production and favourable product mix that resulted in positive volume growth for select products.

Exports grew by 2% during the period under review, driven by enhanced customer engagements in key geographical regions and the shift in the global supply chain resulting from the China+1 strategy. Your Company has been able to maintain this momentum by optimising plant utilisation levels and streamlining manufacturing processes. Europe's contribution as a percentage of exports rose to 50% compared to 44% in the previous financial year, while Asia's contribution stood at 26%. In addition, the US also contributed 20% of the overall share of exports.

The growth momentum of both domestic and export revenues has been strong, driven by DNL's focus on cost leadership, production efficiency and enhancement of product mix. The Company is well-positioned to continue its growth journey by leveraging opportunities in key end-user industries, optimising plant utilisation levels and increasing customer engagement in key geographical regions.



For DPL, revenues for FY 2022-23 stood at ₹ 4,970 Crores and Domestic and Exports Revenue mix stood at 95:5.

On a Consolidated basis, the Domestic Revenues for the year stood at ₹ 6,410 Crores while Export Revenues came in at ₹ 1,562 Crores. Domestic and Exports Revenue mix was at 80:20.

RISK MANAGEMENT

As a major player in the global chemical industry, your Company faces a wide range of risks. To mitigate these risks, the Company has implemented a comprehensive Enterprise Risk Management Framework and Policy that has been approved from the Board of Directors. This framework is aligned with the standards set forth by ISO 31000 and COSO, enabling the Company to identify risks at all levels, including the shop-floor level. By adhering to this robust risk management framework, DNL is equipped to proactively identify and address potential risks throughout the organisation. Risk management has been a key part of the operations and the Company continues to prioritise the development around integrated leadership and succession planning strategies to improve the performance trajectory.

Each Business and Functional Head is responsible for implementing Risk Management practices within their business units/functions, identifying short, medium and long-term risks, likelihood, impact and devising mitigation strategies against each identified risks. Risk registers are prepared to capture details about each identified risks. By aggregating and evaluating risks across these registers, DNL identifies its principal risks and formulate an appropriate response mechanism. Business and Functional Heads review risks specific to their operations / functions, assess changes in risk profiles and decide on necessary actions to manage and mitigate risks. These risks and mitigation plans are presented by respective Business and Functional Heads to the management for their review and inputs, every quarter. A comprehensive Risk Management report is then presented to a duly constituted Risk Management Committee of Directors.

The Risk Management Committee plays a crucial role in overseeing and guiding the organisation's Risk Management efforts. The Risk Management Committee provides overall oversight of the Risk Management process within the Company. It ensures that a systematic and comprehensive approach is in place, aligning with the Company's strategic objectives. To further support the Risk Management process, the Risk Management Committee collaborates closely with the Board. Through the expertise and oversight of the Board, the Committee further strengthens the organisation's ability to effectively address and mitigate risks.

Overall, your Company has implemented effective risk management and prevention frameworks that enable it to navigate the risks associated with its operations in the chemical sector on a global scale. By leveraging its best-in-class products and implementing appropriate risk mitigation strategies, the Company continues to strengthen its operational capabilities and improve institutional performance.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (STANDALONE)

	FY 2022-23	FY 2021-22	Change (%)	Reason
Debtors Turnover Ratio	5.47	5.56	-2	Trade Receivables are higher on account of higher sales realisation
Inventory Turnover Ratio	4.86	5.21	(7)	Reduction in inventory turnover ratio on account of increased import supply in bulk quantities of key raw materials at a lower rate and ensure sufficient supplies of inputs
Interest Coverage Ratio	1,827.31	1,533.74	19	Major improvement due to Nil borrowings.
Current Ratio	4.61	4.55	1	Improved current ratio on account of efficient working capital management.
Debt Equity Ratio	0.00	0.01	0	DNL is debt free on account of a healthy balance sheet
Return on Net Worth (%)	17.88	21.55	(17)	Lower ratios in current year on account of higher input and energy price which could not be fully passed on to customers and temporary disruption of manufacturing at Nandesari plant due to fire incidence.
Operating Profit Margin (%) (EBIT)	19.50	24.93	(22)	
Net Profit Margin (%) (PBT)	19.45	24.87	(22)	

INTERNAL CONTROL FRAMEWORK

Your Company has established a Corporate Governance structure to regulate its operations and its management team adheres to financial and accounting policies, processes and systems. The Company's Risk Management Framework and Planning & Review Processes provide a solid foundation for internal financial controls over its financial statements. The planning is based on essential accounting policies that are meticulously chosen by the management, endorsed by the Audit Committee and the Board and reviewed and updated regularly. Key management evaluates these processes, SOPs and controls, which are also audited by an internal audit and assurance team. The findings and recommendations of the Internal Audit Team are reviewed by the Audit Committee and implemented accordingly. The Company has effective internal financial controls in place for its financial statements. These controls are evaluated regularly throughout the year, focussing on the most significant aspects of internal controls. Following a thorough assessment by key management, no reportable material deficiency, or significant deficiencies in implementing internal financial controls were identified. The Company employs regular audit and review techniques to reinforce these programmes on a continuous basis.

Reputed firms were engaged to study the efficacy of various processes such as financial, business, information technology are in place. This is a continuous process and we shall remain vigil in order to strengthen the process with respect to changing business environment.

HUMAN RESOURCE DEVELOPMENT

Your Company currently has a total of 1,694 permanent employees as of March 31, 2023. The Company's approach to Human Resource Development is based on the fundamental principles of relevance, continuity and fairness. The Company continues its endeavour of investing in Human Talent and Talent Management process through its various interventions and programmes to improve and enhance competencies, capabilities, skills and potentials of its workforce. Maintaining "best-in-class" talent is critical to talent management and HR is committed to ensuring it.

As a result of various initiatives and engagement activities, there has been a significant improvement in attracting, developing, nurturing & retaining right talent and keeping them motivated. Virtual Town Halls were organised wherein Executive Director & CEO, Director (Finance) & Group CFO address all the employees thereby have established a strong sense of bonding between the Company's Management and Employees. During the year, recognising the significance of identifying high-potential employees to ensure a robust talent pipeline, the Company carried out competency assessment through a renowned agency to identify training needs of high-potential performing teams for career development.

Performance management links individual and team performance to the Company's overall strategic objectives. The HR department is committed to aligning its strategic interventions and procedures with a long-term vision to create and enhance value for DNL and its stakeholders. This remains one of the most important factors in boosting business performance.

SWOT ANALYSIS

Strengths

Versatile Product Portfolio: DNL offers a diverse range of products that are divided into two main segments, namely, Advanced Intermediates and Phenolics. The Company provides a range of products for various industries such as dyes & pigments, agrochemical, pharmaceutical, plastics, textiles, paper, laminates, auto, plywood, home & personal care and petro derivatives. This helps DNL cater to the needs of different customers across multiple end-use sectors and mitigate risks associated with the obsolescence of any particular product or category. DNL has enhanced its product portfolio by utilising its production expertise and knowledge of complex chemistries.

Cost Leadership: Your Company enjoys a strong cost leadership position for several of its products thereby garnering a healthy market share. This is possible due to relentless focus of achieving economies of scale while offering value to the customers through regular process innovations.

Deep-rooted Partnerships & Wide Reach: DNL has a well-established distribution network that covers 45+ countries across six continents, including the United States, Europe, China and India. It is strategically positioned to enter new regions and capture market share. The Company's strong customer relationships and customer-centric approach have helped it maintain its position as a preferred supplier for key customers worldwide. DNL's is well-positioned to benefit from the growing demand for chemicals both domestically and internationally.

Sustainable Strategic Vision: Your Company's commitment to business sustainability has been acknowledged by its customers as one of the key priorities. As DNL progresses towards becoming a diversified chemical company, it plans to retain its leadership position in the existing value chain while also ensuring sustainable use of natural resources and contributing to environment, social and governance principles. Furthermore, DNL will maintain its emphasis on process intensification and operational excellence, while ensuring that sustainability and responsibility remain its guiding values.

Your Company is expanding its base by backward integrating into manufacturing of key raw materials incorporating new chemistries. We are also involved in forward integration of our products there by internally utilising higher proportion to manufacture derivatives.

Agile Supply Chain Operations: Over time, the Company has demonstrated significant agility to meet its delivery commitments, thereby delivering a strong performance. DNL has effectively and efficiently executed its operational plan and met its supply commitments, ensuring reliable and consistent deliveries to customers. The Company's expertise in chemical manufacturing has enabled it to efficiently manage large-scale logistics and supply chains. Using technology, DNL's nationwide supply chain team maintains close relationships with suppliers and customers, ensuring quality service and market performance.

Deepak Phenolics is a prime example of a global-scale plant that transports large quantities of raw materials and finished products in the most efficient and timely manner.

Valorisation in Innovation & Technological Advancements: Your Company's R&D initiatives aim to innovate new chemical compounds and create value-added products from by-products while consistently assessing existing products and processes to increase efficiency and save costs. DNL will continue to utilise its proficiency in sustainable chemistry while taking advantage of the potential size. The Company's exceptional execution skills and established track record are crucial elements in its active transition to a research and innovation-led enterprise.

Strong Leadership & Competent Management: The key management team at DNL consists of well-respected stalwarts with extensive industry experience and a deep understanding of market trends. The management places a high value on the Code of Responsible Care and ethical principles. The current management team has made a significant contribution to the Company's success and has been with DNL for many years. They remain focussed on high-margin products and prioritise R&D and increasing business from existing customers.

Weaknesses

Volatile Input Costs: An operating environment can be considered challenging when input costs and supply limitations increase, particularly for utilities such as power and fuel. Factors such as demand and supply, political and economic conditions, shipping and employee wages, natural disasters, pandemics and competitive pressure can all affect the supply of raw materials and expenses. Despite the use of various methodologies and assumptions, there are still unknown variables in estimating these factors. To mitigate the negative impact of these factors, your Company has specific teams in place to access such scenarios on an ongoing basis and has ensured, wherever possible, pass-through clauses in its contracts.

Shortage of Sustainable Resources: As the scale and complexity of chemical reactions increase, manufacturing processes require a constant source of energy. In order to address this need, the Company commissioned a captive power plant at Dahej, with a capacity of 29 MW in May 2022. As a responsible company, DNL continues to explore and implement various methods to increase its environmental efforts. One way to reduce greenhouse gas emissions is by improving energy efficiency, which the Company recognises.

Fluctuating Forex Rates: The fluctuation of exchange rates is a well recognised risk for Companies engaged in exporting products and services and it is essential to manage this risk. In FY 2022-23, there was higher than normal volatility in global exchange rates and DNL has taken necessary actions to protect itself against unforeseen and adverse movements. This has led gain of ₹ 6.91 Crores to DNL during the year. DNL continues to have exposure to exchange rate risks due to its growing export business, however, the Company is suitably utilising the hedging techniques to mitigate such risks.

Opportunities

Large Potential for Import Substitution: DNL has historically concentrated on products where the domestic market relied heavily on imports, starting from its first product, 'Sodium Nitrite,' to its venture through Deepak Phenolics. Import replacement has been a crucial component of DNL's overall business strategy. The Company has effectively replaced critical products such as phenol and acetone, saving millions of dollars in foreign exchange and achieving self-sufficiency. It has established a new benchmark for other chemical businesses to follow. DNL continues to prioritise the introduction of value-added downstream products to substitute imports, primarily taking advantage of the favourable demand situation.

Favourable Government Initiatives: Companies across sectors have been invited to manufacture their products in India as a part of the Government's 'Make in India' campaign. Additionally, the 'Atmanirbhar Bharat' initiative and several PLI schemes are expected to strengthen India's position compared to global players. These initiatives will not only facilitate regulatory approvals but also provide numerous opportunities for foreign partnerships. DNL will leverage these opportunities to effectively achieve its growth objectives.

Buoyant outlook for Exports: Global chemical giants are constantly looking to reduce their reliance on China, creating opportunities for established Indian chemical intermediates firms to showcase their capabilities on a global scale. The favourable demand scenario has driven Indian chemical exporters to expand their capacities and operations, leading them to reinvest in R&D to enhance production efficiency.

Threats

Product and Process Viability Risk: The risk of products becoming obsolete is a constant concern as newer technologies and methods are introduced. The emergence of innovative products that offer more efficient ways to produce chemical compounds can challenge the viability of current product lines, leading to a decrease in demand for older products or replacement of existing processes. However, with its dominant position in several product categories, DNL is relatively insulated from such threats. Moreover, the Company continuously evaluates and improves its processes, as necessary, in response to advancements in technology.

Inadequate Skilled Manpower: The expertise required for chemical processes and mechanisms can make it difficult to find skilled workers with the necessary knowledge. At the same time, there may be a shortage of technically trained personnel in India. To address this challenge, your Company takes various initiatives such as providing extensive training for professional development,

educating employees on the complexities of the industry and promoting adherence to international best practices to retain and expand the current talent pool.

External Challenges: Your Company caters to a wide range of industries, which reduces the risk of dependency on a single customer or sector. However, this also makes the Company vulnerable to demand-supply fluctuations in multiple industries. DNL relies on the Indian market, which contributes large portion of its total revenue. Any downturn in the domestic market could impact the Company's performance.

Geopolitical Developments: Global geopolitical developments like the Russia-Ukraine War results in disruption of established trade relations due to increased tariff rates and sanctions, leading to higher prices and diminished availability of some products and commodities. While the Company proactively monitors the evolving situation, it can face negative outcomes due to these geopolitical tensions.

MANAGEMENT OUTLOOK

DNL is well-positioned to benefit from the significant opportunities arising in the sector due to the 'Make in India for the World' initiative and the increasing adoption of the China+1 strategy. In order to achieve its growth objectives, DNL has embarked ₹ 2,500 Crores of capital expenditure across the parent company and the two wholly owned subsidiaries.

The growth plans include a project for manufacturing Polycarbonate compounding, which aligns with the goal of entering the PC business. Through this project, the Company aims to gain insights into market trends, customer requirements and other important factors to progress towards a successful Polycarbonate project.

Furthermore, your Company has commissioned several brownfield projects that will contribute to its future performance, such as a new unit for producing a key agrochemical intermediate. Alongside these efforts, other plans include Brownfield expansion of select products, strengthening backward integration capabilities for key inputs to enhance margins, value-added downstream derivatives of Phenol and Acetone including solvents and adding new chemistry platforms such as photochlorination and fluorination. Plans include establishing a compounding asset to meet India's significant and specialised demands for 5G, electronics, EVs, medical devices and other new products. DNL aims to accomplish this by utilising highly efficient chemistries that can serve various end-user industries.

Going ahead, your Company plans to elevate its growth trajectory by expanding the product categories and identifying/introducing various downstream and complex chemicals strategically. DNL will continue to be agile while seizing opportunities from fast-changing industry trends. Adding new solvents will diversify DNL's products, reach more customers and raise the share of complex, high-margin products in its mix, thereby improving its business proposition.

Europe's contribution as a percentage of exports rose to 50% compared to 44% in the previous financial year, while Asia's contribution improved to 26%. In addition, the US also contributed 20% of the overall share of exports.

In order to fund these plans, DNL has been steadily strengthening its balance sheet to create adequate headroom for incremental growth capex.

Advanced Intermediates – Industry leaders with focus on achieving high integration levels; Thriving on immense growth opportunities

The Advanced Intermediates business achieved robust revenue trajectory amid strong demand. The Company aggressively pursued opportunities both domestically and with international customers, resulting in a significant increase in exports. Going forward, the Company expect this segment to continue to perform well, given the shift in global supply chains and continued positive demand trends. Despite the elevated prices of few products and raw materials, the Company has managed to improve the per kilo margins.

Your Company continues to capitalise on its cost leadership and large-scale production capabilities to drive higher volumes and better profitability. Thanks to the benefits of cost leadership, DNL has achieved a market share of around 55% and 70% in products such as sodium nitrate and sodium nitrite respectively. With India's local demand base growing at a rapid pace, this segment will remain a significant revenue contributor. Over the past five decades, Deepak has honed its expertise in nitration, hydrogenation, oxidation and diazotization of organic and inorganic molecules. The Company is now leveraging this knowledge to create high-value products that enjoy better demand. The presence across the value chain allows the Company to offer competitive pricing while mitigating the impact of raw material margin volatility.

Despite a challenging macro environment, DNL's advanced intermediates revenues have shown strong growth. Recently, the Company completed a brownfield of one of its product that has significantly increased the production capacities. The Company anticipates that the segment's performance will remain strong due to a shift in global supply chains to India and favourable demand trends. In FY 2022-23, the Company achieved a year-on-year revenue growth of 21%, driven by robust demand across all segments, particularly in the pharma industry, thanks to the addition of new products and increased exports resulting from the China +1 opportunity. From FY18 to FY23, the Company achieved an annual growth rate of 15%, supported by R&D investments and incremental expansions that led to a growing product portfolio. Export is the top market for the advanced intermediates products, with roughly 43% shipped in value terms. The backward and forward integration initiatives are generating desired results resulting in attractive margins and supporting the Company's standalone success.

Phenolics – Robust Revenue Growth Amidst External Challenges; Emphasis on Import Substitution to Cater to Global Industry Needs

Deepak Phenolics Limited ('DPL') a wholly owned subsidiary of DNL, is a leading player in the domestic phenol and acetone markets. It entered the industry to capitalise on import substitution and successfully expanded its capacities, including a brownfield expansion of IPA. With a significant domestic market share of about 95% , DPL is poised to benefit from future opportunities by introducing downstream derivative products of phenol and acetone.

DPL has been a significant revenue contributor to DNL in the recent years, with its volumes have increased significantly due to high capacity utilisation and firm demand. In FY 2022-23, DPL contributed 62% revenue (~63% in FY 2021-22), with capacity utilisation increasing above 120% from 117% in FY 2021-22 and 111% in FY 2020-21 and 90% in FY 2019-20. Despite many Asian Phenol plants operating at only 60%-65% capacity, DPL has managed to produce and sell over 120% of its production capacity during the year.

Further, the Company plans to improve its backward integration capabilities by adding new capacities for key raw materials and expanding its capacity for captive waste treatment. This move is expected to ensure a stable supply of key inputs and offer a margin advantage. Additionally, various projects are being implemented at the new site in Dahej, including the introduction of various derivatives of Phenolics products.

ROADMAP AHEAD – CAPEX INITIATIVES

The Company has announced investment aggregating to ₹ 2,500 Crores for expanding its capacity, enabling assured availability of inputs, backward integration for improved efficiency, widening of product portfolio and assimilation of new chemistries within its operations –

- To enhance market share and maintain its leadership position, your Company has planned brownfield projects for certain key products. These projects aim to meet the growing demand and improve the overall business proposition.
- A Greenfield expansion in Polycarbonate compounding will help your Company venture into the Polycarbonate business. This expansion will provide valuable insights into the market, including niche and major players. It will also enable the catering of specialised demand in new-age applications such as 5G boxes, EV batteries, medical devices and more.
- Another project focussed on backward integration will incorporate new chemistry platforms like photochlorination and fluorination, your Company aims to reduce supply chain risks in the agro space and expand the range of products using these chemistries. It will strengthen the backward integration capabilities for key inputs.
- The MIBK-MIBC project involves forward integration. These products are derived from acetone and the objective is to introduce new chemistries thereby enabling utilisation of a higher proportion of acetone internally to manufacture MIBK and MIBC. This move enables the production of other downstream value-added products.

These projects will contribute to DNL's robust revenue growth, expand its market share, improve margins, mitigate business risks through a diversified product mix and strengthen customer and supplier relationships.

DISCLAIMER: The contents of this Report include statements that look forward into the future and may carry risks and uncertainties. These forward-looking statements are identified by words such as 'anticipate,' 'belief,' 'estimate,' 'expect,' 'intend,' 'will' and other similar expressions related to the Company and its Businesses. The Company does not have an obligation to update or modify these forward-looking statements publicly, whether due to new information, future events, or other reasons. The actual results, performances, or achievements may differ significantly from what is expressed or implied in these forward-looking statements. It is advised that readers exercise caution and not overly rely on these forward-looking statements as they only reflect the state of affairs as of the date of this Report. It is recommended to read this Report together with the financial statements and their accompanying notes.

FINANCIAL HIGHLIGHTS FOR THE LAST TEN YEARS

Sr. No.	Particulars	UOM*	Ind-AS												Indian GAAP		
			Consolidated					Standalone									
			2022-23	2021-22	2020-21	2019-20	2018-19	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
1	Total Income	₹ in Cr	8,020	6,845	4,382	4,265	2,715	3,135	2,582	1,823	2,237	1,795	1,491	1,324	1,337	1,329	1,271
	YoY Growth	%	17.16	56.22	2.73	57.08	60.80	21.43	41.63	-18.52	24.67	20.38	12.56	-0.96	0.61	4.55	23.42
2	EBITDA	₹ in Cr	1,337	1,646	1,269	1,061	429	688	716	550	804	308	214	152#	168	140	114
3	Profit / (Loss) Before Taxation	₹ in Cr	1,146	1,434	1,042	806	268	610	642	479	706	212	122	74#	91	68	58
	Percentage to Total Income	%	14.29	20.96	23.78	18.91	9.87	19.45	24.87	26.28	31.56	11.84	8.19	5.58	6.83	5.10	4.57
4	Profit / (Loss) After Taxation	₹ in Cr	852	1,067	776	611	174	469	486	355	544	138	83	52#	65	53	38
	Percentage to Total Income	%	10.62	15.58	17.71	14.33	6.40	14.97	18.83	19.47	24.32	7.69	5.60	3.92	4.87	4.02	3.01
5	Equity	₹ in Cr	27	27	27	27	27	27	27	27	27	27	27	26	23	21	10
6	Net worth	₹ in Cr	4,090	3,338	2,347	1,572	1,072	2,625	2,256	1,845	1,491	1,058	944	732	476	347	308
7	Debt	₹ in Cr	54	301	578	1,099	1,187	0	14	-	208	328	462	574	495	545	505
8	Dividend on Equity Capital	₹ in Cr	102##	95	75	61**	27	102##	95	75	61**	27	18	16	14	10	10
	Percentage	%	375##	350	275	225**	100	375##	350	275	225**	100	65	60	60	50	100
9	EPS	₹	62.46	78.20	56.88	44.80	12.73	34.41	35.65	26.01	39.89	10.12	6.34	4.43	6.07	5.11	36.63
10	Book Value*#	₹	300	245	172	115	79	192	165	135	109	78	72	62	44	34	294
11	Net Debt/ Equity Ratio	x	0.00	0.00	0.15	0.68	1.08	0.00	0.00	0.00	0.14	0.30	0.43	0.64	0.89	1.56	1.62

*UOM: Units of Measurement

**Interim Dividend

Excludes Exceptional Income

Proposed dividend is accounted as and when declared by the Company

*# In FY 2014-15, the Company has split its Equity Shares from face value of ₹10 each to ₹2 each and issued Bonus Shares in the ratio of 1:1. Hence, Book Value is not comparable.

Notice

NOTICE is hereby given that the Fifty Second Annual General Meeting of Members of **DEEPAK NITRITE LIMITED** will be held on **Friday**, the **4th** day of **August, 2023** at **11:30 A.M.** through Video Conferencing/Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS:

1) **To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2023 along with the Directors' Report and the Auditor's Report thereon, be and are hereby received, considered, approved and adopted.**"**

2) **To receive, consider, approve and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with Report of the Auditors thereon.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company including Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2023 along with the Auditor's Report thereon be and are hereby received, considered, approved and adopted.**"**

3) **To declare dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only), being 375%, per equity share of face value of ₹ 2.00 (Rupees Two only) each for the Financial Year ended March 31, 2023.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only) being 375 % per equity share having face value of ₹ 2.00 (Rupees Two only) each amounting to ₹ 102,29,47,807.50 (Rupees One Hundred Two Crores Twenty Nine Lakhs Forty Seven Thousand Eight Hundred Seven and Paise Fifty only), for the Financial Year ended March 31, 2023, as recommended by the Board of Directors, be and is hereby approved.**"**

4) **To appoint a Director in place of Shri Maulik D. Mehta (DIN: 05227290), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Maulik D. Mehta (DIN: 05227290), who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.**"**

5) **To appoint Shri Girish Satarkar (DIN: 00340116) as a Director liable to retire by rotation, in place of Shri Sandesh Kumar Anand, who retires by rotation at this Annual General Meeting and has not offered himself for the re-appointment.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri Girish Satarkar (DIN: 00340116), be and is hereby appointed as a Director of the Company, liable to retire by rotation with effect from August 4, 2023, in place of Shri Sandesh Kumar Anand.**"**

SPECIAL BUSINESS:

6) **Appointment of Shri Girish Satarkar (DIN: 00340116) as Whole-time Director of the Company for a period of three years w.e.f. August 4, 2023 and payment of Remuneration to him.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and those contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby granted for the appointment of Shri Girish Satarkar (DIN: 00340116) as a Whole Time Director designated as Executive Director of the Company, for a period of three (3) years with effect from August 4, 2023, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment including remuneration within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT where in any Financial Year, during the tenure of Shri Girish Satarkar, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay to Shri Girish Satarkar the remuneration by way of salary, perquisites and other allowances as a minimum remuneration subject to and in accordance with the conditions specified under Schedule V to the Companies Act, 2013 and rules made thereunder or such other limits as may be prescribed by the Central Government from time to time and approval of members and/or Central Government required, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorise executives of the Company for the purpose of giving effect to this Resolution.**"**

7) **Re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as the Chairman & Managing Director of the Company for further period of 5 years w.e.f. December 14, 2023 and payment of Remuneration to him.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and those contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as the Chairman & Managing Director of the Company, for further period of five (5) years with effect from December 14, 2023, as well as to continue holding office of the Managing Director beyond the age of seventy (70) years, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and is hereby authorized to alter and/or vary the terms and conditions of the said re-appointment including remuneration within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT where in any Financial Year, during the tenure of Shri Deepak C. Mehta, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay to Shri Deepak C. Mehta the remuneration by way of salary, perquisites and other allowances as a minimum remuneration subject to and in accordance with the conditions specified under Schedule V to the Companies Act, 2013 and rules made thereunder or such other limits as may be prescribed by the Central Government from time to time and approval of members and/or Central Government required, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorise executives of the Company for the purpose of giving effect to this Resolution.**"**

8) **Re-appointment of Shri Dileep Choksi (DIN: 00016322) as an Independent Director of the Company for a second term of 3 consecutive years w.e.f. August 7, 2023.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17(1A) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Dileep Choksi (DIN: 00016322), Independent Director of the Company, who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for the re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of three (3) consecutive years with effect from August 7, 2023 till August 6, 2026, as well as to continue to hold the position of Independent Director of the Company, beyond the age of seventy five (75) years.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as it may deem necessary and authorise executives of the Company for the purpose of giving effect to this Resolution.**"**

9) Payment of remuneration to Non-Executive Directors.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(a) and other applicable provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Non-Executive Directors (i.e. Directors other than Managing Director(s) and/or the Whole-time Director), including Independent Directors of the Company, in addition to the sitting fees and re-imbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, be paid remuneration by way of commission on the net profits of the Company for each Financial Year, computed in the manner laid down in Section 198 of the Companies Act, 2013, with effect from April 1, 2024 and subsequent Financial Years, to be divided amongst Non-Executive Directors including Independent Directors of the Company in such manner as the Board of Directors may from time to time determine, in accordance with the provisions of the Act, Listing Regulations and Special Resolution passed by the shareholders at the 48th Annual General Meeting held on June 28, 2019.

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

10) Payment of remuneration to Executive Directors who are Promoters or members of Promoter Group.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Company be and is hereby accorded for payment of remuneration to the Executive Directors who are Promoters or members of Promoter Group as under:

(a) annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding ₹ 5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 ("Net Profit"), whichever is higher; or

(b) aggregate annual remuneration to Executive Directors who are Promoters or members of Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit of the Company.

RESOLVED FURTHER THAT the approval herein granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group ("such Executive Directors") shall be effective for the Financial Year commencing from April 1, 2024 and for subsequent years till the expiry of respective term of such Executive Directors.

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

11) Ratification of remuneration of the Cost Auditor for the Financial Year 2023-24.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 8,00,000 (Rupees Eight Lakhs only) plus applicable tax, travelling and other out of pocket expenses, to B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219), the Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024, be and is hereby ratified.

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

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: F6713

Date: May 11, 2023
Place: Vadodara

Registered Office:
Aaditya-I, Chhani Road
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200, 396 020
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

GENERAL NOTES:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022, dated December 28, 2022 and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "the MCA Circulars") MCA has permitted to hold Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of Members at a common venue. Hence, in compliance with MCA Circulars, the 52nd Annual General Meeting of the Company ("AGM") is being held through VC/OAVM.

2. In terms of the MCA Circulars, the physical attendance of Members is dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting. Since the AGM will be held through VC/OAVM, the Route Map for AGM venue is not required to be annexed to the Notice.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2022-23 is being sent only through email to those Members whose email IDs are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report for the Financial Year 2022-23 will also be available on the Company's website www.godeepak.com and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL (agency providing the remote e-Voting facility) at www.evoting.nsdl.com.

5. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic mode and with the Company's Registrar & Share Transfer Agent i.e. Link Intime India Private Limited ("RTA") in case the shares are held by them in physical mode.

6. Process for Registration/updation of E-mail ID, PAN, Bank Account Details and other details.

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to vadodara@linkintime.co.in or by post to B-102-103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Chhar Rasta, Akota, Vadodara – 390 020, Tel: 0265-2356794 / 6136000	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out of Nomination by Holders of Physical Securities	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
	The forms for updating the above details are available at: https://www.godeepak.com/investor-related-forms/	
Demat	Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant ("DP") only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.	

This may be treated as an advance opportunity in terms of proviso to Rule 18(3) (i) of the Companies (management and Administration) Rules, 2014.

7. Members who wish to seek any information with regard to the Financial Statements or any matter to be placed at AGM are requested to write to the Company latest by **July 28, 2023**, through email on investor@godeepak.com so as to enable the Company to keep the information ready at the AGM.

8. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's RTA..

9. SEBI Notification No. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. The Members may contact the Company or the Company's RTA for assistance in this regard.

10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the businesses under Item Nos. 5 to 11 of the Notice, is annexed thereto. Further, the relevant details with respect to Item Nos. 4 to 8 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed to the Notice.

11. The Members can join the AGM through VC/OAVM mode, 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 4, 2023. Members seeking to inspect such documents can send an email to investor@godeepak.com.

13. Pursuant to Section 91 of the Act, the Register of Members of the Company will be closed from **Friday, July 28, 2023** to **Friday, August 4, 2023** (both days inclusive) for the purpose of AGM and payment of dividend.

14. Members may note that the Board of Directors of the Company, at its meeting held on May, 11, 2023, has recommended a final dividend of ₹ 7.50 (Rupees Seven and Paisa Fifty only) per equity share for the Financial Year 2022-23. The date of Book Closure for the purpose of dividend as mentioned above is from Friday, July 28, 2023 to Friday, August 4, 2023 (both days inclusive). The dividends, once approved by the Members at the ensuing AGM, will be paid within 30 days from the date of their declaration, electronically through various online transfer modes to those Members who have updated their bank account details. For Members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in dematerialised mode) and with the Company's RTA (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.

15. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the payment of dividends as mentioned above

    In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN (Section 206AA of the IT Act)	20% or as notified by the Government of India
Members not filing Income Tax returns for preceding one years and whose TDS/TCS credit is more than ₹ 50,000 (Section 206AB of the IT Act)	20% or as notified by the Government of India

However, no tax shall be deducted on the dividends payable to a resident individual if the total dividend to be received by them during fiscal 2023 does not exceed ₹ 5,000 and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged sixty (60) years or more) subject to conditions specified in the IT Act. PAN is mandatory for Members providing Form 15G / 15H or any other document as mentioned above. The Company may at its sole discretion reject the form if it does not fulfil the requirement of the law.

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax.

For non-resident shareholders (including Foreign Institutional Investors / Foreign Portfolio Investors), Taxes are required to be withheld in accordance with the provisions of Section 195, Section 196D and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividends payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the Member, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the Member or in case PAN is not available, details as prescribed under Rule 37BC of Income-tax Rules, 1962.
- Self-attested copy of Tax Residency Certificate for fiscal 2023 obtained from the revenue authorities of the country of tax residence, duly attested by Member.
- Self-declaration in Form 10F.
- Self-declaration by the Member that (i) does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') (iv) will not have a place of effective management in India.
- FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member.

Please note that application of the beneficial rate of tax treaty for TDS is at the discretion of the company and shall depend upon the completeness and satisfactory review of the same by the Company.

Accordingly, the aforementioned documents are required to be uploaded on the shareholder portal at https://www.linkintime.co.in/formseg/Submission-of-form-15g-15h.html on or before **July 28, 2023**.

No communication would be entertained from Members after **July 28, 2023** regarding tax withholding matters.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from a Member, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible.

The Company shall arrange to e-mail the soft copy of TDS certificate to Members at their registered e-mail ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

The Company vide its separate e-mail communication had informed the Members regarding this change in the Income Tax Act, 1961 as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate.

16. In terms of the provisions of Section 124 and other applicable provisions of the Act, the amount of dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2015-16 is due for transfer to IEPF Fund in August, 2023. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2015-16 onwards, are requested to lodge their claims for the same with the Company or Registrar and Share Transfer Agent of the Company.

    Attention of Members is invited to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special Demat account of Investor Education and Protection Fund Authority ("IEPF Authority").

    The dividend/shares, once transferred to the said Demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

17. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended) and the MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and December 28, 2022, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system is provided by NSDL.

18. Members who have cast their votes by remote e-Voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialised mode, physical mode and for Members who have not registered their e-mail addresses is provided in the "Instructions for e-Voting" section which forms part of this Notice.

19. The Board of Directors of the Company has appointed Shri Dinesh Joshi, Practising Company Secretary (Membership No.: FCS-3752), Designated Partner, KANJ & Co. LLP, Company Secretaries, Pune, as the Scrutiniser, to scrutinise the voting during the AGM and remote e-Voting process in a fair and transparent manner.

20. Members holding shares either in physical or dematerialised form, as on **Friday, July 28, 2023** ("Cut-off Date"), may cast their votes electronically. The e-Voting period commences on **Tuesday, August 1, 2023 (9:00 A.M. IST)** and ends on **Thursday, August 3, 2023 (5:00 P.M. IST)**. The e-Voting module will be disabled by NSDL thereafter. A Member will not be allowed to vote again on any Resolution on which vote has already been cast.

21. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the Cut-off Date, i.e. as on **July 28, 2023**.

22. A person who is not a Member as on the Cut-off Date is requested to treat this Notice for information purposes only.

23. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the AGM.

24. Any person holding shares in physical form and non-individual shareholders who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, i.e. **July 28, 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the Cut-off Date, may follow steps mentioned in the Notice under 'Instructions for e-Voting'.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective e-Voting Service Providers i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

    a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members may note that the 52nd Annual General Meeting of the Company will be convened through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013, read with the MCA Circulars. The facility to attend the AGM through VC/OAVM will be provided by the Company through NSDL. Members may access the same at https://www.evoting.nsdl.com

2. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system.

3. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.

4. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

5. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

6. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

7. Members can participate in the AGM through their desktops/ smartphones/ laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops/laptops with high-speed internet connectivity.

8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

9. Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the AGM.

10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at investor@godeepak.com latest by July 28, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to dinesh.joshi@kanjcs.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "**Upload Board Resolution/Authority Letter**" displayed under "**e-Voting**" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for obtaining user id and password and registration of e-mail ids for e-voting for the Resolutions set out in this Notice:

Shareholders may send a request to evoting@nsdl.co.in for obtaining user id and password for e-Voting

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).

2. In case shares are held in demat mode, please provide DPIDCLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card).

3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Instructions

- The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and submit, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

- The result declared along with the Scrutiniser's Report shall be placed on the Company's website at www.godeepak.com and on the website of NSDL, https://www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item Nos. 5 & 6

Shri Sandesh Kumar Anand is a Non-Independent Non- Executive Director of the Company. He is also the Chairman of Project Committee, Member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. In terms of Section 152 of the Companies Act, 2013, Shri Sandesh Kumar Anand will be retiring by rotation at this Meeting.

Shri Sandesh Kumar Anand is eligible for the re-appointment however, he has not offered himself for the re-appointment at this Meeting. Accordingly, he shall cease to be Director of the Company with effect from August 4, 2023.

The Board of Directors, at their meeting held on May 11, 2023, while placing on record their sincere appreciation for the valuable contribution made by Shri Sandesh Kumar Anand during his tenure as the Director of the Company, have recommended the appointment of Shri Girish Satarkar as a Director liable to retire by rotation, in place of Shri Sandesh Kumar Anand.

Upon the recommendation of Nomination and Remuneration Committee, the Board of Directors, at the said meeting also considered and has recommended to the Shareholders for their approval, the appointment of Shri Girish Satarkar as Whole Time Director designated as Executive Director of the Company for a period of three (3) years with effect from August 4, 2023.

The Company has received Notice from a member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

Shri Girish Satarkar, aged 59 years, has done B.Sc and M.Sc in Textile Chemistry from The Institute of Chemical Technology (formerly UDCT), University of Mumbai and has also done Masters of Marketing Management (MMM) from Welingkar Institute of Management, University of Mumbai.

He has wide experience of over 34 years in the Chemical Industry including that of managing operations, international as well as domestic marketing and market development.

Shri Satarkar is associated with the Company since 2015 and is presently designated as President - BI of the Company. Prior to joining the Company, Shri Satarkar worked with Diamines & Chemicals Limited, a BSE listed Company as Executive Director & CEO.

The additional information as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure – I to this Notice.

The terms of appointment including remuneration of Shri Girish Satarkar as the Executive Director of the Company, as recommended by the Nomination and Remuneration Committee are as under:

(A) Shri Girish Satarkar shall, during the Financial Year 2023-24, be paid proportionate amount of ₹ 178.26 Lakhs per annum w.e.f. August 4, 2023 by way of salary, perquisites, allowances and other benefits and for subsequent years, such amount as may be determined by the Board or Committee thereof from time to time. The Perquisites, Allowances and other benefits shall include but not be limited to the following:

1. Leave travel concession for self and members of his family, as per policy of the Company.
2. Medical and other insurances, as per policy of the Company.
3. Company car with driver.
4. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity, as per policy of the Company.
5. Retirement and other benefits, as per policy of the Company.

(B) In addition to the salary, perquisites, allowances and other benefits as stated in (A) above, Shri Girish Satarkar will also be paid Variable Pay by way of Performance Linked Incentive. This amount shall be paid annually after the end of each Financial Year. This Variable Pay shall range from 0% to 16% of his cost to the Company depending upon his individual and also the Company's performance as per policy of the Company.

(C) The aggregate remuneration inclusive of salary, variable pay, perquisites, allowances and other benefits payable to Shri Girish Satarkar, shall always be subject to and in accordance with the provisions of Section 197 read with Schedule V of the Act (including any statutory modifications or re-enactments thereof, for the time being in force).

(D) The aforesaid remuneration payable to Shri Girish Satarkar shall be reviewed by the Board after close of each Financial Year and based on the Profits made by the Company in that Financial Year, Shri Girish Satarkar shall be paid such enhanced remuneration as the Board may decide subject to and in accordance with the provisions of Section 197 and other applicable provisions of the Act read with Schedule V of the Act (including any statutory modifications or re-enactments thereof, for the time being in force).

(E) Shri Girish Satarkar, as the Executive Director of the Company, shall perform such duties and exercise such powers bestowed on him from time to time by the Chairman & Managing Director and/or the Board of Directors of the Company.

(F) Shri Girish Satarkar shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

(G) Shri Girish Satarkar shall be liable to retire by rotation as a Director of the Company.

Shri Girish Satarker satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

None of the Directors except Shri Sandesh Kumar Anand or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice.

The Board recommends Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the Members.

Item No. 7

The Members at the 48th Annual General Meeting of the Company held on June 28, 2019 approved the re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for a period of five (5) years w.e.f. December 14, 2018. Accordingly, the present term of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company is upto December 13, 2023.

The Board of Directors, at their meeting held on May 11, 2023 approved the re-appointment of Shri Deepak C. Mehta as the Chairman and Managing Director of the Company for further period of five (5) w.e.f. December 14, 2023, subject to approval by the Members, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

Pursuant to Section 196(3)(a) of the Companies Act, 2013, the appointment of a person who has attained the age of seventy years (70) as the Managing Director requires the approval of Members by way of Special Resolution. Since Shri Deepak C. Mehta will attain the age of seventy (70) years during the proposed term of his re-appointment, approval of Members of the Company is also being sought by way of Special Resolution, for Shri Deepak C. Mehta to continue as the Chairman & Managing Director of the Company beyond the age of seventy (70) years.

Shri Deepak C. Mehta has been the Managing Director of the Company since 1983 and under the able leadership of Shri Deepak C. Mehta, the Company has grown significantly. Considering his long experience, knowledge and exceptional contribution towards growth of the Company, the Board considers the continuation of Shri Deepak C. Mehta to be beneficial and in the interest of the Company.

The terms of appointment including remuneration of Shri Deepak C. Mehta as the Chairman & Managing Director, as recommended by the Nomination and Remuneration Committee are as under:

(A) Shri Deepak C. Mehta, during the Financial Year 2023-24, be paid proportionate fixed amount of ₹ 800 Lakhs per annum, with effect from December 14, 2023, by way of salary, perquisites, allowances and other benefits and for subsequent years, such amount as may be determined by the Board of Directors from time to time.

(B) The perquisites, allowances and other benefits shall include but not be limited to the following:

1) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Shri Deepak C. Mehta shall be paid House Rent Allowance as may be decided by the Board of Directors.

2) Re-imbursement of gas, electricity, water charges and furnishings.

3) Re-imbursement of medical expenses incurred for self and members of his family, as per rules of the Company.

4) Leave travel concession for self and members of his family, as per rules of the Company.

5) Fees of clubs subject to maximum of two clubs.

6) Medical insurance, as per rules of the Company.

7) Personal Accident Insurance, as per rules of the Company.

8) Provision of car and telephone at residence.

9) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity, as per rules of the Company.

10) Retirement and other benefits, as per rules of the Company.

(C) In addition to the remuneration as mentioned in (A) above, Shri Deepak C. Mehta shall also be 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, subject to and in accordance with the provisions of Section 197 and other relevant provisions of the Companies Act, 2013 (the "Act") (including any statutory modifications or re-enactments thereof, for the time being in force).

(D) The aggregate remuneration inclusive of Salary, Commission, Perquisites, Allowances and other benefits payable to Shri Deepak C. Mehta, shall always be subject to and in accordance with the provisions of Section 197 read with Schedule V of the Act (including any statutory modifications or re-enactments thereof, for the time being in force).

(E) The aforesaid remuneration payable to Shri Deepak C. Mehta shall be reviewed by the Board after close of each Financial Year and based on the Profits made by the Company in that Financial Year, Shri Deepak C. Mehta shall be paid such enhanced remuneration as the Board may decide subject to and in accordance with the provisions of Section 197 and other applicable provisions of the Act read with Schedule V of the Act (including any statutory modifications or re-enactments thereof, for the time being in force).

(F) Shri Deepak C. Mehta as the Chairman & Managing Director, shall perform such duties and exercise such powers bestowed on him from time to time by the Board of Directors of the Company.

(G) Shri Deepak C. Mehta shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

(H) Shri Deepak C. Mehta shall not be liable to retire by rotation as a Director of the Company.

The additional information as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure – I to this Notice.

Shri Deepak C. Mehta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Shri Deepak C. Mehta and his relatives Shri Ajay C. Mehta, Shri Maulik D. Mehta and Shri Meghav D. Mehta are interested in the Special Resolution set out at Item No. 7 of the Notice, which pertains to the re-appointment Shri Deepak C. Mehta as the Chairman & Managing Director of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution.

The Board of Directors recommends the Special Resolution as set out under Item No. 7 for approval by the Members of the Company.

Item No. 8

Shri Dileep Choksi (DIN: 00016322) is an Independent Director of the Company. He is also the Chairman of the Audit Committee of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Shri Dileep Choksi was appointed as an Independent Director at the 49th Annual General Meeting of the Company held on August 7, 2020 for a term of three (3) consecutive years. Accordingly, the first term of Shri Dileep Choksi as an Independent Director is upto August 6, 2023.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years and may be re-appointed for another term upto five (5) consecutive years, with the approval Members of the Company by way of Special Resolution. Further, pursuant to Regulation 25(2A) of Listing Regulations, appointment, re-appointment or removal of an Independent Director of a listed entity, shall be subject to the approval of shareholders by way of a Special Resolution.

The Nomination and Remuneration Committee taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Shri Dileep Choksi's qualifications and the rich experience in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board of Directors at its meeting held on May 11, 2023, upon recommendation of Nomination and Remuneration Committee and based on evaluation of performance of Shri Dileep Choksi, which was completely satisfactory, were of the view that given his background and experience and contributions made by him during his tenure, the association of Shri Dileep Choksi would be beneficial to the Company and it is desirable to re-appoint Shri Dileep Choksi as an Independent Director for another term of three (3) consecutive years with effect from August 7, 2023.

Shri Dileep Choksi has consented to act as Director of the Company and has provided a declaration that he is not disqualified to be appointed as a Director and he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board of Directors of the Company, Shri Dileep Choksi fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment of Shri Dileep Choksi setting out the terms and conditions of his re-appointment is available for inspection by the Members of the Company without any fee at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The additional information as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure – I to this Notice.

Shri Dileep Choksi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

None of the Directors and Key Managerial Personnel of the Company except Shri Dileep Choksi or their relatives is /are directly or indirectly, financially or otherwise, concerned or interested in the Special Resolution set out under Item No. 8.

The Board recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for approval by the Members of the Company.

Item No.9

The Members at the 48th Annual General Meeting of the Company held on June 28, 2019, had approved by way of an enabling Special Resolution, the payment of Managerial Remuneration in excess of limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Companies Act, 2013, including payment of remuneration by way of profit related commission to Non-Executive Directors in excess of 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013, for Financial Years starting from 2019-20 onwards.

Further, pursuant to requirements of the provisions of Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'), the members at the 48th Annual General Meeting of the Company held on June 28, 2019, had also approved by way of an Ordinary Resolution, the payment of profit related commission to Non-Executive Directors for a period of five years with effect from April 1, 2019, which is valid upto March 31, 2024. Accordingly, it is now proposed to seek approval of the Members under Regulation 17(6) of the Listing Regulations, for payment of profit related commission to Non-Executive Directors, as may be recommended by the Board of Directors, after end of each Financial Year, for Financial Years commencing from April 1, 2024 onwards.

The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imbursement of expenses payable to them for attending meetings of the Board and Committees thereof.

Save and except all the Non-Executive Directors of the Company and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 9 for approval by the Members.

Item No. 10

As required under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group of the listed entity, is subject to the approval of the shareholders by way of Special Resolution in General Meeting, if –

(i) Annual remuneration payable to such Executive Director exceeds ₹ 5 Crores or 2.5 per cent (2.5%) of the net profits of the listed entity, whichever is higher; or

(ii) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent (5%) of the net profits of the listed entity.

Further, the approval of the shareholders under the said Regulation shall be valid only till the expiry of the terms of such director.

In view of the above and in order to have a flexibility for payment of annual remuneration to the Executive Directors who are Promoter(s) or member(s) of Promoter Group, in excess of the limits as mentioned in Regulation 17(6)(e) of the Listing Regulations from Financial Year 2024-25 and for subsequent years, till the expiry of respective term of such Executive Directors, it is necessary to obtain the approval of shareholders by way of Special Resolution.

Shri Deepak C. Mehta, Shri Maulik D. Mehta and their relatives Shri Ajay C. Mehta and Shri Meghav D. Mehta are interested in the Special Resolution set out at Item No. 10 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

Item No. 11

The Board, upon the recommendation of the Audit Committee, has approved the re-appointment and remuneration of B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024. Upon the recommendation of the Audit Committee, the remuneration of the Cost Auditors was fixed by the Board of Directors at ₹ 8,00,000 (Rupees Eight Lakhs only) plus applicable tax, travelling and other out of pocket expenses for performing the audit as mentioned above.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, approval of Members is being sought by way of Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2024.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 11 of the Notice.

The Board recommends Ordinary Resolution set out at Item No. 11 of the Notice for approval by the Members.

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: F6713

Date: May 11, 2023
Place: Vadodara

Registered Office:
Aaditya-I, Chhani Road
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200, 396 020
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

Annexure – I to the Notice

Additional information for the Directors seeking appointment / re-appointment at the AGM as required under regulation 36 of SEBI (LODR):

Name of Director	**Shri Maulik D. Mehta**	
DIN	05227290	
Date of Birth	March 27, 1983	
Age	40 Years	
Brief Resume covering Expertise in specific functional areas and Experience	Shri Maulik D. Mehta is a Bachelor of Business Administration from the University of Liverpool, UK. He holds a Master's degree in industrial and Organizational Psychology from Columbia University, USA. He recently graduated in Owner/President Management - an executive MBA program from the prestigious Harvard Business School, sharpening his leadership dexterity and knowledge to bring a fresh breath of global business insights and agility in the Company management. Shri Maulik D. Mehta has been at the helm of the Organization as the Executive Director & Chief Executive Officer since June 2020. He took over the charge in an extremely challenging and uncertain environment during the peak of the Covid-19 pandemic, where the priority was to ensure the security and healthcare of the workforce and safeguard the interests of the investors. Shri Mehta has a dynamic and innovation-driven work acumen, evident in his 15-years hands-on, outcome-driven work ethic across key areas such as business development, patent and product development, human resources, brand equity, external relations, as well as formulating a future-ready Group strategy. He is an avid ESG champion and under his leadership, the Company has embraced "Responsible Chemistry" as a mantra to drive diversity, equity, inclusion, circularity and sustainability while maximizing profits and delivering value to all stakeholders. His technology-forward approach and global vision have been instrumental in developing executive strategies and initiatives that have significantly improved both the top-line and bottom-line. Shri Mehta's consensus-oriented management has demonstrated excellent leadership in all aspects of the business.	
Qualifications	Bachelors of Business Administration from University of Liverpool, UK. Master in Industrial and Organizational Psychology from Columbia University, USA. Owner & President Management Program from Harvard Business School.	
Directorships held in Companies	**Listed Companies** Deepak Nitrite Limited **Unlisted Companies** Deepak Phenolics Limited Deepak Chem Tech Limited Deepak Cybit Private Limited	
Membership / Chairmanship of Committees of Public Companies	**Deepak Nitrite Limited** Risk Management Committee- Member **Deepak Chem Tech Limited** Project Committee- Member	
Shareholdings in the Company, including Shareholding as a Beneficial Owner	1,31,300 Equity Shares	
Disclosure of relationships between directors inter-se.	Son of Shri Deepak C. Mehta, Chairman & Managing Director, brother of Shri Meghav D. Mehta, Non-Executive Director and nephew of Shri Ajay C. Mehta, Non-Executive Director of the Company.	
Remuneration received from the Company in the Financial Year 2022-23.	Fixed pay: ₹ 3.07 Crores Variable pay: ₹ 0.63 Crores (for the Financial Year 2021-22 paid in the Financial Year 2022-23) Total: ₹ 3.70 Crores	
Terms and Conditions of appointment / re-appointment along with details of remuneration sought to be paid	Liable to retire by rotation. Not entitled for sitting fees for attending meeting of Board and Committees thereof.	
Date of first appointment on the Board	May 9, 2016	
The number of Meetings of the Board attended during the Financial Year 2022-23/ during the tenure of their appointment	**No. of Board Meetings held** 5	**No. of Board Meetings attended** 5

Name of Director	Shri Girish Satarkar	
DIN	00340116	
Date of Birth	May 17, 1964	
Age	59 Years	
Brief Resume covering Expertise in specific functional areas and Experience	Shri Girish Satarkar, aged 59 years has done B.Sc. (Tech) and M.Sc. (Tech) in Textile Chemistry from The Institute of Chemical Technology, ICT (formerly UDCT) University of Mumbai. He has also done Masters of Marketing Management (MMM) from Welingkar Institute of Management, University of Mumbai. He has wide & rich experience of over 34 years in the Chemical Industry out which 16 years in the leadership position. He is proficient in business affairs with hands-on experience of managing operations and having a good understanding about risk management and corporate governance. A widely travelled person with exposure to international & domestic marketing and has been involved in market & product development activities since many years. He is a Strategist with an eye for identifying new business opportunities. Shri Satarkar is associated with the Company since 2015 and joined as President - FWA and presently is designated as President - BI of the Company. Prior to joining the Company, Shri Satarkar worked with Diamines & Chemicals Limited, a BSE listed company, as the Executive Director & CEO.	
Qualifications	B.Sc. (Tech) and M.Sc. (Tech) in Textile Chemistry from The Institute of Chemical Technology, ICT (formerly UDCT) University of Mumbai and Masters of Marketing Management (MMM) from Welingkar Institute of Management, University of Mumbai.	
Directorships held in Companies	**Listed Companies** Nil **Unlisted Companies** Nil	
Membership / Chairmanship of Committees of Public Companies	Nil	
Shareholdings in the Company, including Shareholding as a Beneficial Owner	12 Equity Shares	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.	
Remuneration received from the Company in the Financial Year 2022-23.	₹ 1.96 Crores	
Terms and Conditions of appointment / re-appointment along with details of remuneration sought to be paid	As detailed in the Explanatory Statements of Item No 5 & 6	
Date of first appointment on the Board	Proposed to be appointed w.e.f. August 4, 2023.	
The number of Meetings of the Board attended during the Financial Year 2022-23/during the tenure of their appointment	**No. of Board Meetings held** NA	**No. of Board Meetings attended** NA

Name of Director	Shri Deepak C Mehta	
DIN	00028377	
Date of Birth	December 12, 1956	
Age	67 Years	
Brief Resume covering Expertise in specific functional areas and Experience	Shri Deepak C. Mehta is Science graduate from the University of Bombay. With a career spanning around five decades, Shri Deepak C. Mehta has been at the forefront of India's emergent Chemicals Industry, steering Deepak Group into a market leading player in the Chemical Intermediates sector. Under his dynamic leadership, Deepak Group has undergone revolutionary expansion & strategic diversification, foraying new products and segments, augmenting existing capabilities and an ever-increasing geographic penetration, both international & pan national. Today, Deepak Group is a recognized leader in the Chemical Industry with marquee customers across more than 45 countries spanning every continent on the globe. Shri Mehta is passionate about the development of India's industrial prowess. He has regularly chaired & steered committees at industry for a, fervently striving to propel the nation, on a global leadership stage. He is the Chairman of National Chemicals Committee-FICCI and the Sector Skills Council, FICCI. He has served as a President at the Indian Chemicals Council (ICC) and been a member of 'Task Force on Chemicals Industry' constituted by the Government of India, to increase the competitiveness of India's Chemical Industry.	
Qualifications	Science graduate from the University of Bombay	
Directorships held in Companies	**Listed Companies** Deepak Nitrite Limited **Unlisted Companies** Deepak Novochem Technologies Limited Skyrose Finvest Private Limited Forex Leafin Private Limited Pranawa Leafin Private Limited Hardik Leafin Private Limited Stiffen Credits and Capital Private Limited Stigma Credits and Capital Private Limited Stepup Credits and Capital Private Limited Checkpoint Credits and Capital Private Limited Lakaki Works Private Limited	Deepak Cybit Private Limited Storewell Credits and Capital Private Limited Deepak Chem Tech Limited Deepak Phenolics Limited Deepak Novochem Specialities Limited Sundown Finvest Private Limited Binarius Infra Private Limited Greypoint Investments Private Limited Sofotel Infra Private Limited
Membership / Chairmanship of Committees of Public Companies	**Deepak Nitrite Limited** Risk Management Committee- Chairman Corporate Social Responsibility Committee – Chairman **Deepak Novochem Technologies Limited** Audit Committee-Member CSR Committee – Member Nomination and Remuneration Committee – Member **Deepak Phenolics Limited** Nomination and Remuneration Committee – Member Project Committee – Member	
Shareholdings in the Company, including Shareholding as a Beneficial Owner	2,18,52,531 Equity Shares	
Disclosure of relationships between directors inter-se.	Shri Deepak C. Mehta is brother of Shri Ajay C. Mehta and father of Shri Maulik D. Mehta and Shri Meghav D. Mehta.	
Remuneration received from the Company in the Financial Year 2022-23.	₹ 6.99 Crores	
Terms and Conditions of appointment/ re-appointment along with details of remuneration sought to be paid	As detailed in the Explanatory Statement of Item No. 7	
Date of first appointment on the Board	June 14, 1978	
The number of Meetings of the Board attended during the Financial Year 2022-23/ during the tenure of their appointment	**No. of Board Meetings held** 5	**No. of Board Meetings attended** 5

Name of Director	Shri Dileep Choksi
DIN	00016322
Date of Birth	December 26, 1949
Age	73 Years
Brief Resume covering Expertise in specific functional areas and Experience	Shri Dileep C. Choksi is a Chartered Accountant with a Bachelor's degree in Law, a member of the Institute of Cost Accountants of India. Shri Choksi has been a practising professional for the past 44 years. Prior to setting up C.C.Chokshi & Co. he was joint Managing Partner, National Leader - Tax and Financial Advisory Services of Deloitte, India until 2008. His areas of specialization include accounting, tax and corporate advisory services for domestic and international clients, finalising collaborations and joint ventures, corporate restructuring, turnaround and change management strategies and analysing tax impact of various instruments. He is also member of the Society of Trust & Estate Practitioners Limited (STEP). He has also been on the Boards of the Taxation Committee of the Indian Merchant Chambers and the Bombay Chamber of Commerce & Industry. He has worked with Shri N.A. Palkhivala in the preparation of the most prominent book of Kanga and Palkhivala's – The Law and Practice of income tax (Eight Edition) – the last edition written by late Shri N.A. Palkhivala and Shri B. A. Palkhivala.
Qualifications	Bachelor of Law Fellow Member of The Institute of Chartered Accountants of India Member of The Institute of Cost Accountants of India
Skills and capabilities required for the role and the manner in which the Directors meet the requirements	As detailed in the Item No. 8 of the Notice and it's Explanatory Statement.
Directorships held in Companies	**Listed Companies** Deepak Nitrite Limited Arvind Limited AIA Engineering Limited Swaraj Engines Limited ICICI Prudential Life Insurance Company Limited **Unlisted Companies** Universal Trusteeship Services Limited Jio Platform Limited Protego Multi Office Private Limited IDMC Limited Miramac Properties Private Limited
Membership / Chairmanship of Committees of Public Companies	**Deepak Nitrite Limited** Audit Committee- Chairman **Swaraj Engines Limited** Nomination and Remuneration Committee – Chairman Audit Committee – Chairman Stakeholder Relationship Committee – Member **Arvind Limited** Audit Committee – Member Nomination and Remuneration Committee - Member Risk Management Committee – Member

	ICICI Prudential Life Insurance Company Limited Stakeholder Relationship Committee- Chairman Audit Committee – Member Corporate Social Responsibility Committee- Member Nomination and Remuneration Committee- Member **Jio Platforms Limited** Audit Committee- Member **IDMC Limited** Audit Committee- Member Nomination & Remuneration Committee- Member	
Shareholdings in the Company, including Shareholding as a Beneficial Owner	Nil	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.	
Remuneration received from the Company in the Financial Year 2022-23.	Commission- ₹ 0.20 Crores (for the Financial Year 2021-22 paid in the Financial Year 2022-23) Sitting Fees- ₹ 0.04 Crores Total - ₹ 0.24 Crores	
Terms and Conditions of appointment / re-appointment along with details of remuneration sought to be paid	As per draft letter of appointment available for inspection by the Members at the Registered Office of the Company and also available on the website of the Company at www.godeepak.com.	
Date of first appointment on the Board	February 3, 2020	
The number of Meetings of the Board attended during the Financial Year 2022-23/during the tenure of their appointment	**No. of Board Meetings held** 5	**No. of Board Meetings attended** 5

INFORMATION AT A GLANCE:

Particulars	Details
Time and date of AGM	11:30 a.m. IST, Friday, August 4, 2023
Mode	Video Conferencing and Other Audio Visual Means
Webcasts and transcripts	https://www.godeepak.com/financial-result/
Book Closure period	July 28, 2023 to August 4, 2023
Final Dividend Payment date	Within 30 days from the date of declaration of Dividend
Amount of Dividend recommended	₹ 7.50 (Rupees Seven and Paisa Fifty only)
Cut-off date for e-voting	Friday, July 28, 2023
E-voting start time and date	9:00 a.m. Tuesday, August 1, 2023
E-voting end time and date	5:00 p.m. Thursday, August 3, 2023
Name, address and contact details of e-voting service provider	**Contact Name** Ms. Pallavi Mhatre Senior Manager **National Securities Depository Limited** 4th Floor, A wing, Trade world, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India **Email Id** evoting@nsdl.co.in **Contact Number:** 022 - 4886 7000 022 - 2499 7000
Name, address and contact details of Registrar and Transfer Agent	Shri Alpesh Gandhi Asst. Vice President Link Intime India Private Limited B-102-103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Chhar Rasta, Akota, Vadodara 390 020 Tel: 0265 - 2356 573 / 6136 0000.

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: F6713

Date: May 11, 2023
Place: Vadodara

Registered Office:
Aaditya-I, Chhani Road
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200, 396 020
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Second (52nd) Annual Report and the third Integrated Report of Deepak Nitrite Limited ('DNL' or 'your Company' or 'the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2023. The Directors' Report has been prepared on a standalone basis and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS

Your Company's financial performance for the year ended March 31, 2023 is summarized below:

(₹ in Crores)

Particulars	Standalone Results		Consolidated Results	
	2022-23	2021-22	2022-23	2021-22
Total Revenue (Gross)	**3,135.13**	**2,581.85**	**8,019.64**	**6,844.80**
Operating Profit Before Depreciation, Finance Cost, Exceptional Item and Tax (EBITDA)	**687.57**	**716.15**	**1,336.96**	**1,646.19**
Less: Depreciation and Amortization expenses	76.16	72.54	166.30	177.70
Less: Finance Costs	1.57	1.60	24.78	34.04
Profit before Tax	**609.84**	**642.01**	**1,145.88**	**1,434.45**
Less: Tax expenses	140.45	155.80	293.88	367.81
Net Profit for the Year	**469.39**	**486.21**	**852.00**	**1,066.64**
Other Comprehensive Income	(4.85)	0.06	(5.00)	0.17
Total Comprehensive income for the Year	**464.54**	**486.27**	**847.00**	**1,066.81**
Surplus brought forward from previous year	1,694.52	1,288.07	2,776.96	1,789.97
Balance available for Appropriation	**2,158.89**	**1,774.54**	**3,623.80**	**2,856.98**

FY 2022-23 commenced in the backdrop of the Russia-Ukraine War. The resultant disruption in trade routes and the implementation of sanctions by the western countries caused a recalibration in global supply chains. The situation was exacerbated by stringent restrictions in China at the start of the fiscal year, which constrained the ability of Chinese chemical companies to respond to the global disruption. This has led to shortages of chemicals and raw materials; and resulted in a spike in prices of certain products as global customers scrambled to secure supply of critical inputs, largely commodities.

Against this backdrop, your Company focused on reliable and consistent supply to ensure that its customers could truly 'Depend on Deepak'. The emphasis was on maintaining elevated levels of production across all its manufacturing facilities while adhering to stringent regulatory mandates, rules and safety requirements.

Further, your Company continues to make progress in its initiatives to de-risk its business model. The Company has faced several operational and macro-economic challenges during the year that have tested its business model but it has emerged stronger and self-assured due to the all-round enhancement of its strategic positioning.

PERFORMANCE REVIEW

Standalone

The performance during the FY 2022-23 should be viewed against the backdrop of the highly dynamic macro-economic environment. The sanctions on Russia combined with stringent COVID-19 protocols in China severely disrupted traditional global supply chains. This was accompanied by an increase in input and energy expenses, highly volatile foreign exchange rates, sharp rise in prices of crude oil and resultant petrochemical derivatives as well as inbound and outbound logistical challenges during the year.

Consequently, the supply and demand of key intermediates was impacted. However, your Company's manufacturing expertise, global-scale facilities and nimble operations supported by a strong financial position have ensured an efficient performance. Your Company has demonstrated notable agility in seizing opportunities arising from the upheavals across the chemical value chain. Strong customer relationships and global competitiveness have enabled it to be a preferred partner of choice for domestic and global customers alike, while a focus on operational efficiency has ensured that plants operate consistently at high utilization levels. As a result, your Company has achieved new production and sales benchmarks for several key products, showcasing the richness of years of experience and expertise in critical chemistries.

The business was also impacted due to the fire incident at the Nandesari plant in Gujarat in June 2022, which resulted in damage to some assets and inventory, as well as disruptions to business. Costs were incurred for about 40 days without corresponding revenue.

The Company, inspite of above challenges has demonstrated strong business performance with year-on-year growth reported across several product lines. In FY 2022-23, the total revenue, including other income, increased by 21% to ₹ 3,135.13 Crores from ₹ 2,581.85 Crores in FY 2021-22, sustaining the performance momentum.

EBITDA for FY 2022-23 was at ₹ 687.57 Crores, down 4% from ₹ 716.15 Crores in the previous year. Cost of Goods Sold increased by 37% to ₹ 1,669.68 Crores in FY 2022-23, as compared to ₹ 1,221.34 Crores in the preceding year. In FY 2022-23, profit before tax (PBT) was at ₹ 609.84 Crores, compared to ₹ 642.01 Crores in FY2021-22, registering a 5% decrease. Profit After Tax (PAT) was at ₹ 469.39 Crores in FY 2022-23, down by 3% from ₹ 486.21 Crores in the previous year.

Your Company emerged from the situation stronger than before. Following a month-long production shutdown, operations gradually resumed from early July and reached full production capacity by October 2022. The Company has estimated and recognised an initial loss of ₹ 47.20 Crores on account of damage to certain property, plant and equipment & inventory and has recognised insurance claim receivable to the extent of aforesaid losses. The Company has received an interim relief from the insurance companies towards assets and inventories aggregating of ₹ 25.00 Crores, out of which ₹ 11.23 Crores has been received in the month of March 2023 which has been adjusted against the claims receivable and balance ₹ 13.77 Crores received in the month of April 2023. As a measure to further elevate safety standards, a fire readiness audit was conducted and systems and safety measures were further upgraded during the fiscal year.

Your Company has shown significant progress across the business segments, which has contributed to strong revenue growth. It is important to note that the chemical industry also experienced substantial fluctuations in raw material and utility costs during the year, which had an impact on the pricing of the final products. Despite several challenges, your Company has been able to achieve a resilient performance by leveraging the diverse product portfolio to better meet its customers' needs and maintain its market share. Your Company has also actively engaged customers to adjust prices in response to higher raw material costs and other utilities. Additionally, uninterrupted supply of critical raw materials was ensured to optimize high operational efficiency. Through these measures, your Company has been able to deliver a credible performance.

During the year, depreciation and finance costs amounted to ₹ 76.16 Crores and ₹ 1.57 Crores, respectively. Your Company is debt-free as of March 31, 2023 and its operational surplus of ₹ 368.87 Crores is invested in liquid mutual funds, which offer liquidity, stability and greater yields.

In the FY 2022-23, the domestic revenues of your Company increased by 18% to ₹ 1,718.90 Crores compared to ₹ 1,454.16 Crores recorded in the previous year. This decline was due to softer demand from key industries, which was countered by the targeted initiatives undertaken by your Company. On the other hand, export revenue increased to ₹ 1,314.58 Crores from the ₹ 1,056.89 Crores in the previous year. driven by focused approach in targeting countries experiencing faster recovery and positive demand. Your Company's wide range of intermediates also benefits from the strategic shift of international customers from 'just in time' to 'just in case' supply chain philosophy.

As a part of its growth strategy, your Company recently made an announcement regarding an investment in chemical manufacturing plant in the Sultanate of Oman. The investment is envisaged due to various advantages for setting up a chemical plant in Oman such as lower price of power, availability of natural gas for energy, availability of attractive priced ammonia through pipeline, Free Trade Agreement with USA, availability of caustic soda locally. Your Company is investing 51% in the equity of a the Company the Company.

Moreover, the teams have demonstrated remarkable adaptability and client focus even in the face of significant challenges leading to credible outcomes. Your Company is committed to becoming a diversified chemical company while maintaining leadership in crucial products and processes and generating new value through innovation. To achieve volume scalability, it plans to establish stronger relationships with key customers, while continuing to prioritize process improvement and operational excellence. DNL is well-positioned to take advantage of this opportunity with its unique product mix and manufacturing experience, making it a strong contender to lead India's chemical manufacturing growth. DNL's existing expansions and greenfield projects will enhance its competitiveness and market share, creating value for all stakeholders.

Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL'), is a wholly owned material subsidiary of your Company. DPL is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol ('IPA').

Phenol is a versatile industrial organic chemical and is used for manufacture of various chemical intermediates. Phenol is consumed in a broad spectrum of end-user segments, including ply, laminates, foundry, paints, rubber, surfactants, pharmaceuticals and agro-chemicals. Acetone and IPA are mainly used in pharmaceutical end use and also in paints, adhesives and thinners amongst many others.

DPL entered the FY 2022-23 amidst a robust business environment as global recovery took root after the Covid-19 related concerns and restrictions were slowly withdrawn globally, including in India. At the same time, events in Europe and Ukraine caused a major spike in energy prices, including for household use, which resulted in a marked shift in consumer spends towards basic essentials like food and energy. An unusual pull from transport fuels caused Benzene prices to spike to unprecedented levels in the middle of the year. However, the market witnessed a steady decline thereafter as global consumption declined, new capacities of Phenol came on-stream in China and downstream BisPhenol-A and Polycarbonates lost their luster. A continuous bear phase in Phenol caused chain margins to shed nearly 25% from the previous year.

DPL stabilised its operations of second Boiler as well as the captive power plant in the initial months of the year and consequently, improved the operational reliability significantly. DPL could avoid at least ten to twelve power disturbances related plant stoppages thanks to operating the power plant on an islanded mode. Despite the challenges and while the Asian producers were struggling to keep operating rates above 75%, DPL created new benchmark in terms of volumes of production and sales. DPL was awarded the prestigious Responsible Care certification by ICC during the year. DPL's IPA product was also certified to be meeting the quality requirement of Indian, British and American (US) Pharmacopeia, reflecting the commitment to produce world class quality products. DPL also commenced debottlenecking its Phenol production capacity by 10% over and above the current level of production, which is expected to be operational by the end of H1 of FY 2023-24.

DPL also started trials of using bio fuels in its boilers to reduce its usage of fossil fuels and it is planned to further scale it up during the FY 2023-24.

During FY 2022-23, DPL achieved robust sales growth despite external headwinds, aided by the Phenol plant operating at high utilisation levels. Average capacity utilization for the year stood at more than 120% which is meaningfully higher than the rated capacity. Revenues increased to ₹ 4,986 Crores in FY 2022-23 from ₹ 4,318 Crores in FY 2021-22. Revenue growth was linked to enhanced volumes of production and sales. Despite the improved top line performance, EBITDA margin compressed compared to the previous year. Profit After Tax reduced to ₹ 445 Crores in FY 2022-23 as against ₹ 624 Crores in FY 2021-22 which was largely due to drop in chain margins.

DPL continued to remain the largest producer of Phenol and Acetone in India with a market share of ~56%. Further with expanded capacity of IPA Plant, your company is able to reduce import dependency of IPA. During the year under review, your Company successfully placed its volumes in the domestic market to reflect its commitment towards Aatmanirbhar Bharat.

Deepak Chem Tech Limited

The Group aims at growing through organic route, through its 100% subsidiary company, Deepak Chem Tech Limited ('DCTL'). With its Registered Office at Vadodara in the State of Gujarat, DCTL is in the process of implementing various projects to produce intermediate chemicals for various applications leveraging existing competencies and product portfolio of the Group. DNL has invested ₹ 9.50 Crores as equity and ₹ 395.50 Crores as Compulsorily Convertible Debentures (CCD) into DCTL towards part funding the on-going projects.

As of now, DCTL is incorporating projects across two sites in Gujarat under both the business segments – Advanced Intermediates (AI) and Phenolics. To start with, DCTL is implementing several projects for an overall capital outlay of approximately ₹ 2,000-2,200 Crores across new products, upstream and downstream products. DCTL has acquired big-parcel of land at Dahej, Gujarat, where it is implementing most of the projects.

DCTL has already created a very strong project implementation team, which works closely with the R&D and Technical Services toward licenses and technical know-how and executing projects for the Group. DCTL has an existing employee strength of 135 which largely comprise of project team. It puts special emphasis on timelines and cost of projects while simultaneously looking deeply into various aspects such as health, safety, environment and compliances. In line with the Group's philosophy, it walks extra mile towards ensuring sustainable processes and easy scalability so that, in future, the Group's ability to expand is much more at less costs so to achieve better efficiency, green processes and reducing carbon footprints.

Alongside project implementation, DCTL is also creating a full capability operations team to ensure smooth take over and running the gamut of operations across all plants at various locations.

In a recent event, DCTL has signed an MOU with the Government of Gujarat, whereby it announced its intent of implementing another Phenol and Bisphenol A capacity. It is worth mentioning that, Phenol is a pre-cursor of Bisphenol A, while Bisphenol A is a pre-cursor of Polycarbonate. DCTL is already in the process of implementing a project of Polycarbonate compounding (i.e. down stream products of Polycarbonate).

During FY 2022-23, DCTL generated a total revenue of ₹ 1.41 Crores and a net loss of ₹ 0.56 Crores.

Consolidated

Your Company's total revenue, including other income stood at ₹ 8,019.64 Crores in FY 2022-23, growing by 17% from ₹ 6,844.80 Crores in the previous year. Higher volumes across key business segments, particularly Phenolics, led to strong and sustainable revenue growth. Utilization levels remained consistently high throughout the year, with ongoing improvements. Although prices for certain inputs have cooled off, they remain higher than the previous year. These elevated costs are being passed on to the customers, albeit with a slight delay.

EBITDA was at ₹ 1,336.96 Crores, down by 19% from ₹ 1,646.19 Crores in FY 2021-22. The normalisation of product realisations compared to the base year as well as non-availability of Nandesari plant for about 40 days due to fire impacted the EBITDA performance. EBITDA margin contracted by 700 bps on a Y-o-Y basis at 17% in FY 2022-23 due to challenging macro environment. Cost of Goods Sold were ₹ 5,347.51 Crores in FY 2022-23, up by 30% from ₹ 4,114.35 Crores in the previous year. The normalization of certain product margins this year has resulted in margin compression, after being exceptionally high last year. To protect profitability, your Company is implementing measures to pass on the increased input costs, while also driving cost optimization efforts.

During the year, Depreciation amounted to ₹ 166.30 Crores, while Finance costs were at ₹ 24.78 Crores.

In the fiscal year under review, the Profit Before Tax (PBT) amounted to ₹ 1,145.88 Crores, in contrast to ₹ 1,434.45 Crores in FY 2021-22. Profit After Tax (PAT) was ₹ 852 Crores, lower by 20% in comparison to ₹ 1,066.64 Crores in FY 2021-22. The performance of PAT has been in line with the EBITDA. Despite the reduction in finance costs and depreciation, the overall rise in costs impacted the performance.

In terms of geographical break-up, Domestic Revenues for FY 2022-23 reached ₹ 6,410.31 Crores, a 22% increase from the ₹ 5,272.15 Crores in the previous year. Additionally, Revenue from Exports grew by 2% to reach ₹ 1561.75 Crores, up from ₹ 1,530.04 Crores in the previous year, demonstrating the Company's resilience and strong engagement with global customers. Despite global instability, Deepak has maintained a consistent customer base and your Company has been successfully able to sustain or grow its market share in various key products. This aligns with the "Depend on Deepak" initiative, which strives to develop a robust organization through efficient processes and systems, while emphasizing ethical and transparent practices. Deepak also boasts a highly skilled and motivated team capable of assuming leadership roles, along with extensive capabilities to fulfil customer requirements.

On the expansion initiatives, the SAC plant's capacity installation is scheduled to be commissioned soon. The Company has embarked into further growth plans with an expected outlay of approximately ₹ 2,500 Crores over various facilities. These facilities are being commissioned in a phased manner across new products, upstream and downstream facilities including downstream of Polycarbonates which is called Polycarbonate Compounding. Your Company will manufacture compounding products to meet the growing demand in India for new-age applications such as 5G boxes, EV batteries, medical devices and others.

The future appears promising for the Indian chemicals sector, as most of the industries are returning to their pre-COVID levels of production and there is a growing demand due to a shift in the global supply chain from China to India. By leveraging the upcoming brownfield and greenfield expansions and integrating value-added forward and backward operations, your Company is enhancing competitiveness and positioning itself not only to compete on a global level but also to lead in respective business segments, thereby expanding market share.

DIVIDEND

Based on your Company's healthy performance, the Board of Directors of your Company is pleased to recommend a Dividend of ₹ 7.50 (Rupees Seven and Paise Fifty only) per Equity Share for the year ended March 31, 2023 as against ₹ 7.00 (Rupees Seven only) per Equity Share in the previous year. The total Dividend as above on 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each, if approved by the Members at the ensuing Annual General Meeting, would involve a total outgo amount of ₹ 102.29 Crores, resulting in a Dividend Payout of 22% of the standalone Profit After Tax of the Company.

The Company's Register of Members and Share Transfer Books will be closed from Friday, July 28, 2023 to Friday, August 4, 2023 (both days inclusive) for the purpose of Dividend for the Financial Year ended March 31, 2023 and 52nd Annual General Meeting of the Company. It is important to note that, as per the Finance Act of 2020, payment of Dividend is now subject to taxation and the Company is required to deduct tax at source from the Dividend paid to Members, as per the rates prescribed in the Income Tax Act of 1961.

Under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1,000 listed entities (by market capitalisation, calculated as of March, 31 of each Financial Year), are required to formulate a Dividend Distribution Policy and make it available on their website, with a link also provided in their Annual Reports. In accordance with this requirement, the Company has adopted the Dividend Distribution Policy and the same can be accessed using the following link: https://www.godeepak.com/wp-content/uploads/2021/05/1-DNL-Dividend-Distribution-Policy.pdf.

SHARE CAPITAL

The issued, subscribed and paid-up Equity Share Capital as on March 31, 2023, is ₹ 27.28 Crores, comprising of 13,63,93,041 Equity Shares of face value of ₹ 2.00 (Rupees Two only) each. The Company has not issued any Equity Shares during FY 2022-23. Accordingly, there is no change in the Equity Share Capital of the Company during FY 2022-23.

TRANSFER TO RESERVES

The Board of Directors has decided to retain entire amount of Profit during FY 2022-23 appearing in the Statement of Profit and Loss and no amount is proposed to be transferred to Reserves. The closing balance of the retained earnings of the Company for FY 2022-23 was ₹ 2,063.41 Crores.

FINANCE

Your Company's goal is to maintain a prudent capital structure at a consolidated level by managing its working capital requirements efficiently, while adhering to strict criteria and maintaining a balanced debt equity ratio. By implementing improved working capital management practices, your Company was able to report zero total debt during the year under review.

DNL's strong credit rating has proven advantageous in its financial activities, resulting in reduced charges. Additionally, the Company's depreciation increased after acquiring certain Property, Plant and Equipment. With a team of specialized professionals monitoring Foreign Exchange exposure, the Company effectively mitigates associated risks. Owing to its dynamic and proactive management, the team has successfully managed the Company's cash flow position. As of March 31, 2023, the Company's standalone Net Debt: Equity remains at Nil, same as the previous year.

Overall, your Company is in a strong position in the industry, delivering high-quality products guided by a robust product mix. ICRA has reaffirmed the long-term credit rating at "ICRA AA/Positive" while the short-term rating of the Company remains at the highest level at A1+. This is primarily owing to the Company's sustainable business performance, ability to cater to varied end use segments, diversified product portfolio, constant improvement and efficient operations.

For the Company's wholly owned subsidiary, Deepak Phenolics Limited ('DPL'), ICRA has reaffirmed the long-term credit rating at "ICRA AA/Positive" and while the short term credit rating remains at "ICRA A1+" which is the highest rating in short term category.

During the year, DPL has pre-paid a substantial part of its borrowing apart from honouring committed repayments. Pursuant to this, the consolidated Net Debt / Equity ratio continues to remain Nil as of March 31, 2023.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act'), Shri Maulik D. Mehta (DIN: 05227290) retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Shri Sandesh Kumar Anand (DIN:00001792) who is also retiring by rotation at the ensuing Annual General Meeting of the Company, has not offered himself for re-appointment. Accordingly, he shall cease to be Director of the Company with effect from August 4, 2023. The Board of Directors, at their meeting held on May 11, 2023, while placing on record their sincere appreciation for the valuable contribution of Shri Sandesh Kumar Anand during his tenure as the Director of the Company, have recommended the appointment of Shri Girish Satarkar (DIN: 00340116) as Director liable to retire by rotation w.e.f. August 4, 2023, in place of Shri Sandesh Kumar Anand, for approval by Members of the Company at the ensuing Annual General Meeting.

Upon recommendation of Nomination and Remuneration Committee, the Board of Directors, at the said meeting, have also recommended the appointment of Shri Girish Satarkar (DIN: 00340116) as Whole-time Director designated as Executive Director of the Company for a period of three (3) years w.e.f. August 4, 2023, for approval by the Members at the ensuing Annual General Meeting on the terms and conditions as provided in the Explanatory Statement to the Notice convening 52nd Annual General Meeting.

Shri Sudhir Mankad (DIN:00086077), Dr. Richard H. Rupp (DIN:02205790) and Dr. Swaminathan Sivaram (DIN:00009900) ceased to be Independent Directors upon completion of their second term on August 7, 2022.

During the year, the Members of the Company, through Postal Ballot by way of e-voting on June 22, 2022, approved:

- Re-appointment of Shri Sanjay Upadhyay (DIN:01776546) as a Director (Finance) & CFO for a period from April 28, 2022 to July 31, 2026.
- Re-appointment of Shri Sanjay Asher (DIN:00008221) and Smt. Purvi Sheth (DIN:06449636) as Independent Directors of the Company for the second term of three (3) consecutive years with effect from June 28, 2022.
- 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.
- Appointment of Shri Punit Lalbhai (DIN: 05125502), Shri Vipul Shah (DIN: 00174680) and Shri Prakash Samudra (DIN: 00062355) as Independent Directors of the Company for a term of three (3) consecutive years with effect from August 8, 2022.

Shri Dileep Choksi was appointed as an Independent Director at the 49th Annual General Meeting of the Company held on August 7, 2020 for a term of three (3) consecutive years. Accordingly, the first term of Shri Dileep Choksi as an Independent Director is upto August 6, 2023. The Board of Directors at their meeting held on May 11, 2023, upon recommendation of Nomination and Remuneration Committee and based on evaluation of performance of Shri Dileep Choksi, which was completely satisfactory, have recommended the re-appointment of Shri Dileep Choksi for approval by the Members at the ensuing Annual General Meeting of the Company, for a second term of three (3) consecutive years with effect from August 7, 2023.

The Members at the 48th Annual General Meeting of the Company held on June 28, 2019 approved the re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for further period of five (5) years w.e.f. December 14, 2018. Accordingly, the present term of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company is upto December 13, 2023.

The Board of Directors, at their meeting held on May 11, 2023 approved the re-appointment of Shri Deepak C. Mehta as the Chairman and Managing Director of the Company for further period of five (5) years w.e.f. December 14, 2023, subject to approval by the Members. Further, since Shri Deepak C. Mehta will attain the age of 70 years during the proposed term of his re-appointment, approval of Members is being sought for his re-appointment by way of Special Resolution at the ensuing Annual General Meeting.

INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Directors, other than payment of sitting fees and re-imbursement of expenses for attending meetings of Board and Committee thereof and also Commission on Net Profits of the Company as approved by the Members of the Company, in accordance with the provisions of Act and Listing Regulations.

As per requirements of the Act, a separate meeting of Independent Directors, without presence of members of management of the Company, was held on March 10, 2023 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

All Independent Directors were present at the said meeting.

KEY MANAGERIAL PERSONNEL

As required under Section 2(51) and Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company:

1. Shri Deepak C. Mehta, Chairman & Managing Director
2. Shri Maulik D. Mehta, Executive Director & CEO
3. Shri Sanjay Upadhyay, Director (Finance) & Group CFO
4. Shri Somsekhar Nanda, Chief Financial Officer
5. Shri Arvind Bajpai, Company Secretary

During the year under review, Shri Sanjay Upadhyay was elevated as 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.

There were no other changes in Key Managerial Personal during the year.

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

During FY 2022-23, five (5) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors and Committees of the Board of Directors of the Company held and attended by the Directors are given in the Corporate Governance Report forming part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and the Listing Regulations.

BOARD 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 Directors are 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 very good understanding of the Company's business and the general economic environment 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 criteria for evaluation of performance of Independent Directors are:

- Relevant Knowledge, Expertise and Experience.
- Devotion of time and attention to the Company's long term strategic issues.
- Addressing the most relevant issues for the Company.
- Discussing and endorsing the Company's strategy.

- Professional Conduct, Ethics and Integrity.
- Understanding of Duties, Roles and Function as Independent Director.

The performance of the respective 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.

Your Directors have expressed their satisfaction to the evaluation process.

Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirms the integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company appointed during the year.

AUDIT COMMITTEE

A duly constituted Audit Committee is in place having majority of Independent Directors with Shri Dileep Choksi, Independent Director, as the Chairman of the Committee. The other members of the Audit Committee are Shri Sanjay Asher, Independent Director and Shri Sandesh Kumar Anand, Non-Executive Non-Independent Director. 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. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members of the Audit Committee are set out in the Corporate Governance Report, which forms part of the Annual Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

STATUTORY AUDITORS

At the 51st Annual General Meeting of the Company held on August 3, 2022, the Members approved re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018) as Statutory Auditors of the Company to hold office as the Atatutory Auditors for a further period of five (5) years from the conclusion of the 51st Annual General Meeting till the conclusion of the 56th Annual General Meeting of the Company. During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Act.

STATUTORY AUDITOR'S REPORT

The observations made in the Auditors' Report of Deloitte Haskins & Sells LLP, Chartered Accountants, for the year ended March 31, 2023, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark, or disclaimer by the Statutory Auditors in their Report.

There were no instances of frauds identified by the Statutory Auditors during FY 2022-23.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2023 was carried out by the Secretarial Auditors, KANJ & Co. LLP, Company Secretaries, Pune. The Board of Directors of your Company has re-appointed KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2023-24.

SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report of KANJ & Co. LLP, Company Secretaries, Pune, for the year ended March 31, 2023 in Form MR-3 is annexed as Annexure - A, which forms part of this Report.

The Secretarial Audit Report for FY 2022-23, does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor.

The secretarial Audit of Deepak Phenolics Limited ('DPL'), a material unlisted subsidiary, was undertaken by Samdani Shah & Kabra, Company Secretaries, Vadodara for FY 2022-23. The said Secretarial Audit Report confirms that DPL has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The Secretarial Audit Report of DPL is annexed to this Report as Annexure-B as per the requirement of Act and the Listing Regulations.

COST AUDITORS

The Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by your Company.

Pursuant to provisions of Section 148 of the Act, the Board of Directors, upon recommendation of the Audit Committee, re-appointed B. M. Sharma & Co., Cost Accountants, to conduct audit of the Company's cost records for FY 2023-24 at a remuneration of ₹ 8,00,000 (Rupees Eight Lakhs only) plus applicable taxes and out of pocket expenses. The Cost Auditors have confirmed that they are free from disqualification specified under Section 148(5) read with Section 141(3) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

As required under the provisions of the Act, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Members at the ensuing Annual General Meeting.

An Ordinary Resolution for the ratification of remuneration of Cost Auditors for FY 2023-24 is provided in the Notice convening 52nd Annual General Meeting for approval by the Members. Your Directors recommend the same for approval by the Members.

The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year. The Cost Audit Report for FY 2022-23 does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

On the recommendation of the Audit Committee, the Board of Directors of the Company has re-appointed Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for FY 2023-24.

The Internal Audit function reports its findings and status thereof to the Audit Committee on a quarterly basis.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the Rules made thereunder, details of which needs to be mentioned in this Report.

RISK MANAGEMENT

The Company recognises that risk is an integral and inevitable part of business and that the Company is fully committed to manage the risks in a proactive and efficient manner.

Towards this, the Company has adopted a comprehensive Enterprise Risk Management Framework and Policy, duly approved by the Board of Directors, which is aligned with the requirements of ISO 31000 and COSO and articulates the approach to address the uncertainties in its endeavour to achieve stated and implicit objectives. The Enterprise Risk Management Framework ensures sustainable business growth with stability and encompasses establishment of structured and intelligent approach to Risk Management at the Company. The Company is having a disciplined process for continuously assessing risks, in the internal and external environment along with minimising the impact of risks. The Company incorporates the risk mitigation steps in all its strategy and operating plans.

The objective of Risk Management process in the Company is to enable value creation in an uncertain environment, promote good governance, address stakeholder expectations proactively and improve organisational resilience and sustainable growth.

In compliance with the requirement of Regulation 21 of the Listing Regulations, your Company is having a duly constituted Risk Management Committee. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and to ensure that key strategic and business risks are identified and addressed by the management. The Committee evaluates the performance of the Company against perceived risks, develops methods to classify potential and evolving risk that may adversely impact overall risk exposure of the Company and determines the strategic plan and framework of Risk Management. Further, the Risk Management Committee has designated Chief Financial Officer of the Company also as a Chief Risk Officer who is responsible for identifying, measuring, monitoring, mitigating and reporting on risk exposures to the Risk Management Committee. The details about the Risk Management Committee have been provided in the Report on Corporate Governance which forms part of this Annual Report.

The Board of Directors regularly assess the processes for Risk Identification and Risk Mitigation to ensure that relevant risks are appropriately identified and effective mitigation mechanisms are in place by updating and assessing Risk Register regularly. This approach provides a constructive and value-added analysis mechanism that helps to maintain an appropriate level of risk profile in a rapidly evolving environment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company places great importance on Internal Controls including Internal Financial Controls, which plays a critical role in the smooth functioning of any organization. The Internal Control framework is sufficient and implemented through written policies, rules and protocols to ensure compliance with laws, regulations, processes and guidelines. This framework ensures that all resources are protected against unlawful use or disposal and that transactions are appropriately permitted, registered and documented.

In FY 2022-23, the Internal Auditor conducted comprehensive assessments across all functional departments and locations. The Internal Audit provides independent and reasonable assurance about the adequacy and operating effectiveness of the Internal Controls to the Audit Committee. The Audit Committee regularly reviewed the Internal Audit findings and corrective measures are taken to ensure the effectiveness of the Internal Control systems and processes. The system of Internal Control is designed to verify the accuracy of financial and other documents for compiling financial reports and maintaining transparency for individuals.

The Statutory Auditors have confirmed the adequacy of the Internal Financial Control system over Financial Reporting and Statutory Auditor's Report on Internal Financial Controls, as required under Clause (i) of Sub-section 3 of Section 143 of the Act, is attached to the Independent Auditors' Report.

Some of the key initiatives during the year are:

Data Privacy, Protection & Retention of Critical Data/ Documents

With an aim of maintaining data secrecy & confidentiality of critical information/ documents across all Functions & Sites, an assessment of data life cycle was carried out through an external agency wherein assessment of current posture of the data security practices around critical information was identified and measures were recommended to strengthen the control posture to plug-in potential leakage points. In addition, it covered the areas relating to IT landscape for current data security practices and third-party risk management aspects.

Upgradation of CCTV cameras:

The Company upgraded its existing CCTV (close circuit television) system with edge-based analytics having security Artificial Intelligence (AI) features like line crossing, intrusion area, etc. the objective being enhancing safety within premises, reduced employee, or staff incidents, preventing & investigating a crime, etc. Old systems were replaced with upgraded technology as well as installation of new cameras at critical locations within site.

Turnstile Systems

Security is a rising concern in the world today i.e., hackers accessing valuable information to intruders threatening the safety of people and property. With an aim of controlling access to premises by contract workers, visitors, etc. turnstile systems were installed & implemented across all sites. Turnstiles provide superior access control by both detecting and deterring unauthorized entries & exits. In addition, contractors billing is done directly through the records generated from turnstile system.

VIGIL MECHANISM

Pursuant to provisions of Section 177(9) of the Act, read with Regulation 22(1) of the Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, including actual or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the Company's website at https://www.godeepak.com/wp-content/uploads/2021/05/2-DNL-Whistle-Blower-Policy.pdf.

DEPOSITS FROM PUBLIC

During FY 2022-23, the Company has not accepted or renewed any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There has been no default in repayment of deposits or interest thereon during the year and there are no deposits outstanding as on March 31, 2023.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details on transfer of unclaimed/unpaid amount/shares to Investor Education and Protection Fund (IEPF) are provided in the Corporate Governance Report under para 'Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund (IEPF)'.

RELATED PARTY TRANSACTIONS

There are no material related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All transactions with related parties were on arm's length basis and approved by the members of the Audit Committee who are Independent Directors. The transactions with related parties which are not in the ordinary course of business were also approved by the Board of Directors. During FY 2022-23, there were no transaction entered into with related party requiring approval of Members of the Company. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Act, in Form No. AOC-2 is not applicable to the Company.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on arm's length basis. While placing transactions with related parties, the necessary details required to be placed before the Audit Committee / Board of Directors under the provisions of the Act and Listing Regulations were circulated along with Agenda papers. Further, a statement containing details of all related party transactions is being placed before the Audit Committee and the Board of Directors on a quarterly basis.

All related party transactions are subjected to independent review by the Internal Auditors of the Company to establish compliance with the requirement of related party transactions under the Act and Listing Regulations.

Your Company has in place a Policy on related party transactions formulated in line with the provisions of the Act and Listing Regulations. The said Policy is duly approved by the Board of Directors and can be accessed on the website of the Company at www. godeepak.com.

None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company.

As required under the provisions of Listing Regulations, the Company submits details of all related party transactions in the prescribed format to the Stock Exchanges on a half-yearly basis.

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on a Standalone basis.

Pursuant to requirement of Section 136 of the Act, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the company, your Company will make available the Annual Financial Statements of subsidiary companies and the related detailed information to any Member of the Company on receipt of a written request from them at the Registered Office of the Company. The Annual Financial Statements of subsidiary companies will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. These are also available on the website of your Company at www.godeepak.com.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Consolidated Financial Statements include the operations of following subsidiaries:

- Deepak Phenolics Limited
- Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited)
- Deepak Nitrite Corporation Inc.

During FY 2022-23, there is no company which has become or ceased to be subsidiary or associate of the Company. Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations duly approved by the Board of Directors and can be accessed on the Company's website at www.godeepak.com.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Deepak Phenolics Limited ('DPL'), is a wholly owned material subsidiary of your Company. DPL is engaged in the business of manufacture of Phenol, Acetone and Iso Propyl Alcohol ('IPA') at its state-of-the-art facility in Dahej, Gujarat. The detailed performance of DPL is provided under the section Performance Review of this Report.

(b) Deepak Chem Tech Limited (DCTL)

Deepak Chem Tech Limited ('DCTL') (formerly known as Deepak Clean Tech Limited), a wholly owned subsidiary of the Company is implementing projects for manufacturing various intermediate chemical products. The detailed performance of DCTL is provided under the section Performance Review of this Report.

The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2023 together with the Auditor's Report, constitute part of this Annual Report in compliance with the provisions of the Act, Regulation 33 of the Listing Regulations and relevant Accounting Standards. Additionally, Form No. AOC-1, detailing the salient features of the Company's subsidiaries, associates and joint venture companies, is attached to the Financial Statements.

(c) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary based in the United States. This Company was established to support your Company's marketing needs in North and South America. During FY 2022-23, DNC generated total revenue of USD 17,966.90 and achieved a net income of USD 273.56.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186 of the Act are provided in the standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2023 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

COMPLIANCE MANAGEMENT

The Company has in place a comprehensive and robust legal compliance management online tool, which is devised to ensure compliance with all applicable laws which impact the Company's business. Automated alerts are sent to compliance owners to ensure compliances within stipulated timelines.

The compliance owners certify the compliance status which is reviewed by compliance approvers and a consolidated dashboard is presented to the respective functional heads and Compliance Officer. A certificate of compliance of all applicable laws and regulations along with corrective and preventive action, if any, is placed before the Audit Committee and Board of Directors on a quarterly basis.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls established and maintained by the Company, work performed by the Internal, Statutory, Secretarial and Cost Auditors and external agencies including audit of Internal Financial Controls over Financial Reporting by the Statutory Auditors and reviews performed by the management and relevant Board Committees, including Audit Committee, the Board is of the opinion that your Company's Internal Financial Controls were adequate and effective during FY 2022-23. Accordingly, pursuant to Section 134(5) of Act, the Board of Directors, to the best of their knowledge and ability confirm that:

(a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2023 and of the profit of the Company for the year ended on that date;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the Annual Accounts on a going concern basis;

(e) They have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by Securities and Exchange Board of India (SEBI). The Report on Corporate Governance under Regulation 34 of the Listing Regulations read with Schedule V of the said Regulations forms an integral part of the Annual Report. The requisite Certificate from a Practising Company Secretary, KANJ & Co., LLP, Company Secretaries, Pune, confirming compliance with the conditions of the Corporate Governance is attached to the Corporate Governance Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations and SEBI circular no. SEBI/LAD-NRO/ GN/2021/2 dated May 5, 2021, your Company provides the prescribed disclosures in new reporting requirements on Environmental, Social and Governance ("ESG") parameters called the Business Responsibility and Sustainability Report ("BRSR") which includes performance against the nine principles of the National Guidelines on Responsible Business Conduct and the report under each principle which is divided into essential and leadership indicators. The BRSR is attached to Report as Annexure - C.

INTEGRATED REPORTING

Your Company believes that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet through harmonising economic growth, social inclusion and environment protection. In furtherance to this commitment, the Company had taken paradigm shift from compliance-based reporting to governance based reporting and accordingly, in the interest of its stakeholders, the Company, on voluntary basis adopted the Integrated Reporting (IR) framework of the Value Reporting Foundation (Earlier known as International Integrated Reporting Council) International Integrated Reporting Council to report on all the six capitals that the Company uses to create long term stakeholder value and this is the third consecutive year in which your Company has published its Integrated Report. The Integrated Report is a part of this Annual Report, which provides a clear, concise and comprehensive vision of business model.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34(2)(e) of Listing Regulations, read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

Deepak Foundation, which is the Group's Corporate Social Responsibility ('CSR') arm, carries out the Company's CSR initiatives focusing on social interventions in areas like education, health and livelihood. Through the years, the Company has worked closely with the communities surrounding their facilities and even beyond to improve their livelihood and society. The Company has a positive impact on society, particularly in capacity development, healthcare and women's empowerment. The Company has organized several campaigns, such as mobile health units that provide healthcare services at people's homes. Additionally, the Company's CSR arm is working on improving the last-mile presence of Government programs in day-care centres, delivering books to children through mobile library services and other initiatives.

Your Company has undertaken a major CSR Project for construction of new building and renovation of existing buildings of Kashiben Gordhandas Patel Children Hospital situated at Vadodara, Gujarat, conceived by Medical Care Centre Trust as a service for the children with focus on the poor and the deprived section of the society. The Children's Hospital is a tertiary care pediatric hospital serving the poor & needy people of Vadodara, Central Gujarat and neighboring states of Madhya Pradesh, Rajasthan & Maharashtra, focussing poor and sick child. More than 2.5 million children have been served by Kashiben Gordhandas Patel Children Hospital since its inception in 1984. The field of activities of the organization is to provide excellent medical care and treatment to nearly 30% of the cases free and to the remaining at very reasonable cost.

The CSR Project was undertaken through Medical Care Centre Trust (CSR Registration No.: CSR00003940).

During FY 2022-23, your Company has spent ₹ 11.94 Crores on CSR activities, against the requirement of ₹ 12.64 Crores, being 2% of average of the net profits for the preceding three years, as per the requirement of Section 135(5) of the Act. The shortfall in spending ₹ 0.70 Crores was towards renovation of existing buildings and construction of new building of Kashiben Gordhandas Patel Children Hospital which was due to delay in obtaining various government approvals for commencement of renovation and construction of hospital building. Since the said CSR project was classified as the ongoing project by the Board of Directors, the unspent amount of ₹ 0.70 Crores towards the said ongoing project is transferred to a separate Bank Account on April 25, 2023 as required under the provisions of the Act and the rules made thereunder which shall be spent in the subsequent Financial Year.

The Company is having a duly constituted CSR Committee, details of which such as composition, Terms of Reference, meetings held and attendance thereat are provided in the Corporate Governance Report. There have been no instances during the year when recommendations of the CSR Committee were not accepted by the Board.

The Company is also having a CSR policy duly approved by the Board of Directors that provides guidelines for conducting its CSR activities and can be accessed at Company's website at https://www.godeepak.com/wp-content/uploads/2021/05/3-DNL-Corporate-Social-Responsibility-Policy.pdf.

Annexure - D, which is part of this Report, contains the Report on the Company's CSR activities, complying with the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Act and the Listing Regulations. The Nomination and Remuneration Policy of your Company is annexed as Annexure - E and is also available on the Company's website on www.godeepak.com.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure - F.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, in accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members of the Company excluding the aforesaid information. The aforesaid information is available for inspection by the members upto the date of the ensuing Annual General Meeting on all working days, except Saturdays, during working hours at the Registered Office of the Company. Any Member interested in obtaining such information may write to the Company Secretary.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and 92(3) of the Act, the Annual Return of the Company has been placed on the website of the Company at www.godeepak.com.

In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, within the prescribed timelines.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure – G to this Report.

STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given under the heading 'Performance Review' and various other headings in this Report and in the Management Discussion and Analysis, which forms part of the Annual Report.

SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

SECRETARIAL STANDARDS OF ICSI

During the year under review, your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India, with respect to Meetings of Board and its Committees and General Meetings, respectively. The Company has devised necessary systems to ensure compliance with the applicable provisions of Secretarial Standards.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the year under review:

i. Issue of equity shares with differential rights as to dividend, voting or otherwise.

ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

iii. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

iv. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

RESEARCH & DEVELOPMENT

Our innovation infrastructure consists of centralised research facility, Deepak Research and Development Centre (DRDC) at Nandesari, Gujarat. Recognised by the Department of Scientific & Industrial Research, Government of India, it is equipped with the modern instruments and equipment for developing cutting edge technology. Your Company's R&D team comprises of very highly qualified and experienced team members who bring in the best practises in the industry.

DRDC also houses a state-of-the-art process engineering Lab, Kilo lab and process intensification lab. Mentioned setups help in generating scale-up related data for all the products which are developed in R&D Centre. The speed of lab scale development is increased with the application of Design of Experiments methodology using a specialised software for screening as well as optimisation mode.

To aid in new technology platform and continuous process development, your Company has invested in flow reactor, flow meters etc. under Process Engineering Research & Innovation (PERI).

Analytical Team plays a crucial role in supporting synthetic chemistry, hence the analytical capabilities for additional requirements are also enhanced by purchasing various new analytical tools such as Gas Chromatography (GC), Gas Chromatography/Mass Spectrometry (GCMS), High Performance Liquid Chromatography (HPLC), Liquid Chromatography/Mass Spectrometry (LCMS), Ultra Performance Liquid Chromatography (UPLC) and Ion Chromatography (IC). Analytical Lab has also been expanded to accommodate these additional instruments.

Our R&D remain focussed on:

- New product development
- New technology platform development to serve the niche requirements of our customers
- Improvement of productivity as well as yield in existing products
- Reduction of our resource consumption particularly water, energy and using green technology

Process Safety Activities

DRDC has a dedicated process safety team which analyses the chemical processes for their safe operations based on in-house ARC- Accelerated Reaction Calorimeter, DSC- Differential Scanning Calorimeter, RC- Reaction Calorimeter (with gas evolution analysis). Also, the team takes help from third party labs for other safety data generation e.g. powder safety data.

Technology

Your Company's R&D team is working on various new technology platform developments such as fluorination as well as photo chlorination chemistry, high pressure oxidation reaction for adipic acid formation and gas solid reaction for salicylic acid formation. A pilot facility for Vapor phase process has also been installed.

Lab scale CSTR - Continuous Stir Tank Reactor set-ups are used for converting batch mode reactions into continuous mode to achieve better yield and quality with overall reduction in the cost of operations.

State-of-the-art pilot plants

Your Company is havinig two state-of-the-art pilot facilities, one each situated at Roha, in Maharashtra and Nandesari, in Gujarat. The Pilots act as catalysts between R&D and commercial production of intermediates for Agrochemicals, Dyes, Pharmaceuticals etc., thereby allowing your Company to deliver quality products seamlessly. The Pilot facility boasts of stainless steel and glass lined reactors along with distillation columns for gas and liquid raw materials fully-equipped with advanced instruments, DCS (Distributed Control system) and utilities like chilled brine, low pressure steam, cooling water, temper water and more.

Development of idea to plant process (ITP)

The Technical Organisation is responsible for generating ideas, developing sustainable processes and moving them to manufacturing plant. With this in mind, a team conducts a critical review of the process from idea generation to technical development to production plant (ITP process). The activities are mapped and relevant documents are formalised. The ITP project is targeted to define technical process, the infrastructure required and supporting the document system. This also include in-depth safety reports for the chemicals and processes.

The overall ITP concept includes:

1. Process flow:
    - Idea collection and assessment (ICA)
    - R & D process
    - Technology transfer

2. Responsible team identification
3. Responsibility matrix

A highly secure web-based suite of tools have been deployed to manage all data from ideas to commercial trials.

The system stores data in a structured format making it searchable, preventing knowledge loss while controlling information flow.

Benefits of ideas to plant trials

- Documentation of the Lab Records are all digilized and in on-line mode.
  - Formats designed to extract data/information.
  - Reports and presentations are created by the system through aggregation.
  - Ensures data integrity, data security and data traceability.
  - Reduce the time spent by scientists in making management reports, significantly.
- Open and transparent R&D team availability.
- Using fortnightly reports and reduce the time of technical reviews.
- No orphan data points and complete audit trail and tracebacks.

Training of technical team

Two workshops on process safety and process scale up were organised. Participants were across functions of Deepak Group. These workshops introduced the salient feature of the Process Safety pertaining to Deepak Group competency.

The complete aspects of process safety and process scaleup were explained in detail during the workshop. This will help the teams in developing processes where the emphasis on scalability and safety starts from the lab itself.

SAFETY, HEALTH & ENVIRONMENT

Your Company is dedicated in ensuring Safety, Health and Environment (SHE) in relation to all its manufacturing processes, products and services. It consistently takes various measures to develop and adopt safer process technologies, unit operations and sustainable systems from conceptualization stage.

Investments are being made in various areas considering benefits of all stakeholders such as Process Automation to enhance safety and minimize human error, extensive training on process and behavior-based safety, implementation of safe and environment friendly production processes, upgrades to effluent treatment facilities, Reverse Osmosis plants, Multiple Effect Evaporators etc., to reduce effluent discharge. Waste Heat recovery systems are being commissioned to promote the reduction, recovery and reuse of effluents and other utilities.

A systematic and well-documented scale-up procedure is in place for the development of products, starting from Research & Development to Pilot to Commercial scale. This includes risk assessment and process safety studies at each stage to ensure inherently safe processes.

Your Company has established policies and systems to adhere internationally recognized guidelines, such as the principles of the United Nations Global Compact, the International Labour Organization (ILO) conventions and the Responsible Care Initiative. Measures are taken to ensure social compliance regarding human rights, labour and social standards, anti-discrimination, conflict of interest and anti-corruption. Health and safety remain a significant focus for your Company, aiming to achieve an accident-free workplace. Your Company firmly believes that all injuries, occupational illnesses, as well as safety and environmental incidents, can be prevented. This mindset encourages all employees to strive for personal safety excellence and the safety of others, including employees, contractors, customers and the surrounding communities.

Your Company follows a systematic incident reporting system, where all incidents, including near misses, are logged into the safety Management Information System (MIS). Corrective and preventive actions are tracked through internally developed software based on these reports. Each incident is investigated by a cross functional team to determine its root causes and necessary precautions are taken to prevent their recurrence. Before implementation, all technological changes and projects undergo various safety study such as Facility Siting, HAZOP Assessment and Quantitative Risk Assessment. Additionally, all changes in plant settings are approved through the Management of Change procedure and undergo pre-startup safety reviews. Your Company continuously strengthen workplace safety and Process Safety Management through employee engagement initiatives.

The Group has embarked on the safety and sustainability journey with a vision of “Zero Incident”. Towards safety transformation and with the aim of driving safety upgradation with respect to systems, processes and continuous culture improvement across all the sites, safety diagnostic assessment was carried out through an external agency and their findings enable the leadership to take decisions on the transformation roadmap. Safety assessment report included observations highlighting strengths and opportunities on the defined areas of focus and prioritized recommendation. All manufacturing units, including the Corporate Office, are certified with the latest standards of ISO 9001, ISO 14001 and ISO 45001. Scheduled safety awareness programs are carried out across plants to achieve continuous improvement in terms of process safety, workplace safety and behavioural transformation.

Logistic Safety Management System

Together with its peers, your Company has established Nicer Globe, an independent platform that enables real-time monitoring of the movement of hazardous materials throughout India. This platform helps monitor any deviations in speed, route, or driving time restrictions, thereby minimizing transport-related incidents. Transportation of raw materials and products are ensured within its supply chain framework, utilizing GPS for real-time monitoring to ensure the safety of its customers, carriers, suppliers, distributors and contractors.

Environment

Our commitment to environmental protection goes beyond fulfilling legal requirements. Your Company has implemented the chemical industry's Responsible Care system and has established fundamental principles fully aligned with the UN Sustainable Development Goals.

Various initiatives have been undertaken to conserve resources, reduce energy consumption, promote recycling and reuse and minimize pollution. Constant efforts are being made to reduce the environmental footprint and find innovative solutions that benefit the environment.

KEY INITIATIVES DURING FY 2022-23

Emission management

DNL is strategically increasing its energy efficiencies by equipping its plants with modern and energy efficient equipment and technology. These measures are enabling to minimize emissions and energy consumption while improving the plant's efficiency. DNL's R&D team is continuously working to improve product yield. DNL is also working on carbon offsetting for the carbon generated, by planting trees and by installing various new-age equipments while working towards carbon neutrality to make them more efficient.

Water management

DNL is taking a holistic approach to water management by adopting water conservation philosophy based on the principles of reduce, reuse and recycle. This approach assists in achieving future goal of water positivity. DNL's intent is to make its operations water efficient and reduce its reliance on fresh water at the same time aiming to reach zero-liquid discharge for its facilities. A Zero Liquid Discharge system (ZLD) was implemented at the Hyderabad unit.

In Roha and Dahej units, approximately 60% of treated water was recovered from total wastewater generated by the installation of Reverse Osmosis system.

Waste management

Natural resource management and decreasing environmental impact of production is crucial to DNL. DNL utilizes resources efficiently and reduce waste generation. The waste generated during manufacturing processes is disposed of responsibly and in accordance with regulatory requirements under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. DNL adheres to the Pollution Control Board's air emission standards and do not use any ozone-depleting substances (ODS) in its operations. All plastic wastes are recycled through CPCB-registered plastic waste processor (PWP) and post-consumer waste are addressed through EPR management. 100% Fly ash is handed over to the brick and tiles manufacturer as per fly ash notification.

DNL is committed to embedding sustainability in its processes and this commitment has been acknowledged by EcoVadis through its comprehensive Together for Sustainability (TfS) audit. In this audit, DNL's Dahej plant achieved a perfect score of 100 out of 100 on the first attempt. This accomplishment showcases DNL's unwavering efforts towards promoting sustainable development.

HUMAN RESOURCES

During the FY 2022-23, the HR & IR Department has been actively engaged in various activities to ensure the smooth functioning of the Company's Human Resource Management system. This has an objective of ensuring a strong, skilful & trained workforce availability for the Company all the time. The Company continues its endeavour of investing in Human Talent and Talent Management process through its various interventions and Programmes to improve and enhance competencies, capabilities, skills and potentials of its workforce. During the year, recognising the significance of identifying high-potential employees to ensure a robust talent pipeline, the Company carried out competency assessment through a renowned agency to identify training needs of high potential performing teams for career development. The Company's Human Resources initiatives and engagement activities have enabled the Company not only to sail through the challenging times, witnessed recently, but has helped Company in attracting, developing, nurturing & retaining right talent and keeping them motivated. Virtual Town Halls were organised wherein Executive Director & CEO, Director (Finance) & Group CFO address all the employees thereby have established a strong sense of bonding between the Company's Management and employees.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

The Company has in place Directors, Officers, Liability Insurance (D&O) for all its Directors (including Independent Directors) and members of the Senior Management Team for such quantum and risks as determined by the Board in line with the requirement of Regulation 25(10) of the Listing Regulations.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation.

To empower women and protect women against sexual harassment and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, a policy for prevention of sexual harassment is already in place and Internal Complaints Committee had been set up at all major locations of the Company. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. To build awareness in this regard, the Company has been conducting various programme on a continuous basis.

No complaints were pending at the beginning of the year and no complaints were received during FY 2022-23 from any employee and accordingly, no complaint were pending as on March 31, 2023, for redressal.

GREEN INITIATIVES

Climate change has become an established fact and is intertwined with human activities and industrial operations. Taking well-informed, decisive actions to help address climate change is a priority for the Company. DNL has set bold targets for reducing greenhouse gas (GHG) emissions and building resilience in its business, value chain and local communities.

DNL is continuously working towards reducing GHG emission through acquiring power from renewal energy sources, engaging new-age equipments to augment energy efficient systems and engaging AI powered solutions for sustainable reduced energy consumption in its operations.

Other notable environment protection activities include installation of online continuous monitoring system (OCEMS) for air emission monitoring and control. DNL also successfully converted canteen waste to biofertiliser and the same is used for green belt development. ETP sludge and agro waste will be used as fuel in the boiler along with coal which is under trial. This will help in utilizing the waste generated and reducing coal consumption.

DNL has undertaken a massive tree plantation drive with the help of the Forest Department in Village Shelavali, Taluka: Shahapur Dist.: Thane, State: Maharashtra. Around 55,000 trees of local species are planted on 50 hectares of land which has helped in bringing positive impact to the environment such as carbon offset, biodiversity conservation, improved air quality, soil erosion prevention and water management. It also provides employment opportunities to the local persons and results in afforestation.

In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the 'Go Green' initiative, electronic copy of the Notice of 52nd Annual General Meeting of the Company including the Annual Report for FY 2022-23 are being sent to all Members whose address are registered with the Company/ Depository Participant(s).

AWARDS AND RECOGNITION

In a bid to keep ensuring its relentless quest for growth and excellence, the Company continues to be committed towards maintaining the highest standards of corporate governance and sustainable practices. As a recognition for our unconventional innovations and focussed drive to achieve best-in-class operations, the Company has been winning a multitude of accolades at various forums while acquiring plaudits as the recipient of numerous prestigious awards for demonstrating its business ethos.

These embellishments to Deepak's cognizant candidature deliver a testament to the progress made by the Company and honor its diligent efforts towards delivering value for the welfare of all stakeholders and the society as a whole.

The details of the key recognitions secured by the Company have been highlighted in a separate section in the Annual Report.

ACKNOWLEDGEMENT

The Board of Directors highly regards the commitment, dedication and engagement exhibited by all employees at every level and hierarchical. Additionally, the Board extends its appreciation to investors, bankers, financial corporations, consumers, corporate partners, regulatory and Government agencies and other stakeholders for their unwavering cooperation and support throughout the year.

Lastly, we express our gratitude to the Central and State Governments, statutory authorities and other Government agencies for their consistent backing and anticipate their continued encouragement in the future.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Vadodara
Date: May 11, 2023

Annexure-A

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

[Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the Compliances of applicable provisions and adherence to good corporate practices by **Deepak Nitrite Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering Financial Year ended on March 31, 2023, complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and rules made thereunder;

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

iii. The Depositories Act, 2018 and the regulations and bye-laws framed thereunder;

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

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

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

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

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

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; No event occurred during the period which attracted provisions of these regulations hence not applicable.

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No events occurred during the period which attracted provisions of these regulations, hence not applicable.

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; No event occurred during the period which attracted provisions of these regulations, hence not applicable.

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; No event occurred during the period which attracted provisions of these regulations, hence not applicable; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; No event occurred during the period which attracted provisions of these regulations, hence not applicable.

vi. Other laws as applicable specifically to the Company:

   a) The Environment (Protection) Act, 1986,

   b) The Water (Prevention & Control of Pollution) Act, 1974,

   c) The Air (Prevention & Control of Pollution) Act, 1981,

   d) Public Liability Insurance Act, 1991,

   e) Explosives Act, 1884,

   f) Hazardous Wastes (Management, Handling and Trans-Boundary Movement) Rules, 2008,

   g) Petroleum Act, 1934 and rules made thereunder.

We have also examined compliance with applicable clause of the following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India;

II. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the above-mentioned acts, rules, regulations, guidelines, standards, etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review and all changes were carried out in accordance with the applicable provisions of Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions in the Board meetings were carried through majority while there were no dissenting members' views and hence not captured and recorded as part of the minutes.

We further report that there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company does not have any events having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards except the following, for which necessary approvals were obtained:

a) Appointment of Shri Meghav D. Mehta as Additional Director by the Board of Directors at their meeting held on May 4, 2022 and as a Director liable to retire by rotation approved by Members of the Company through Ordinary Resolution by way of Postal Ballot on June 22, 2022.

b) Appointment of Shri Punit Lalbhai as an Independent Director approved by Members of the Company through Special Resolution by way of Postal Ballot on June 22, 2022, for a term of three (3) consecutive years w.e.f. August 8, 2022.

c) Appointment of Shri Vipul Shah as an Independent Director approved by Members of the Company through Special Resolution by way of Postal Ballot on June 22, 2022, for a term of three (3) consecutive years w.e.f. August 8, 2022.

d) Appointment of Shri Prakash Samudra as an Independent Director approved by Members of the Company through Special Resolution by way of Postal Ballot on June 22, 2022, for a term of three (3) consecutive years w.e.f. August 8, 2022.

e) Re-Appointment of Shri Sanjay Asher as an Independent Director approved by Members of the Company through Special Resolution by way of Postal Ballot on June 22, 2022, for a term of three (3) consecutive years w.e.f. June 28, 2022.

f) Re-Appointment of Smt. Purvi Sheth as an Independent Director approved by Members of the Company through Special Resolution by way of Postal Ballot on June 22, 2022, for a term of three (3) consecutive years w.e.f. June 28, 2022.

g) Appointment of Shri Somsekhar Nanda as Chief Financial Officer of the Company approved by the Board of Directors at their Meeting held on August 2, 2022 with effect from August 3, 2022.

h) The Board of Directors of at their Meeting held on November 9, 2022, granted approval for investment upto 51% of the Equity Share Capital of Deepak Oman Industries FZC LLC, a Company incorporated in Sultanate of Oman, amounting to approx. US $ 14.4 Mn.

FOR **KANJ & CO. LLP**
Company Secretaries

Dinesh Joshi
Designated Partner
Membership No.: F3752
CP No.: 2246
UDIN: F003752E000241253
Peer Review Certificate No.: 1331/2021

Date: May 11, 2023
Place: Pune

To,
The members,
Deepak Nitrite Limited,
Aaditya-I, Chhani Road,
Vadodara Gujarat - 390024, India.

Our report of even date is to be read along with this letter.

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

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

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

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the 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: F003752E000241253
Peer Review Certificate No.: 1331/2021

Date: May 11, 2023
Place: Pune

Annexure-B

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Deepak Phenolics Limited
First Floor, Aaditya-II,
National Highway No. 8,
Chhani Road,
Vadodara – 390 024,
Gujarat, India.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 ("review period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

i. The Companies Act, 2013 ("Act") and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

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

iv. Securities and Exchange Board of India ("SEBI") (Depositories and Participants) Regulations, 2018, to the extent applicable;

v. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;

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

vii. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company being an Unlisted Public Company.

viii. Other sector specific laws as follows:

   a. The Environment (Protection) Act, 1986;
   b. The Water (Prevention & Control of Pollution) Act, 1974;
   c. The Air (Prevention & Control of Pollution) Act, 1981;
   d. Public Liability Insurance Act, 1991;
   e. Explosives Act, 1884;
   f. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
   g. Petroleum Act, 1934 and Rules made thereunder.

We have also examined compliance with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India. Being an Unlisted Public Company, regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

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

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the review period, were carried out in compliance with the provisions of the Act;

B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;

C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;

D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;

E. During the review period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 | CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000275630

Date: May 9, 2023
Place: Vadodara

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

The Members,
Deepak Phenolics Limited
First floor, Aaditya-II
National Highway No. 8,
Chhani Road,
Vadodara – 390 024,
Gujarat, India.

Our Secretarial Audit report of even date is to be read along with this letter, that:

i. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these Secretarial records and compliances based on such verification and audit.

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

iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations and happening of events etc.

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

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677 | CP No. 2863
ICSI Peer Review # 1079/2021
ICSI UDIN: F003677E000275630

Date: May 9, 2023
Place: Vadodara

Annexure-C

Business Responsibility and Sustainability Report

At Deepak Nitrite Limited, we are committed to sustainable development and responsible business practices. We recognise our responsibility to protect the environment, contribute to society and create long-term value for all our stakeholders. Sustainability is integrated into our core business strategies and decision-making processes.

We strive to minimise our environmental impact by adopting sustainable practices throughout our operations. This includes reducing greenhouse gas emissions, conserving water and energy, managing waste responsibly, promoting circular economy principles and aiming towards carbon neutrality. We continually invest in innovative technologies and processes to improve resource efficiency and mitigate environmental risks. We are committed to deliver safe and sustainable products to our customers. We ensure compliance with regulatory requirements and industry standards while proactively addressing product safety, quality and environmental aspects. We engage in research and development to create sustainable and eco-friendly solutions, contributing to a greener and more sustainable future.

We believe in creating shared value for the communities in which we operate. Through various social initiatives, we aim to uplift the well-being of society, promote education, healthcare and skills development and empower marginalised communities. We actively engage with our stakeholders to understand their concerns and aspirations, seeking collaborative solutions that benefit all, our business, society and environment at large.

Integrity, transparency and ethical conduct are fundamental to our corporate governance framework. We adhere to the highest standards of business ethics, ensuring fair and responsible practices across our operations. We strive for transparency in reporting, regularly disclosing our sustainability performance and progress towards our goals. We value the trust placed in us by our stakeholders and work diligently to maintain it.

Our employees are our most valuable asset. We are committed to providing a safe and inclusive work environment that fosters diversity, equality and professional growth. We promote employee well-being, encourage continuous learning and development and recognise and reward their contributions. We believe in nurturing a culture of respect, collaboration and innovation.

We recognise that addressing sustainability challenges requires collective action. We actively seek partnerships and collaborations with like-minded organisations, industry peers, governments and non-governmental organisations to drive sustainable solutions, knowledge sharing and best practices.

We are dedicated to continuously improving our sustainability performance, setting ambitious targets and monitoring our progress. Our commitment to sustainability is an integral part of our long-term vision and we are determined to make a positive impact on the environment, society and the economy.

We thank all our stakeholders for their support, engagement and feedback, as together, we strive for a more sustainable future.

For Deepak Nitrite Limited

Maulik D. Mehta
Executive Director & CEO

Date: May 11, 2023
Place: Vadodara

SECTION A

GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN)	L24110GJ1970PLC001735
2	Name of the Entity	Deepak Nitrite Limited
3	Year of incorporation	1970
4	Registered office address	Aaditya-I, Chhani Road, Vadodara - 390024
5	Corporate address	Aaditya-I, Chhani Road, Vadodara - 390024
6	E-mail	investor@godeepak.com
7	Telephone	+912652765200
8	Website	www.godeepak.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 27,27,86,082
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Arvind Bajpai, Company Secretary Email: investor@godeepak.com Telephone: +912652765200
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	This report is prepared on standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	Turnover (%)
1	Manufacturing of Chemicals	Manufacturing, Trading of Chemicals	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	Total turnover (%)
1	Sodium Nitrite	24117	18
2	NT	24119	15
3	Optical Brightening Agents	24119	15
4	MAHCL	24219	9
5	4 NOx	24219	8
6	EHN	24119	7
7	TFMAP	24219	7
8	DASDA	24119	5
9	SNA	24117	5
10	MMDPA	24297	2

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	2	7
International	0	0	0

17. Markets served by the entity:

a. Number of locations

National (No. of states)	25
International (No. of countries)	45

b. What is the contribution of exports as a percentage of the total turnover of the entity?

43%

C. A brief on types of customers

S. No.	Type of Customers
1	Manufacturers of Chemicals
2	Manufacturers of products where chemicals produced by the Company are used as inputs

Note:

The Company is a chemical intermediates and other chemicals manufacturer. Thus, majority of customers are either chemical manufacturers or manufacturers of products where products of the Company are used as inputs.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees (including differently abled)

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES				
Permanent Employees (D)	1,469	1,425	97.00	44	3.00
Other than Permanent Employees (E)	91	91	100.00	0	0
Total Employees (D + E)	**1,560**	**1,516**	**97.18**	**44**	**2.82**
	WORKERS				
Permanent Workers (F)	225	225	100.00	0	0
Other than Permanent Workers (G)	2,327	2,327	100.00	0	0
Total Workers (F + G)	**2,552**	**2,552**	**100.00**	**0**	**0**

b. Differently abled employees and workers

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES				
Permanent Employees (D)	2	2	100.00	0	0
Other than Permanent Employees (E)	0	0	0.00	0	0
Total Employees (D + E)	**2**	**2**	**100.00**	**0**	**0**
	DIFFERENTLY ABLED WORKERS				
Permanent Workers (F)	1	1	100.00	0	0
Other than Permanent Workers (G)	8	8	100.00	0	0
Total Workers (F + G)	**9**	**9**	**100.00**	**0**	**0**

19. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. of Females (B)	% of Females (B/A)
Board of Directors	12	1	8.33%
Key Management Personnel[1]	2	0	0

Note 1: Excluding Key Managerial Personnel who are members of the Board of Directors.

20. Turnover rate for permanent employees and workers

Particulars	Turnover Rate in FY 2022-23 (%)			Turnover Rate in FY 2021-22 (%)			Turnover Rate in FY 2020-21 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.23	19.05	14.37	13.55	8.82	13.43	11.97	0.00	11.68
Permanent Workers	2.63	0.00	2.63	5.06	0.00	5.063	20.99	0.00	20.99

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/ subsidiary/associate companies or joint (A)	Indicate whether holding or Subsidiary or Associate or Joint Venture(B)	% of shares held by listed entity (C)	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity (D)?
1	Deepak Phenolics Limited	Subsidiary	100	Yes
2	Deepak Chem Tech Limited	Subsidiary	100	Yes
3	Deepak Nitrite Corporation Inc.	Subsidiary	100	Yes

VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. Turnover: ₹ 3,033.55 Crores

iii. Net worth: ₹ 2,623.74 Crores

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No)	FY 2022-23			FY 2021-22		
	If Yes, then provide weblink for grievance redressal policy	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0		0	0	
Investors (other than shareholders)	No	0	0		0	0	
Shareholders	Yes. https://www.godeepak.com/wp-content/uploads/2021/05/Investors-Grievance-redressal-policy.pdf	18	0		15	1	
Employees and workers	Yes. https://www.godeepak.com/wp-content/uploads/2021/05/2-DNL-Whistle-Blower-Policy.pdf	0	0		0	0	
Customers	Yes. Customer Complaints are received by the relevant Sales team and thereafter, the same are entered into dedicated software for the same and processed as per the Standard Operating Procedure https://www.godeepak.com/wp-content/uploads/2021/05/Policy-on-Stakeholder-Engagement-1-9-2020.pdf	28	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.	26	0	Complaints received were related to packing, labelling, weighment, etc. All the complaints received during the year have been resolved.
Value Chain Partners	No	0	0		0	0	

24. Overview of the entity's material responsible business conduct issues:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implication)
1	Sustainable Chemistry	Opportunity	The growing recognition of our planet's fragility is propelling the transition towards sustainable solutions. Within our industry, customers are displaying a growing inclination to collaborate with suppliers and business partners who share their dedication and commitment to reduce their environmental footprints. Neglecting to incorporate sustainability into our operations and providing products that meet customers' sustainability and performance expectations can impact our value creation and growth trajectory.	We are strongly committed to driving sustainability in our operations through various initiatives aimed at reducing our carbon and water footprint. Our unwavering dedication to sustainable chemistry is evident in our product portfolio, which increasingly features circular-economy-compatible products. These value-added chemicals are manufactured from by-products, showcasing our proactive approach in utilising resources responsibly with consideration for the environment.	Positive - The Company has been making consistent efforts for sustainability and thus it is in a better position to differentiate its products from competitors.
2	Product Innovation	Opportunity	Our range of chemical intermediates serves diverse end-user industries, including petrochemicals, pharmaceuticals, agrochemicals, personal care, paper, textiles and more. Our customers within these industries consistently seek niche and high-performing products that enhance their own operations. Failing to innovate and enhance our product offerings to meet their evolving demands can have a significant impact on expanding our customer base or strengthening our relationships with existing customers.	By actively monitoring global trends, engaging in close collaboration with our customers and gaining a deep understanding of their product preferences, we continually enhance our range of cutting-edge chemistry solutions. Our relentless commitment to research and development enables us to expand our portfolio and refine existing products. We maintain unwavering dedication to invest in innovation, recognising its paramount importance in ensuring our continued success, regardless of the market conditions.	Positive - Better quality products and the introduction of new products into the market will generate more revenue through greater business with existing customers and the addition of new Customers.
3	Health and Safety	Risk	Given the inherent nature of our operations, our employees face a range of operational and safety hazards. It is crucial to address any process safety gaps and prevent occupational health and safety (OHS) incidents that could potentially harm our employees. Neglecting employee well-being and safety not only jeopardises their physical welfare but also poses risks to achieving production targets and can have adverse effects on our assets, environment and overall business reputation.	We prioritise continuous safeguarding of occupational health, safety and employee well-being. Stringent safety measures are implemented at all our sites, including regular safety audits and the provision of appropriate personal protective equipment to our employees. We actively promote safety awareness through campaigns and training initiatives.	Negative - Employee health and safety issues, if not addressed, would result in negative financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implication)
4	Climate Change	Risk	Climate change stands as one of the most critical challenges confronting our planet today. Given the energy and water-intensive nature of chemical production, our failure to reduce our environmental footprint can have significant repercussions on our standing within the industry and our relationships with customers, investors and society as a whole.	We have embraced environmental consciousness through our commitment to sustainable manufacturing practices. This commitment is evident in our focus on reducing utility consumption, extracting value from waste and adopting clean technologies. We are continuously striving to enhance our energy efficiency. Additionally, we ensure that the effluents, emissions and waste generated at our manufacturing facilities remain within the permissible limits set by the respective Pollution Control Boards.	Negative - Climate change related issues, if not addressed, would result in negative financial implications in long run.
5	Growth and Profitability	Opportunity	Maintaining a leading financial performance, characterised by robust growth and profitability, is crucial for sustaining investor confidence in our Company. It also enables us to pursue comprehensive value creation for all stakeholders. Despite the challenges posed by escalating input and energy costs, as well as ongoing volatility in foreign exchange rates, we are committed to upholding a strong and stable financial position. By navigating these market dynamics, we aim to preserve our standing within the industry and foster positive relationships with our customers, investors and society as a whole.	We allocate financial resources efficiently and adhere to best business practices and good governance principles, laying the foundation for a sustainable long-term business. Alongside making disciplined investments within a clear framework, we also adopt a rigorous approach to cost management to optimise our financial performance. Our strategic expansion across the value chain and agility in responding to market changes contribute to our resilience and sustain our performance in a dynamic business landscape.	Positive - A systematic approach in investment in future opportunities and financial allocation will result in sustainable growth.
6	Customer Relationships	Opportunity	In a rapidly evolving and highly competitive operating environment, the growth of our business is intricately tied to our customer base. Strengthening our relationships with customers is, therefore, a crucial aspect that can profoundly influence our value-creation capabilities.	We are dedicated to providing innovative and cost-effective products to retain and attract customers. We place significant emphasis on actively engaging with them and comprehending their needs to enhance the overall customer experience. This customer-centric approach has proven instrumental in fostering customer loyalty, which stands as one of our most prominent strengths in driving profitable growth.	Positive - A structured and transparent relationship with customers has the potential to expand business in both the short and long run, resulting in a sustainable and lucrative business.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implication)
7	Governance and Risk Management	Risk	Amid the dynamic landscape of the chemical industry, which is characterised by escalating macro-economic volatility, robust governance practices play a pivotal role in upholding ethical and transparent business operations. Meeting regulatory compliance requirements and effectively managing risks are paramount in ensuring responsible conduct and long-term sustainability.	Our governance practices have been established by our competent and esteemed Board of Directors, comprising members with relevant industry expertise, independent thinking and extensive global exposure. Aided by practice transparency in financial reporting, sustainability efforts and other relevant disclosures and ethical decision-making processes, bolstered by effective risk management, serve as the foundation of our governance framework. We have instilled a culture of accountability and integrity across the company, recognising its vital role in promoting good governance practices. We implement and enforce a robust code of conduct and ethical standards to guide the behaviour and actions of employees at all levels. Our Board and management prioritise health, safety and environmental considerations by implementing robust safety protocols, promoting sustainable practices and minimising environmental impact. We have a comprehensive risk management framework to identify, assess and mitigate risks associated with operations, safety, environmental impact and compliance to solidify our governance approach. We ensure strict adherence to all applicable laws, regulations and industry standards to maintain compliance and mitigate legal and reputational risks. We have established Board Committees, such as Audit, Risk Management, Nomination and Remuneration committees and more to provide focussed oversight in critical areas. We regularly evaluate our governance practices, identify areas for improvement and implement necessary changes to enhance effectiveness and relevance and build trust with all stakeholders in line with global standards of ESG.	Negative - Governance and Risk Management are essential for business sustainability, in case of their failure, it would have severe financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implication)
8	People Strength and Development	Opportunity	Neglecting to consistently have the right individuals in place can significantly impact our ability to achieve our business objectives. At the core of our success and sustainable growth trajectory are our people. Our talented and dedicated team plays a vital role in driving our success and achieving our business goals. Their deep domain expertise, technical skills and innovative thinking enable us to develop and deliver value-added products, maintain quality that meets the exact standards and needs of our customers.	We invest in professional development of our workforce by providing training and growth opportunities to enhance their capabilities and ensure they remain at the forefront of the industry. Moreover, we foster a culture of collaboration, teamwork and inclusivity, which helps us harnes their collective strengths and diverse perspectives of our employees. Through their unwavering commitment and passion, we continue to thrive and excel in the dynamic landscape of the chemical industry.	Positive - Efforts in ensuring the skill development of the workforce will lead to a more efficient workforce and improved productivity of the Company.
9	Fair Remuneration and Growth Opportunities for Employees	Opportunity	Offering fair remuneration and growth opportunities is crucial for driving employee motivation and maintaining smooth operations within our organisation (without any disruption or unrest as well as high retention ratio).	By providing competitive and equitable compensation in line with industry standards, we foster a positive work environment, reduce the risk of disruptions or unrest and promote high employee retention rates. Moreover, by offering growth opportunities such as training, career advancement and skill development programmes, we empower our employees to reach their full potential, further enhancing their motivation and dedication to the Company. Furthermore, we implement performance-based incentives to ensure that employees are rewarded for their contributions. Our commitment to fair and transparent practices is evident in our annual performance-based appraisal system, which evaluates the performance of all employees. Wages and increments for workers are determined in accordance with agreed-upon terms. As a rapidly expanding Company, we place significant emphasis on providing ample growth opportunities to our employees. We follow a structured approach to succession planning and actively cultivate a leadership pipeline to ensure the long-term success and continuity of our organisation.	Positive - An approach to help the workforce grow financially and develop within the Company will lead to a dedicated workforce and subsequently a profitable and successful business.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implication)
10	Digitalisation	Opportunity	Digitisation in the chemical industry drives efficiency, innovation, improved decision-making and sustainability. Embracing digital transformation is essential for chemical companies to stay competitive, adapt to evolving market dynamics and unlock new growth opportunities.	We are the early adopters of digitisation and this has enabled us to streamline processes through automation, increased operational efficiency and productivity. To match the scale and accelerated growth witnessed in the past decade, digitisation has played an invaluable role in making a tangible impact on the performance of our core functions, including innovation and manufacturing of chemical intermediates, as well as enabling functions such as logistics, HR, finance and administration. Data analysis and optimisation of various operations, such as supply chain management and inventory control have helped us make informed and right strategic choices, leading to better business outcomes. We have also invested in various digitisation-led initiatives to support our sustainability efforts by optimising resource usage, reducing waste and monitoring environmental impact.	Positive - Digitalisation is an enabler of business, which helps in reducing cost, improving efficiency etc. Thus, it would have a positive financial impact.
11	Supply chain Efficiency and Logistics Management	Opportunity	Complex and interconnected supply chains to source raw materials, manufacture products and deliver them to customers are an important part of our operations. Efficient supply chain management is thus crucial for ensuring uninterrupted operations, timely delivery and cost optimisation.	Effective supply chain strategies encompass procurement, logistics, inventory management, demand planning and supplier relationships. Key factors to address them include traceability, sustainability, risk mitigation and compliance with regulations and safety standards. We maintain a strong inbound and outbound logistics and distribution network. Utilising secure modes of transportation with GPS tracking technology, we can monitor the movement of key raw materials and finished goods in real-time. Our well-organised warehousing and distribution systems ensure prompt delivery of customer orders. By leveraging our manufacturing expertise, integrated facilities and agile operations, we consistently deliver reliable performance.	Positive - Effective supply chain management results in reduced time and cost of transportation and ensures material availability at right time, which leads to positive financial impact.
12	Community Development	Opportunity	The acceptance and support of the community in which our businesses operate are indispensable to our success. Engaging in community development initiatives helps establish us as a Company that cares, has a rich legacy of over 50 years and looks at business beyond profit-making to fostering trust.	Through our dedicated CSR wings, Deepak Foundation and Deepak Medical Foundation, we have positively impacted the lives of over 2 million individuals through a range of programmes. For further information on our community engagement and development activities, please refer to details on CSR activities of the Company covered under Social and Relationship Capital Chapter on the 90 pages in this report.	Positive - Community development programmes result in better image of the Company and better brand value, resulting in positive financial impact.

SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines of Responsible Business Conduct (NGRBC) Principles and Core Elements

P1 Business should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

P2 Business should provide goods and services in a manner that is sustainable and safe.

P3 Businesses should respect and promote the well being of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board?	Yes*	No*	No*	No*	No*	No*	No*	No*	No*
c. Web Link of the Policies, if available	https://www.godeepak.com/responsible-chemistry/								
2. Whether the entity has translated the policy into procedures?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/standards adopted by your entity and mapped to each principle.					ISO 45001 Certification	ISO 14001, Responsible Care Certification		ISO 9001	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has not set any specific goals with timeline, however, it is endeavour of the Company to ensure implementation of Principles of National Guidelines on Responsible Business Conduct. The Company will carefully assess its strategic position and develop specific goals, targets and commitments with timeline in due course.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	The performance against the goals and targets will be assessed in the subsequent Financial Years								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements: Please refer to Statement of Shri Maulik D. Mehta at the beginning of this Report.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Maulik D. Mehta, Executive Director & CEO								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, Shri Maulik D. Mehta, Executive Director & CEO is Director responsible for decision-making on sustainability related issues.								

*Note: Certain policies do not require approval of Board of Directors under any statute. Such policies have been approved by Executive Director & CEO of the Company.

10. **Details of Review of NGRBCs by the Company:**

Subject of Review	**Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee and Frequency**								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
- Performance against above policies and follow-up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
- Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dedicated team for decision-making on Sustainability issues, led by Shri Maulik D. Mehta, Executive Director & CEO. The review is done on half yearly basis.								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated - Not Applicable.

SECTION C

ESG DISCLOSURES

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons covered by the awareness programmes
Board of Directors	4	Business Sustainability	100
Key Managerial Personnel	4	Business Sustainability	100
Employees other than BoD and KMPs	56	Business Sustainability	69
Workers	9	Business Sustainability	80

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
			Monetary		
Penalty/Fine	-	-	-	-	-
Settlement	Principle 6 - Respect and make efforts to protect and restore the environment	Gujarat Pollution Control Board	₹ 1,00,00,000	There was a fire incidence around warehouse of the manufacturing facility of the Company at Nandesari ('Plant') on June 2, 2022. The fire which included burning of bags and products within, also caused liberation of grey smoke thereby affecting ambient air quality in the nearby area, as per air monitoring carried out by Gujarat Pollution Control Board ('GPCB'). Further, dousing of fire generated large amount of waste water which was non-compliant due to usage of foam, as per samples drawn by GPCB outside the factory premises from GIDC storm water drain. As a consequence and considering the effluent so generated, both gaseous and liquid, GPCB, under provisions of Air (Prevention and Control of Pollution) Act, 1981 ('Air Act') and Water (Prevention and Control of Pollution) Act, 1974 ('Water Act'), had issued directions for closure of the Plant. The Company was directed by GPCB for payment of ₹ 1 Crores as an interim Environmental Compensation and to submit Bank Guarantee of ₹ 5 Lakhs each under Air Act and Water Act, along with revocation application.	No
Compounding fee	-	-	-	-	-
			Non-Monetary		
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

S. No.	Case Details	Name of the regulatory/enforcement agencies/judicial institution
1	Not Applicable	NA

4. a. **Does the entity have an anti-corruption or anti-bribery policy?**
   Yes

   b. **If yes, provide details in brief.**
   The Code of Conduct of the Company, which is applicable to all the employees, covers the Anti-Corruption and Anti-Bribery Policy of the Company.

   c. **Provide weblink (if any)**
   https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Code%20of%20Conduct_Senior%20Management.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number of complaints	Remarks	Number of complaints	Remarks
Complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**
   Not applicable.

Leadership Indicators

1. a. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board?**
   Yes

   b. **If yes, provide details for the same.**
   As per the Code of Conduct applicable to the Board of Directors, Directors must avoid any conflicts of interests with the Company. Directors will not enter into, without the prior approval of the disinterested members of the Board, any transaction or relationship with the Company in which they have a financial or personal interest (either directly or indirectly, such as through any relative (as defined under Section 2(77) of the Companies Act, 2013 or any statutory modification or re-enactment thereof), or an organisation with which the Director is affiliated, or any transaction or situation which otherwise involves a conflict of interest. The link to the Code of Conduct for Directors is https://www.godeepak.com/wp-content/themes/twentysixteen/companyfiles/corporate_governance_report/Code_of_Conduct_for_Director.pdf

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D[1]	6%	6%	Efficiency improvement, emission reduction, energy conservation, improved effluent treatment.
Capex[1]	5%	5%	Reduction in usage of non-renewable energy, increased water recovery, recycling capacity, improved organic reduction efficiency.

Note 1: Estimated Figures.

2. a. **Does the entity have processes for sustainable sourcing?**

   Yes

   The sustainable sourcing policy of the Company is available at the link: https://www.godeepak.com/wp-content/uploads/2021/05/Sustainable-Procurement-Policy-1-4-2021.pdf

   b. **If yes, what percentage of inputs were sourced sustainably?**

   19% of the inputs were sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for Plastics, E-waste, Hazardous waste and other waste**

Product	Details
Plastics (including packaging)	All plastic waste generated was given to Extended Producer's Responsibility ('EPR') registered plastic waste processor.
E-waste	All e-waste generated was given to Pollution Control Board ('PCB') registered recycler
Hazardous Waste	All hazardous waste generated was disposed to PCB-registered, TSDF, CHWIF, Co-processing facility, Pre-processing facility.
Other Waste	Not applicable

Plastics (including packaging): The Company recycles all its plastic waste through authorised vendors.

E-Waste: This is not applicable as the Company is not reclaiming any electronic items. All E-waste generated in-house is handed over to certified vendors for safe disposal.

Hazardous Waste: The Company ensures responsible waste management practices where waste is being segregated, stored, labelling, transportation and sold to recyclers/co-processing to cement industries/disposed to third party treatment facility in line with legal compliance under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016.

4. a. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities?**

   Yes

   b. **Whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

   Yes

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1,425	1,425	100	1,425	100	0	0	0	0	0	0
Female	44	44	100	44	100	44	100	0	0	0	0
Total	**1,469**	**1,469**	**100**	**1,469**	**100**	**44**	**100**	**0**	**0**	**0**	**0**
OTHER THAN PERMANENT EMPLOYEES											
Male	91	91	100	91	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**91**	**91**	**100**	**91**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

b. **Details of measures for the well-being of workers:**

Category		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
PERMANENT WORKERS											
Male	225	225	100	225	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**225**	**225**	**100**	**225**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
OTHER THAN PERMANENT WORKERS											
Male	2,327	2,327	100	2,327	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**2,327**	**2,327**	**100**	**2,327**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

	FY 2022-23			FY 2021-22		
Benefits	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI*	100	100	Yes	100	100	Yes

* Note: As per applicability under the Employees' State Insurance Act, 1948.

3. a. **Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

No

4. a. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

b. **If so, provide a web-link to the policy**

https://www.godeepak.com/wp-content/uploads/2021/05/Diversity-Equal-Opportunity-and-Freedom-of-Association-1-9-2020-.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	NA	NA	NA
Total	**100%**	**NA**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No	Details
Permanent Workers	Yes	Each recognised union have their grievances committee covering all permanent workers. These committees approach the management for grievances and grievances are resolved judiciously.
Other than Permanent Workers	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent workers to resolve their grievances, if any.
Permanent Employees	Yes	Grievance Committees are in place to redress the grievances.
Other than Permanent Employees	Yes	Periodic Meetings of representatives of Human Resources Department are held with other than permanent employees to resolve their grievances, if any.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of Association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,469	0	0	1,370	0	0
- Male	1,425	0	0	1,330	0	0
- Female	44	0	0	40	0	0
Total Permanent Workers	225	225	100	231	231	100
- Male	225	225	100	231	231	100
- Female	0	0	0	0		0

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
		On Health and Safety Measures		On Skill Upgradation			On Health and Safety Measures		On Skill Upgradation	
	Total (A)	No.(B)	%(B/A)	No.(C)	% (C/A)	Total (D)	No.(E)	% (E/D)	No.(F)	% (F/D)
					EMPLOYEES					
Male	1,425	989	69.40	752	52.77	1,330	864	64.96	584	43.91
Female	44	18	40.91	23	52.27	40	15	37.50	18	45.00
Total	**1,469**	**1,007**	**68.55**	**775**	**52.76**	**1,370**	**879**	**64.16**	**602**	**43.94**
					WORKERS					
Male	225	225	100	27	12	231	231	100	10	4.33
Female	0	0	0	0	0	0	0	0	0	0
Total	**225**	**225**	**100**	**27**	**12**	**231**	**231**	**100**	**10**	**4.33**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (C)	% (C/D)
EMPLOYEES						
Male	1,425	1,425	100	1,330	1,330	100
Female	44	44	100	40	40	100
Total	**1,469**	**1,469**	**100**	**1,370**	**1,370**	**100**
WORKERS						
Male	225	225	100	231	231	100
Female	0	0	0	0	0	0
Total	**225**	**225**	**100**	**231**	**231**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity?

Yes

If yes, the coverage of such system?

All the manufacturing facilities of the Company, have implemented HSE management system in line with ISO 45000 and ISO 14001. Plan-Do-Check-Act cycle is followed for the continual improvement.

Key features of HSE systems:

1) Occupational Health & Safety (OHS) is considered as line-management responsibility.
2) Well defined and communicated responsibility, accountability and authority of persons who identify, evaluate or control OHS hazards and risks.
3) Promote cooperation and communication among members of the organisation, including workers and their representatives, to implement the elements of the organisation's OHS management system.
4) Well established HSEQ policy and measurable objectives.
5) Identification and elimination or control of work-related hazards and risks and promote health at work.
6) Health promotion programmes are being organised.
7) Periodic review by Top leadership on the performance of the OHS management system.
8) DNL is Responsible Care Logo holder Company. All locations are audited and performance is evaluated through team of auditors.
9) Following seven codes of Responsible Care are in practice:
   I) Process Safety Code
   II) Employee Health & Safety
   III) Pollution Prevention
   IV) Distribution Safety
   V) Product Stewardship
   VI) Community Awareness & Emergency Response
   VII) Security Code
10) DNL has received EcoVadis Silver medal in its latest assessment done in the year 2022.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment ('HIRA') and Hazard and Operability Study ('HAZOP').

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes

11. Details of safety-related incidents, in the following format:

		FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.6104	0
	Workers	0	0
Total recordable work-related injuries	Employees	10	7
	Workers	7	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

1. DNL is a Responsible Care logo holder company. Some of the measures for safe working environment is listed below:

1) Regular training on HSE-related matters are provided to all employees, workers as well as to new joinees.
2) We maintain an organised and orderly facility.
3) We communicate hazards to everyone in the facility.
4) DCS controlled processes.
5) We are using engineering controls.
6) Treatment of waste in ETP.
7) All statutory requirements are fulfilled.
8) We provide PPE for everyone entering our plants.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	100
Working Conditions	100

Assessments are carried out by the following:

1) Responsible Care Audit
2) Third Party Audits
3) IMS Audit
4) Internal Audit

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

1. There was an incidence of fire at the Nandesari facility of the Company, on June 2, 2022. As part of corrective actions, following steps have been taken:
   1) The Company has carried out thorough Safety Assessment of all the manufacturing facilities through Ernst & Young.
   2) Risk assessment of all plants before restarting operations.
   3) Strengthening of Fire hydrant system.
   4) Strengthening of Fire smoke detector and manual call points with hooter.
   5) Strengthening of CO_2 flooding system for all MCC panel.
   6) Procurement of fire tender & fire jeep.

   Apart from the above, various corrective actions/measures have been taken as recommended in the third party independent assessment.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees or Workers.

	Employees	Workers
Any life insurance or any compensatory package in the event of death of employees or workers	Yes	Yes

The Company has in place a Death in Harness Policy for all the employees and workers of the Company.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Standard terms of the Contracts with Value Chain partners contain clauses requiring value chain partners to comply with such legal requirements for collection/deduction of statutory dues and depositing the same with appropriate authorities. Further, the payment to such value chain partners are released upon verification of such deposition.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	FY 2022-23			FY 2021-22		
	Total No. of affected Employees/ Workers	No. of Employees/ Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	Remarks	Total No. of affected Employees/ Workers	No. of Employees/ Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	Remarks
Employees	0	0	No such incidence of employees suffering high consequence work-related injury or ill health.	0	0	No such incidence of employees suffering high consequence work-related injury or ill health.
Workers	0	0	No such incidence of workers suffering high consequence work-related injury or ill health.	0	0	No such incidence of workers suffering high consequence work-related injury or ill health.

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career ending resulting from retirement or termination of employment?

No.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company believes that the stakeholders who are affected the most by the business as well as those who affect the Company, the most are key Stakeholders for the Company. The Key Stakeholders are identified as Customers, Investors, Community, Employees and Suppliers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Email Face-to-face Meetings Pamphlets Phone Calls SMS Website Virtual meetings Advertisement	Daily	Routine discussions like price variation, timely supply of products, etc.
2	Investors	No	Face-to-face Meetings Notice Board/Stock Exchange Announcements Website Phone Calls Earnings concalls Email Newspaper	Quarterly	Financial performance, Operational performance, Growth plans, challenges faced by the Company, Material information, Notices of general meeting, Board meetings.
3	Community	Yes	Community Meetings Advertisement Face-to-face Meetings Newspaper Notice Board Pamphlets Website	Monthly	Community shares their experiences, views and expectations from the Company.
4	Employees	No	Email Face-to-face Meetings Notice Board Pamphlets Phone Calls SMS Intranet Other	Daily	Feedback on policies, suggestions, queries on HR policies, trainings on sustainability, health and safety, career development.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
5	Suppliers	No	Advertisement	Daily	Quantity and quality of products and services, payment terms, deliverables.
			Email		
			Face-to-face Meetings		
			Newspaper		
			Pamphlets		
			Phone Calls		
			SMS		
			Website		
			Virtual meetings		

Leadership Indicators

1. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

   The Company has been working for betterment of community since over 40 years with Deepak Foundation, which was set up in 1982 by Shri C. K. Mehta, Chairman Emeritus & Founder of the Company. Deepak Foundation is in constant touch with the community in and around surrounding area of the Company's operations to address issues, if any relating to social development. Further, the CSR Programs of the Company are designed and aimed keeping in mind the needs of the community, including vulnerable/marginalised groups, after detailed need assessment.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent Employees	1,469	1,469	100	1,370	1,370	100
Other than permanent Employees	91	91	100	83	83	100
Total Employees	1,560	1,560	100	1,453	1,453	100
WORKERS						
Permanent Workers	225	225	100	231	231	100
Other than permanent Workers	2,327	2,327	100	1,840	1,840	100
Total Workers	2,552	2,552	100	2,071	2,071	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,469	0	0	1,469	100	1,370	0	0	1,370	100
Male	1,425	0	0	1,425	100	1,330	0	0	1,330	100
Female	44	0	0	44	100	40	0	0	40	100
Other than Permanent	91	0	0	91	100	83	0	0	83	100
Male	91	0	0	91	100	83	0	0	83	100
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	225	0	0	225	100	231	0	0	231	100
Male	225	0	0	225	100	231	0	0	231	100
Female	-	0	0	0	0	0	0	0	0	0
Other than Permanent	2,327	0	0	2,327	100	1,840	0	0	1,840	100
Male	2,327	0	0	2,327	100	1,840	0	0	1,840	100
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration or salary or wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)[1]	8	₹ 15,00,000	1	₹ 25,00,000
Key Managerial Personnel[2]	5	₹ 3,79,00,000	-	-
Employees other than BoD and KMP	1,420	₹ 6,41,551	44	₹ 7,58,321
Workers	225	₹ 7,46,655	-	-

Notes:

1. Consisting of Non-Executive Directors and Independent Directors.

2. Key Managerial Personnel include Chairman & Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

The Executive Directors of the Company led by the Chairman & Managing Director are primarily responsible for addressing the issues arising out of impact, if any, caused by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mechanism is in place for redressal of grievances of human rights issues.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at Workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human Rights Related Issues	0	0	0	0	0	0

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Policy on Ethics, Human Rights and Labour, which anonymity of the complainant and also prevents victimisation of the complainant.

8. Do human rights requirements form part of your business agreements and contracts?

Yes

9. Assessments for the year on human rights issues

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Awareness and training sessions are conducted regularly to spread awareness and promote human rights.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Nil, as there were no human rights grievances or complaints.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	MJ	32,98,88,473	32,90,63,416
Total fuel consumption (B)	MJ	1,09,74,64,366	1,36,40,41,655
Energy consumption through other sources (C)	-	0	0
Total energy consumption (A+B+C)	MJ	1,42,73,52,839	1,69,31,05,071
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	MJ/₹	0.05	0.07
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No. However, the Company is under process of obtaining assurance from an independent agency for GHG emissions.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)	kilolitres	0	0
(i) Surface water	kilolitres	0	0
(ii) Groundwater	kilolitres	0	0
(iii) Third party water	kilolitres	14,01,633	14,85,063
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	14,01,633	14,85,063
Total volume of water consumption (in kilolitres)	kilolitres	14,01,633	14,85,063
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitre/₹	0.000046	0.000059
Water intensity (optional) – the relevant metric may be selected by the entity	-	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

The unit-II of Hyderabad facility of the Company has implemented Zero Liquid Discharge system (ZLD).

Details of ZLD system are as follows:

1. Effluents with high TDS are first given primary treatment and then processed through a multi-effect evaporator system, from which the concentrate effluent is sent to a fluidised bed recovery system to recover sodium sulfate salt and treated water is being reused in the process.
2. Sewage treated in Sewage Treatment Plant followed by RO plant. RO permeate for reuse and RO reject for evaporation.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	ppm	11.691	14.879
SOx	ppm	54.579	62.213
Particulate matter (PM)	mg/Nm3	38	48
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,38,304	1,84,346
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	84,305	74,039
Total Scope 1 and Scope 2	Metric tonnes of CO2 equivalent	2,22,609	2,58,385
Total Scope 1 and Scope 2 emission per rupee of turnover		0.0000073	0.0000103
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No. However, the Company is under process of obtaining assurance from an independent agency for GHG emissions.

7. Does the entity have any project related to reducing Green House Gas emission

The Company is making various efforts towards reduction of Green House Gases (GHG) by investing in newer technologies and equipment, which help improving efficiency and thus reducing input at the same time lower energy consumption. In addition, the Company is also making efforts in increasing use of renewable energy by installation of rooftop solar power plants. The recycling of waste water and waste generated is also aimed at reducing GHG emissions.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	202.27	219.86
E-waste (B)	0.11	0.79
Bio-medical waste (C)	0.02	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	0.22	0.46
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	74,710.30	79,092.17
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	**74,912.92**	**79,313.29**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Hazardous waste	0	0
(i) Recycled	64,190.94	65,472.21
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**64,190.94**	**65,472.21**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Hazardous waste	0	0
(i) Incineration	4.80	2,246.84
(ii) Landfilling	10,717.16	11,594.24
(iii) Other disposal operations	0	0
Total	**10,721.96**	**13,841.08**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company ensures responsible waste management practices whereby waste is being segregated, stored, labelling, transportation and sold to recyclers/co-processing to cement industries/disposed to third party treatment facility in line with legal compliance under Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Moreover, 86% of the total waste generated in FY 2022-23 has been sent for reuse/recycle purpose i.e. 45,158 MT of waste sent to recycler for producing the value-added product out of waste and 19,033 MT of co-processing waste sent to third party Cement plant as alternative fuel resources material.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

The Company does not have any operations or offices in or around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
-	-	-	-	-	-

Environmental Impact Assessment was not required to be done during the financial year 2022-23 since the Company has valid Environment Clearances for all of its manufacturing facilities.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N).

Yes

Subject to disclosure made at Question 2 of Principle-1 of this report, the Company is compliant with all the above mentioned acts and rules.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	MJ	9,141	0
Total fuel consumption (B)	MJ	0	0
Energy consumption through other sources (C)	-	0	0
Total energy consumed from renewable sources (A+B+C)	**MJ**	**9,141**	**0**
From non-renewable sources			
Total electricity consumption (D)	MJ	32,98,88,473	32,90,63,416
Total fuel consumption (E)	MJ	1,09,74,64,366	1,36,40,41,655
Energy consumption through other sources (F)	-	0	0
Total energy consumed from non-renewable sources (D+E+F)	**MJ**	**1,42,73,52,839**	**1,69,31,05,071**

2. Provide the following details related to water discharged:

Parameter		FY 2022-23	FY 2021-22	Level of treatment
Water discharge by destination and level of treatment (in kilolitres)				
(i)	To Surface water			
-	No treatment	0	0	-
-	With treatment – please specify level of treatment	0	0	-
(ii)	To Groundwater			
-	No treatment	0	0	-
-	With treatment – please specify level of treatment	0	0	-
(iii)	To Seawater			
-	No treatment	0	0	-
-	With treatment – please specify level of treatment	0	0	-
(iv)	Sent to third-parties			
-	No treatment	0	0	-
-	With treatment – please specify level of treatment	6,92,413	5,67,737	The effluent is being treated in well-designed effluent treatment facility followed by primary, biological and tertiary treatment
(v)	Others			
-	No treatment	0	0	-
-	With treatment – please specify level of treatment	0	0	-
Total water discharged (in kilolitres)		**6,92,413**	**5,67,737**	**-**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No.

3. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,76,792	-
Total Scope 3 emission per rupee of turnover		0.000016	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No. However, the Company is under process of obtaining assurance from an independent agency for GHG emissions.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Water recycled from effluent	Established low temperature evaporation technology based on mechanical vapour compression system. Around 95% high quality condensed water is recovered from the generated effluent without use of heat generation and rejection units, with lower water recovery cost. Further, recovered water has been reused in operations for washing purpose.	Conservation of natural resources

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**
Yes, onsite and offsite emergency preparedness plan is in place.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
No significant impact.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations:** 5

b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	The Federation of Indian Chambers of Commerce and Industry	National
2	Indian Chemical Council	National
3	Confederation of Indian Industry	National
4	Federation of Gujarat Industries	State
5	Gujarat Employees Organisation	State

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
-	-	-

There were no issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities, hence no corrective actions were required.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
-	-	-	-	-	

There was no requirement for Social Impact Assessments (SIA)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
-	-	-	-	-	-	-

There are no projects underway for which Rehabilitation and Resettlement (R&R) are required.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company's Environmental, Health and Safety Department as well as Corporate Affairs function remain in constant touch with the community and other associated organisation.

The Company has been working for the betterment of community since over 40 years with Deepak Foundation, which was set up in 1982 by Shri C. K. Mehta, Founder of the Company. Deepak Foundation is in constant touch with the community in and around the surrounding area of the Company's operations to address issues, if any relating to social development.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	11%	13%
Sourced directly from within the district and neighbouring districts	19%	19%

Leadership Indicators

1. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Help Desk Project	1,93,588	0.42
2	De-addiction Centre	4,609	3.43
3	Mobile Health Unit	1,11,333	49.28
4	Laboratory and Diagnostics Services	20,196	7.53
5	Palliative Care Facilities	597	31.66
6	Nutrition and Wellness Programme for ICDS	8,222	51.75
7	Adolescent Anaemia	3,300	84.45
8	Mobile Library	7,163	46.52
9	ICDS Programme	7,881	12.97
10	Remedial Education in English and Maths	509	45.78
11	Home Health Aid	450	95.78
12	Entrepreneurial Activities for SHGs	268	100
13	Vocational Training - Samaj Suraksha Sankul	256	5.47
14	Housekeeping and Cookery Course	135	43.70
15	Udyojika	104	100
16	Skills Training for Palliative Care	285	27.72
17	Integrated Animal Healthcare	424	-
18	Use of Sexed Semen Technology to Benefit Dairy Farmers	400	-
19	Smart Village Development	5,470	50
20	Sangaath	57,925	70.26
21	Flood Relief	805	-

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

Mechanism	Details
Web-based system for Customer Complaints	Customer Complaints are received by the relevant Sales team and thereafter, the same are entered into dedicated web-based system for Consumer Complaints Management and processed as per the Standard Operating Procedure. Site-specific SOPs are established and these SOPs have detailed workflow and resolution process. The Process is stringently followed across the Company.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	28	0	Complaints received were related to delivery, packing, handling etc. All the complaints received during the year have been resolved.	26	0	Complaints received were related to labelling, packing, handling etc. All the complaints received during the year have been resolved.

4. **Details of instances of product recalls on account of safety issues:**

	Product	Number	Reasons for recall
Voluntary recalls	0	0	NA
Forced recalls	0	0	NA

5. a. **Does the entity have a framework/policy on cyber security and risks related to data privacy?**

Yes. The Company has a robust framework for cyber security and for protection of Data. The IT infrastructure of the Company is secured with robust firewall systems, intrusion detection and prevention systems and access controls. The systems of the Company are protected with strong authentication mechanisms and encryption technologies to safeguard sensitive information and minimise the risk of data breaches.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not Applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

S.No.	Channel	Web-link
1	Website	https://www.godeepak.com/catalog/
2	Brochure	https://www.godeepak.com/wp-content/up- loads/2021/05/Product-Brochure.pdf

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

1. Being an Intermediate chemicals manufacturer Company, the Products of the Company are as per requirements of the customers and the customers are well aware about the safe usage of the products of the Company. However, the Company regularly updates the customers as well as supply chain partners about the safe and responsible usage of the products through various means.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

1. Though the Company is not providing any essential services, it maintains a healthy communication with the customers and keep them regularly informed about any planned stoppage of plant operations which may cause any delay in supply of products. Apart from the above, the Company also keeps all the stakeholders informed about disruption in operations, if any, caused due to any reason through regular channel of communication with each of the stakeholders.

4. Provide information relating to data breaches.

a. Number of instances of data breaches along with impact.

No instances of data breaches were observed.

b. Percentage of data breaches involving personally identifiable information of customers.

Nil

Annexure-D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy is to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1)	Shri Sudhir Mankad*	Chairman - ID	3	2
2)	Dr. Swaminathan Sivaram*	Member - ID	3	2
3)	Shri Deepak C. Mehta#	Chairman - ED	3	3
4)	Shri Sanjay Upadhyay	Member - ED	3	3
5)	Smt. Purvi Sheth#	Member - ID	3	1
6)	Shri Punit Lalbhai#	Member - ID	3	1

Abbreviations: ED: Executive Director; ID: Independent Director

* Shri Sudhir Mankad ceased to be Chairman of the Committee and Dr. Swaminathan Sivaram ceased to be Member of the Committee upon completion of second term as Independent Director on August 7, 2022.

Shri Deepak C. Mehta designated as Chairman of the Committee and Smt. Purvi Sheth and Shri Punit Lalbhai appointed as the Members of the Committee w.e.f August 8, 2022.

3. (a) Provide web-link of Composition of CSR committee, CSR Policy of the Company and CSR projects approved by the Board are disclosed on the website of the Company:

https://www.godeepak.com/corporate-governance/#compositeof-commitees

https://www.godeepak.com/investor-compliances/

https://www.godeepak.com/social-responsibility-activities/

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:

NA

5 (a) Average net profit of the Company as per Section 135(5). : ₹ 631.82 Crores

(b) Two percent of average net profit of the Company as per section 135(5) : ₹ 12.64 Crores

(c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years. : NIL

(d) Amount required to be set off for the Financial Year, if any : NIL

(e) Total CSR obligation for the Financial Year (5b+5c-5d) : ₹ 12.64 Crores

6 (a) Amount spent on CSR Projects (both ongoing and other than ongoing projects) : ₹ 11.94 Crores

(b) Amount spent in Administrative Overheads : NIL

(c) Amount spent on Impact Assessment, if applicable : NIL

(d) Total amount spent for the Financial Year (6a+6b+6c) : ₹ 11.94 Crores

(e) CSR amount spend or unspent for the Financial Year :

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 11.94	₹ 0.70	April 25, 2023	NA	Nil	NA

(f) Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	N.A.
(ii)	Total amount spent for the Financial Year	N.A.
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	N.A.
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N.A.
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	N.A.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding Financial Years(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6)(in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to Fund as specified under Scehedule VII as per second proviso to Section 135(5) if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiancy, if any
					Amount (in ₹)	Date of Transfer		
1.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through CSR spent in the Financial Year:

✓ Yes o No

If yes, enter the number of capital assets created/acquired: 122

Furnish the details relating to such asset(s) so created or acquired through CSR spent in the Financial Year:

Sr. No.	Short Particulars of the Property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset(s)	Date of Creation	Amount of CSR spent (in ₹)	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	School Sanitation Facilities for Girls and Boys Address: Rupapura Primary School, Rupapura, Tal-dist. Vadodara	391340	February 25, 2023	5,94,917/-	CSR Registration No: CSR00002452	**Society for Village Development in Petrochemicals Area (SVADES)**	**Address:** C-882, Sector-1, Reliance Township, Vadodara-391345.
2.	Renovation of School Sanitation Facilities and Aash Area, created New Facility of Hand Wash and Drinking Water Address:Jasapura Primary School, Jasapura Village, Sherkhi Group Panchayat, Tal-Dist. Vadodara	391330	March 23, 2023	4,20,430/-			
3.	6 No-HP Laptop, 6 No-Long Throw Projector, 6 No-Title Make Ceramic Damapura Primary School, Damapura Village, Vadodara	391340	March 11, 2023	9,18,000/-			
	Interactive Board, 6 No-5.1 Audio Channer Speaker Set 6-Routers						
4.	12 Nos-CCTV Camera System Installed		March 07, 2023	1,90,000/-			
5.	1 No-Task Change Automatic School Bell		March 09, 2023	26,466/-			
6.	1 No-Public Announcement System		February 21, 2023	1,01,992/-			
7.	4 Nos-Godrej Leg Type Cupboard with 5 MM Glass		February 27, 2023	5,48,565/-			
8.	80 Nos-Two Seater Benches		February 27, 2023				
9.	3 Nos-Reading Table 5' x 3'		February 27, 2023				
10.	3 Nos-Reading Table 2.6' x 2.6'		February 27, 2023				
11.	25 Nos-Plastic Chair		February 27, 2023				
12.	20 Nos-Iron Base Stool		February 27, 2023				
13.	2 Nos-White Board (Soft Board)		February 27, 2023				

Sr. No.	Short Particulars of the Property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset(s)	Date of Creation	Amount of CSR spent (in ₹)	Details of Entity/Authority/Beneficiary of the registered owner: CSR Registration Number, if applicable	Name	Registered address
14.	28 Nos-Shoe Rack	391340	February 27, 2023		CSR Registration No: CSR00002452	**Society for Village Development in Petrochemicals Area (SVADES)**	**Address:** C-882, Sector-1, Reliance Township, Vadodara-391345.
15.	2 Nos-Dish Rack		February 27, 2023				
16.	8 Nos-Steel Office Table 4' x 2' x 2.6'		February 27, 2023				
17.	8 Nos-Staff-cum- Office Chair with Cousion		February 27, 2023				
18.	1 No-computer Table 4' x 2' x 2.6'		February 27, 2023				
19.	2 Nos-Magazine Rack		March 31, 2023	15,104/-			
20.	1 No-News Paper Reading Stand		March 31, 2023				
21.	1 No-Steel Frame Cabinet with Lock		March 31, 2023	44,781/-			
22.	1 No-Steel Cabinet for Electrical Main Board		March 31, 2023				
23.	C-Shaped Platform with Steel Frame Cabinet with Elecrtification and Earthing		January 20, 2023	3,15,364/-			
24.	80W working Model Laboratory-Stem Model		January 20, 2023	4,18,900/-			
25.	Fire Ball for Laboratory and Library		March 03, 2023	4,956/-			
26.	Library Books		March 16, 2023	7,275/-			
27.	Drum Set with Bugal		March 31, 2023	5,900/-			
28.	Laboratory Equipments with Chemicals		March 25, 2023	37,276/-			
29.	Branding for Equipments		March 01, 2023	7,457/-			
	TOTAL			**36,57,383/-**			
	Help Desk New Emergency Ward, Beside Bhatuji Mandir, S.S.G Hospital, Vadodara	390001			CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
30.	Wi-Fi Camera		January 20, 2023	4,147/-			
31.	Laptop		March 31, 2023	36,250/-			
32.	Furniture & Fixture		December 30, 2022	15,104/-			
33.	Mobile Phone		February 09, 2023	14,798/-			
	De-addiction & Counselling Center #19-5, Opposite Rodamestri Nagar Bus Stop, Gajularamaram Road, Quthbullapur, Jeedimetla, Hyderabad	500055					
34.	UPS		May 17, 2022	15,400/-			
	Mobile Health Unit Bunglow No-46, Sarjan Villa Society, Village Bhensli, Dahej	392130					
35.	CCTV Camera		January 30, 2023	31,364/-			
	Mobile Health Unit Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
36.	Medical Equipment		December 31, 2022	3,700/-			
	Mobile Health Unit Flat No-201, 2nd Floor, Wing 3, Mateshwari Desire, Near Kakaji Ni Wadi, Banquet Hall, Akurli,Panvel	410206					
37.	Furniture & Fixture		March 23, 2023	17,000/-			
38.	Medical Equipment		September 30, 2022	4,500/-			
39.	Medical Equipment		February 28, 2023	3,200/-			
	Setting up Palliative Care Facilities Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara	390019					
40.	Medical Equipment		October 17, 2022	1,963/-			

Sr. No.	Short Particulars of the Property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset(s)	Date of Creation	Amount of CSR spent (in ₹)	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
41.	Medical Equipment		December 30, 2022	1,600/-	CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
	Nutrition & Wellness Program for ICDS Beneficiaries, Bunglow No-46, Sarjan Villa Society, Village Bhensli, Dahej	392130					
42.	CCTV Camera		January 30, 2023	39,205/-			
43.	Tablet		October 14, 2022	34,400/-			
44.	Computer & Printer		March 24, 2023	47,850/-			
45.	Furniture & Fixture		March 27, 2023	29,909/-			
46.	Medical Equipment		October 14, 2022	2,744/-			
47.	Medical Equipment		February 28, 2023	2,150/-			
48.	Medical Equipment		March 15, 2023	3,550/-			
	ICDS Program Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
49.	Tablet		July 31, 2022	51,000/-			
50.	Printer		March 17, 2023	14,900/-			
51.	Laptop		March 23, 2023	34,250/-			
	Mobile Library Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340					
52.	Books		May 18, 2022	19,497/-			
53.	Books		June 09, 2022	20,685/-			
54.	Books		June 30, 2022	21,444/-			
55.	Books		August 08, 2022	22,454/-			
56.	Books		August 31, 2022	23,793/-			
57.	Books		October 6, 2022	23,074/-			
58.	Books		November 17, 2022	23,215/-			
59.	Books		December 09, 2022	23,217/-			
60.	Books		December 31, 2022	23,217/-			
61.	Books		January 6, 2023	2,250/-			
62.	Books		January 31, 2023	24,002/-			
63.	Books		February 28, 2023	1,08,305/-			
64.	Tablet		July 14, 2022	1,70,000/-			
	Mobile Library Pilvavadu Fadiyu, At-Vadiya, Taluka- Savli Dist-Vadodara	391520					
65.	Books		November11, 2022	25,496/-			
66.	Books		December 31, 2022	12,000/-			
67.	Books		January 31, 2023	22,384/-			
68.	Books		February 17, 2023	84,056/-			
69.	Books		February 28, 2023	12,720/-			
70.	Books		March 07, 2023	13,320/-			
71.	Books		March 15, 2023	3,000/-			
72.	Books		March 24, 2023	14,900/-			
73.	Books		March 28, 2023	23,010/-			
74.	Books		March 31, 2023	84,577/-			
75.	Tablet		October 31, 2022	1,72,000/-			
76.	Laptop		October 31, 2022	47,000/-			
77.	Motherboard		October 31, 2022	8,900/-			
78.	Tablet		November 25, 2022	86,000/-			
79.	Computer		December 19, 2022	37,200/-			
80.	Tablet		January 25, 2023	87,000/-			
81.	Hard Disk		March 07, 2023	5,200/-			
82.	Furniture & Fixture		November 21, 2022	11,741/-			
83.	Furniture & Fixture		November 30, 2022	1,500/-			

Sr. No.	Short Particulars of the Property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset(s)	Date of Creation	Amount of CSR spent (in ₹)	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
84.	Furniture & Fixture		February 17, 2023	7,670/-			
85.	Battery for E- Rickshaw		November 11, 2022	24,800/-			
86.	Vehicle (Ecco)		December 23, 2022	5,36,372/-			
87.	Vehicle (Ecco) (Fabrication)		January 25, 2023	17,700/-			
	Smart Class Set up in Schools Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara						
88.	Interactive Flat Panel		October 31, 2022	11,71,386/-			
	Home Health Aide Course #19-5, Opposite Rodamestri Nagar Bus Stop, Gajularamaram Road, Quthbullapur, Jeedimetla, Hyderabad						
89.	Wi-Fi Camera		February 16, 2022	13,200/-			
90.	Furniture & Fixture		January 31, 2023	28,880/-			
91.	Lab Equipment		May 19, 2022	2,98,540/-			
92.	Medical Equipment		August 31, 2022	13,146/-			
	Home Health Aide Course Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara	390019					
93.	Lab Equipment		May 19, 2022	2,98,540/-			
94.	Medical Equipment		February 17, 2023	5,378/-			
	Entrepreneurial Activities through SHG Deepak Medical Foundation, Near GIDC Office, Nandesari, Vadodara	391340			CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
95.	Furniture & Fixture		March 30, 2023	2,550/-			
	Facility Management & Services Course Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara	390019					
96	Computer		July 31, 2022	30,200/-			
	Skill Training for Palliative Care Attendants Within Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara	390019					
97.	Furniture & Fixture		February 28, 2023	7,700/-			
	Integrated Animal Health Care Centre Deepak Medical Foundation, Near GIDC Office, Nandesari, Vododara	391340					
98.	CCTV Camera		December 27, 2022	16,402/-			
99.	Computer & Printer		December 27, 2022	50,310/-			
100.	Equipment		March 31, 2023	35,100/-			
101.	Furniture & Fixture		November 23, 2022	29,382/-			
102.	Furniture & Fixture		November 28, 2022	21,523/-			
103.	Refrigerator		November 30, 2022	11,000/-			
	Demographic Surveillance Study (DSS) Nijanand Ashram, Near Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta & Dist Vadodara	390019					
104.	Software		October 31, 2022	2,54,757/-			
	Sangaath (Help Desk) Deepak Medical Foundation, Near GIDC Office, Nandesari, Vododara	391340					

Sr. No.	Short Particulars of the Property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset(s)	Date of Creation	Amount of CSR spent (in ₹)	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
105.	Printer		November 17, 2022	17,200/-	CSR Registration No: CSR00000353	**Deepak Foundation**	**Address:** Nijanand Ashram premises, Adjoining L&T Knowledge City, On NH-8, Vadodara – 390019, Gujarat, India
106.	Laptop		December 09, 2022	47,000/-			
107.	Furniture & Fixture		February 28, 2023	11,800/-			
	Sangaath Saraswati Bunglow (Tamhankar), Chatrapati Sivaji Nagar, Near Sanjay Gandhi Hospital, Roha	402109					
108.	Printer		January 31, 2023	30,680/-			
109.	Furniture & Fixture		February 09, 2023	18,200/-			
110.	Lamination Machine		January 19, 2023	20,520/-			
111.	Lamination Pouch		March 21, 2023	12,200/-			
112.	Tablet		January 19, 2023	66,080/-			
	Sangaath At Reva Ginning and Pressing Factory, Kawant Boriyad Road, In Front of Hardik Hospital, Naswadi	391150					
113.	Furniture & Fixture		March 31, 2023	34,020/-			
	Total			**47,98,377/-**			
	Shree Krishna Hospital, Karamsad, Anand, Gujarat	388325			CSR Registration Number: CSR00002068	**Charutar Arogya Mandal**	**Address:** Gokal Nagar Karamsad, Anand 388325 Gujarat, India
114.	Operation Table		March 17, 2023	6,13,600			
115.	Bilirubonometer		February 01, 2023	82,000			
116.	OT Light		March 17, 2023	5,50,000			
117.	Arthroscopy Instruments		January 18, 2023	4,95,000			
118.	Light Source With Cable		January 05, 2023	60,000			
119.	Telescope 30 Degree		November 23, 2022	1,72,295			
120.	Centrifuge machine		March 24, 2023	95,002			
121.	Distance Vision Chart		March 27, 2023	33,600			
	Total			**21,01,497**			
122.	**Construction of New Hospital building at Jalaram Marg, Karelibaug, Vadodara, Revenue Survey No 694 paiki, Moje : Kashba**	390018	March 01, 2023	95,40,295	CSR Registration Number: CSR00003940	**Medical Care Center Trust**	**Address:** Jalaram Marg, Karelibaugh, Vadodara - 390018, Gujarat, India

(All the fields should be captured as appearing in the revenue record, flat no. house no. Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Your Company has undertaken a major CSR Project for supporting Medical Care Centre Trust (CSR Registration No.: CSR00003940) in construction of a new Hospital Building and renovation of their existing hospital buildings at Vadodara. The construction of new hospital building required various government approvals for commencement of work. There was a delay in receipt of the necessary approvals for commencement of Construction work of the new Hospital building, which resulted in delay in execution of the Project. Accordingly, the amount which was envisaged to be spent during the year, could not be spent. Since the said CSR project was classified as the ongoing project by the Board of Directors, the unspent amount of ₹ 0.70 Crores towards the said ongoing project was transferred to a separate Bank Account on April 25, 2023 as required under the provisions of the Act and the rules made thereunder which shall be spent in the subsequent Financial Year.

For and on behalf of the Board

Deepak C. Mehta

Chairman & Managing Director
Chairman of CSR Committee
(DIN: 00028377)

Place : Vadodara
Date : May 11, 2023

Annexure-E

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors on the Board of the Company, Key Managerial Personnel and other employees in the Senior Management is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and of the Listing Regulations with the Stock Exchanges.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, appointment and removal of the Directors, Key Managerial Personnel and Senior Management employees and matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Pursuant to the requirement of Section 178 of the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges, the Company has a duly constituted Nomination and Remuneration Committee.

2. OBJECTIVE OF THE POLICY

2.1. The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with best industry practices and are good enough to attract and retain competent Directors on the Board, Key Managerial Personnel and the Senior Management Personnel of the quality required. The key objectives of this Policy include:

(i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management employees.

(ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

(iii) recommending to the Board the remuneration payable to the Directors and setting forth a policy for determining remuneration payable to Key Managerial Personnel and Senior Management employees.

2.2. While determining the remuneration for the Directors, Key Managerial Personnel and Senior Management employees, regard should be given to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

2.3. While designing the remuneration package it should be ensured:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate person, to ensure the quality required to run the Company successfully.

(ii) Remuneration to Directors, Key Managerial Personnel and Senior Management employees 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.

2.4. Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.

2.5. The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including Section 178 thereof), rules framed there under and the Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

2.6. In this context, the following Policy has been formulated by the Nomination and Remuneration Committee and recommended to the Board of Directors for adoption.

3. EFFECTIVE DATE

This Policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

4.1. In this Policy the following terms shall have the meaning assigned to them:

(i) "**Act**" means The Companies Act, 2013 and rules made thereunder.

(ii) "**Board of Directors**" or "**Board**" means the Board of Directors of the Company.

(iii) "**Committee**" means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

(iv) "**Company**" means "Deepak Nitrite Limited."

(v) "**Director**" shall mean a member of the Board of Directors of the Company appointed from time to time in accordance with the Articles of Association of the Company and provisions of the Act.

(vi) "**Employees**' **Stock Option**" means the option given to the Directors, other than Independent Directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

(vii) "**Executive Director**" shall mean a Director who is in the whole-time employment of the Company other than Managing Director.

(viii) "**Financial Year**" shall mean the period ending on the 31st day of March every year.

(ix) "**Independent Director**" shall mean a Director referred to in Section 149 (6) of the Act read with the Listing Regulations.

(x) "**Key Managerial Personnel**" or "**KMP**" shall have the meaning ascribed to it in the Act.

(xi) "**Listing Regulation**s" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and for the time being in force.

(xii) "**Managing Director**" means a Director who, by virtue of the Articles of Association of the Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.

(xiii) "**Policy**" or "**this Policy**" means, "Nomination and Remuneration Policy."

(xiv) "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

(xv) "**Senior Management**" means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

4.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and/or Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

(i) Directors (Managing Director, Executive Director, Independent Director and Non-Independent Director)

(ii) Key Managerial Personnel

(iii) Senior Management employees

(iv) Other Employees

6. NOMINATION AND REMUNERATION COMMITTEE

6.1. Role of the Committee:

(a) Identifying persons who are qualified to become Director and who may be appointed in Senior Management cadre in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

(b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration for the Directors, Key Managerial Personnel and employees.

(c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

(d) Formulating the criteria for evaluation of Independent Directors and the Board.

(e) Devising a policy on Board diversity.

(f) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

(g) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Executive Directors.

(h) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

(i) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(j) recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(k) any other role as may be specified by the Board.

6.2. Composition of the Committee

(a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least two-thirds shall be Independent Directors.

(b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.

(c) Composition of the Committee shall be disclosed in the Annual Report.

(d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

(a) Chairman of the Committee shall be an Independent Director.

(b) Chairman of the Company (whether Executive or non-Executive) may be appointed as a member of the Committee but shall not Chair the Committee.

(c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(d) Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such intervals as may be required.

6.5. Committee Member's Interest

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.6. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two (2) members or one-third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

6.7. Voting at the Meeting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

7. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and Senior Management employee.

7.2. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management employee.

7.3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

7.4. The appointment as recommended by the Committee to the Board shall be subject to the approval of the Board.

7.5. Criteria for appointment of Independent Director:

7.5.1. The proposed appointee shall comply with the criteria specified in the relevant provisions of the Act and/or the Listing Regulations. He or she shall not, directly or indirectly, represent the interest of any specific vendor or customer or stakeholder and shall have business reputation and strong ethical standards and possess leadership skills and business experience including board procedures.

7.5.2. The Independent Director shall fulfill the qualification and requirements specified under the Act and Listing Regulations.

7.5.3. He or she shall also declare his or her independent status prior to appointment to the Board and maintain the same during his or her tenure as an Independent Director. Being a Director of the Company, he or she shall adhere to the Code of Conduct stipulated for the Director.

7.6. Criteria for appointment of Managing Director / Executive Director:

7.6.1. The Company can have more than one Managing Director or Executive Director.

7.6.2. The appointee(s) shall have good educational background, preferably with specialization in the field. He shall have exemplary skills and leadership qualities to lead the Company or as the case may be the function assigned to him.

7.6.3. Depending on the role and responsibility, he shall have hands on experience in the relevant filed. For example as ED (Operations) is expected to have adequate knowledge and experience about the plant operations and related issues. The suitability of the candidate shall be determined on a case-to-case basis by the Committee. Being a Director of the Company, Managing Director / Executive Director shall adhere to the Code of Conduct stipulated for the Director.

7.6.4. He or she shall fulfill the conditions as specified under Part I of Schedule V of the Act. However, in case the conditions specified under Part I of Schedule V of the Act is not fulfilled, such appointments shall be subject to the approval of the Central Government.

7.7. Criteria for appointment of KMPs:

7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director / Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.

7.7.2. The Company may also appoint a Chief Executive Officer (CEO) who may or may not be a Director. The qualification, experience and stature of the CEO could be in line with that of the Executive Director. Where the CEO is designated as KMP, he shall act subject to the superintendence and control of the Board.

7.7.3. The Company is also required to appoint a Chief Financial Officer (CFO) as KMP as per the requirement of the Act. The CFO shall preferably be a Chartered Accountant or a Cost & Management Accountant or holds an equivalent qualification and have relevant work experience. He shall be well versed with finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Regulations, the appointment of CFO shall be subject to approval of the Audit Committee.

7.7.4. As required under the said Section of the Act, a Company Secretary (CS) is also required to be appointed by the Company as a KMP. The CS shall have the prescribed qualification and requisite experience to discharge the duties specified in law and as may be assigned by the Board / Managing Director / Executive Director from time to time.

7.7.5. KMPs, other than Managing Director and/or Executive Director shall adhere to the Code of Conduct stipulated for the Senior Management.

7.8. Criteria for appointment of Senior Management employees:

7.8.1. Senior Management employees shall possess the requisite qualifications, expertise and experience depending upon the requirement of the relevant position.

7.8.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

7.8.3. Senior Management employees shall adhere to the Code of Conduct stipulated for the Senior Management.

7.9. Term / Tenure

7.9.1. Managing Director and Executive Director

The Company shall appoint or re-appoint any person as its Managing Director / Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

7.9.2. Independent Director

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) The Independent Director shall comply with the requirement of number of directorships he or she can hold as prescribed under the provisions of the Act or the Listing Regulations including any amendment thereto from time to time.

7.10. Familiarization Programme for Independent Directors

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

7.11. Evaluation

7.11.1. Subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall carry out the evaluation of Directors periodically.

7.11.2. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

7.11.3. The Independent Directors at their separate meeting shall review, on yearly basis, the performance of Non-Independent Directors and the Board as a whole.

7.11.4. The Independent Directors at their separate meeting shall also review, on yearly basis, the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

7.11.5. The entire process of the Performance Evaluation shall be kept in strict confidence and shall not be disclosed to any person except to those required to perform their duties under the Act.

7.11.6. All the records of Performance Evaluation process and outcome shall be maintained by the Company Secretary of the Company and shall be kept at the Registered Office of the Company. Such records shall be preserved till such time as may be decided by the Board from time to time or as required under the Act.

7.12. Removal

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and Senior Management employees subject to the provisions and compliance of the applicable laws, rules and regulations.

7.13. Retirement

The Director, KMP and Senior Management employees shall retire as per the applicable provisions of the Act and/or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management employees in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company, in accordance with the provisions of the Act and approval of members, wherever required.

8. REMUNERATION

8.1. Remuneration to Managing Director:

8.1.1. The remuneration comprising of salary, allowance, perquisites and other benefits payable to Managing Director will be determined by the Committee and recommended to the Board for approval.

8.1.2. In addition to the remuneration as stated in 8.1.1. above, Managing Director shall also be 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, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act.

8.1.3. The Managing Director shall be entitled to the following perquisites / allowances:

(i) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Managing Director shall be paid house rent allowance as may be decided by the Board of Directors.

(ii) Re-imbursement of gas, electricity, water charges and furnishings.

(iii) Re-imbursement of medical expenses incurred for self and members of his family, as per rules of the Company.

(iv) Leave travel concession for self and members of his family, as per rules of the Company.

(v) Fees of clubs subject to maximum of two clubs.

(vi) Medical insurance, as per rules of the Company.

(vii) Personal Accident Insurance, as per rules of the Company.

(viii) Provision of car and telephone at residence.

(ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per rules of the Company.

(x) Retirement and other benefits, as per rules of the Company.

8.1.4. The remuneration and commission to be paid to the Managing Director shall be as per the statutory provisions of the Act and the rules made thereunder for the time being in force and shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

8.1.5. The remuneration / commission payable to Managing Director shall be reviewed by the Board after close of each Financial Year and based on the Profits made by the Company in that Financial Year, Managing Director shall be paid such enhanced remuneration as the Board may decide subject to the ceiling limits specified in Section 197 and other applicable provisions of the Act read with Schedule V of the Act.

8.1.6. The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board or any Committee thereof.

8.2. Remuneration to Executive Director:

8.2.1. Fixed Pay

(a) Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act and rules made thereunder for the time being in force.

(b) The Fixed Pay of Executive Director shall comprise of salary, perquisites, allowances and other benefits. The perquisites, allowances and other benefits to the Executive Director shall include but not be limited to the following:

(i) Re-imbursement of medical expenses incurred for self and members of his family, as per policy of the Company.

(ii) Leave travel concession for self and members of his family, as per policy of the Company.

(iii) Medical and other insurances, as per policy of the Company.

(iv) Company Car with Driver.

(v) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the policy of the Company.

(vi) Retirement and other benefits, as per policy of the Company.

(vii) Hardship Allowance as applicable in accordance with the policy of the Company.

(c) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

8.2.2. Variable Pay

In addition to the salary, perquisites, allowances and other benefits as mentioned above, Executive Director will also be entitled to a Variable Pay by way of Performance Linked Incentive. This amount shall be paid annually after the end of each Financial Year. The Performance Linked Incentive shall be in the range of 0% to 25% of cost to the Company or such other amount as may be decided by the board of directors from time to time upon recommendation of Nomination and Remuneration committee.

8.2.3. Loyalty Bonus

In addition to the above, Executive Director shall also be entitled for the Loyalty Bonus as per policy of the Company.

8.2.4. Payment of Variable component / Increments

(a) Payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director shall be recommended by the Chairman & Managing Director of the Company to the Committee based upon the individual performance and also the Company's performance as per policy of the Company.

(b) The Committee shall review the payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director as recommended by the Chairman & Managing Director of the Company and recommend the same to the Board for its approval. Such Variable component and proposed enhanced remuneration as recommended by the Committee to the Board should be within the overall limits of managerial remuneration as prescribed under the Act and rules made thereunder.

(c) The Executive Director shall also be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

8.2.5. Executive Director shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

8.3. Minimum Remuneration

Where, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director(s) and Executive Director(s) in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

8.4. Remuneration to Independent Director and Directors other than Managing Director/ Executive Director:

8.4.1. Sitting Fees

The Independent Director / Directors other than Managing Director and Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Sitting Fee paid to Independent Directors, shall not be less than the Sitting Fees payable to other Directors.

The sitting Fees payable to Independent Director/ Directors other than Managing Director and Whole-time Director shall be decided by the Board of Directors from time to time and shall be reviewed every 3 (Three) years.

8.4.2. Commission on the Net Profits

Apart from receiving the Sitting Fees, Independent Director(s) / Non-Independent Director(s) may be paid Commission on the Net Profits of the Company for a particular Financial Year within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Act. The amount of Commission payable to each Independent Director / Non-Independent Director for a particular Financial Year shall be decided by the Chairman of the Company and shall be approved by the Board.

8.4.3. Stock Options

Independent Director shall not be entitled to any stock option of the Company.

8.5. Provisions for excess remuneration

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Subject to the approval of Central Government, the Shareholders of the Company may waive recovery of such excess remuneration by passing an Ordinary Resolution.

8.6. Remuneration to KMP and Senior Management employees:

8.6.1. The remuneration to KMP and Senior Management employees shall comprise of Fixed Pay and Variable Pay and governed by the DNL HR Policy.

8.6.2. Remuneration of a KMP and Senior Management at the time of their appointment will be recommended by the Managing Director / Executive Director to the Committee. The Committee shall review such remuneration and recommend the same to the Board for approval. Any subsequent modification to the remuneration of KMP shall be decided by the Managing Director / Executive Director as may be authorized by the Committee.

8.6.3. Fixed Pay

The Fixed Pay of KMP and Senior Management employees shall comprise of salary, perquisites, allowances and other benefits as per policy of the Company. The break-up of the pay scale and quantum of perquisites including but not limited to employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided by the Managing Director / Executive Director.

8.6.4. Variable Pay

The remuneration of KMP and Senior Management employees will also comprise performance linked variable pay which may vary from 0% to 16% of the cost to the Company. This amount of variable pay shall be paid annually after the end of each Financial Year and will be entirely based on the individual's performance and Company's performance as per policy of the Company. Such Variable Pay for a particular Financial Year shall be decided by the Managing Director / Executive Director.

8.6.5. Hardship Allowance and Loyalty Bonus

In addition to the above, KMP and Senior Management employees shall also be entitled for the Hardship Allowance and Loyalty Bonus as per policy of the Company.

8.7. The remuneration to other employees of the Company shall be governed by DNL HR Policy.

8.8 Loans and Advances to Employees

(a) The Loan, advance and other financial assistance facilities to the employees shall be governed by the DNL HR policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

(b) Advances to the employees for the purpose of performance of his duties shall be governed by the DNL HR Policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

9. BOARD DIVERSITY

9.1. The Board of Directors shall have the optimum combination of Directors from the different areas / fields like operations, projects, production, management, quality assurance, finance, legal, sales and marketing, research and development, Human Resources etc. or as may be considered appropriate.

9.2. The Board shall have at least one Director who has accounting or related financial management expertise.

10. DISCLOSURE

This Policy shall be disclosed in the Board's Report.

11. REVIEW OF THE POLICY

This Policy shall be reviewed by the Committee after every three years.

12. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent 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.

Annexure-F

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:

PART (A) – DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2023 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2023:

Name of the Director/ KMP	% Increase in Remuneration# in the FY 2022-23	Ratio to Median Remuneration
Shri Deepak C. Mehta Chairman & Managing Director	0.00	109.22
Shri Sanjay Upadhyay Director (Finance) & Group CFO	14.12	77.03
Shri Maulik D. Mehta Executive Director & CEO	15.20	59.22
Shri Ajay C. Mehta Non-Executive Director	0.00	2.34
Shri Meghav D. Mehta[1] Non-Executive Director	NA*	NA*
Shri Sandesh Kumar Anand Non-Executive & Non Independent Director	0.00	3.91
Shri Sudhir Mankad[2] Independent Director	NA*	NA*
Dr. Richard H. Rupp[3] Independent Director	NA*	NA*
Dr. Swaminathan Sivaram[4] Independent Director	NA*	NA*
Shri Sanjay Asher Independent Director	38.89	3.91
Smt. Purvi Sheth Independent Director	38.89	3.91
Shri Dileep Choksi Independent Director	0.00	3.13
Shri Punit Lalbhai[5] Independent Director	NA*	NA*
Shri Vipul Shah[6] Independent Director	NA*	NA*
Shri Prakash Samudra[7] Independent Director	NA*	NA*
Shri Somsekhar Nanda[8] Chief Financial Officer	NA*	NA
Shri Arvind Bajpai Company Secretary	14.47	NA

Excluding sitting fees.

* Since the remuneration is only for part of the year (current/ previous), the percentage increase in remuneration is not comparable hence % increase in Remuneration in F.Y. 2022-23 and ratio to the median remuneration not stated.

1. Shri Meghav D. Mehta has been appointed as a Non-Executive Director of the Company w.e.f. May 4, 2022.
2. Shri Sudhir Mankad ceased to be Independent Director upon completion of his second term on August 7, 2022.
3. Dr. Richard H. Rupp ceased to be Independent Director upon completion of his second term on August 7, 2022.
4. Dr. Swaminathan Sivaram ceased to be Independent Director upon completion of his second term on August 7, 2022.
5. Shri Punit Lalbhai has been appointed as an Independent Director w.e.f. August 8, 2022.
6. Shri Vipul Shah has been appointed as an Independent Director w.e.f. August 8, 2022.
7. Shri Prakash Samudra has been appointed as an Independent Director w.e.f. August 8, 2022.
8. Shri Somsekhar Nanda has been appointed as a Chief Financial Officer w.e.f. August 3, 2022.

Notes:

1. In the Financial Year 2022-23, there was an increase of 7.83% in the median remuneration of employees.

2. There were 1,694 permanent employees on the rolls of the Company as on March 31, 2023.

3. Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 14.50% and average percentile increase in remuneration of Managerial Personnel was 9.77%.

   Shri Deepak C. Mehta, Chairman & Managing Director of the Company is also Chairman & Managing Director of Deepak Phenolics Limited ("DPL") a Wholly Owned Subsidiary of the Company.

   As per the term of his appointment, he is entitled to profit related commission from DPL. For the Financial Year 2022-23, the Commission to Shri Deepak C. Mehta from DPL is ₹ 18 Crores.

   Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

   Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Nomination and Remuneration Policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

   As against above, remuneration for non-managerial personnel is based on an internal evaluation of assigned target area which are broken into subsets of key result areas of the managerial personnel.

4. It is affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 11, 2023

Annexure - G

INFORMATION REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

- Replacement of coal feed boiler with multi fuel feed boiler to reduce cost.
- Energy Audits are conducted at all locations and energy conservation initiatives are implemented.
- Chilling compressors consuming high power are being replaced with energy efficient chilling compressors to reduce specific power consumption.
- Low efficiency old motors are replaced with high efficient IE3 motors.
- 125 watts HPMV lamp are being replaced with 39 watts LED.
- High power consuming motors are being provided by VFD (variable frequency drive) to reduce energy consumption.

(ii) Steps taken for utilizing alternate sources of energy:

- Use of PRT (pressure reducing turbine) to generate power in place of PRV (pressure reducing valve).
- Use of alternate source such as Solar power.
- Use of Hybrid power (wind power + solar power) is under consideration.

(iii) Capital investment on energy conservation equipment:

- Total ₹ 34.13 Crores capex are approved related to energy conservation.

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

- Technology developed for import substituted products.
- In-house development of "platform technology" where similar chemistry can be successfully intensified at world best level.

(ii) Benefits derived like product yield improvement, cost reduction, product development or import substitution:

- Innovative processes developed for import substituted products in the in-house Research & Development facility through Process Engineering Research & Innovation (PERI) Lab.
- Continuous chemical processes developed to reduce raw materials consumption norms and by-products formation, also evaluated alternative routes to make cheaper and cleaner technologies.
- Batch Process yield improvement been successfully demonstrated and running commercially for better sustainability in the market and cost reduction to build profit.

(iii) Information regarding technology imported, during the last 3 years: Nil

(iv) Information regarding in-house technology developed, during the last 3 years: 5 Nos. and applied for patents: 3 Nos.

(v) Expenditure incurred on Research and Development:

(₹ in Crores)

Particulars	2022-23	2021-22
a) Capital	4.07	7.43
b) Recurring	16.65	14.86
Total	**20.72**	**22.29**
Total R&D expenditure as a percentage to total turnover	**0.68%**	**0.89%**

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Crores)

Particulars	2022-23	2021-22
Total Foreign Exchange Earned	1312.81	1056.73
Total Foreign Exchange Outgo	426.59	108.30

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 11, 2023

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 51st 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 51st Annual Report of the Company was ranked 62nd 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:

a. long-term business plan & strategy and monitoring its implementation.
b. enhancing shareholder value and overseeing the interests of all stakeholders through effective management.
c. monitoring the effectiveness of the Company's Corporate Governance practices.
d. 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 *Chairman & Managing Director* Shri Maulik D. Mehta *Executive Director & CEO*	03	25%
Executive Directors	Shri Sanjay Upadhyay *Director (Finance) & Group CFO*		
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		**12**	**100%**

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 (51st AGM) are as under:

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

✓ Present, NA – Not applicable.

Appointed as Non-Executive Director liable to retire by rotation, with effect from May 4, 2022.

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

@ 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)[a]	No. of Committee positions held as Chairman in Public Companies[b]	No. of Committee positions held as Member in Public Companies[b]
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:

a. Excludes directorships in Private Limited Companies, Section 8 Companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.

b. 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.

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 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. Mehta	Shri Sanjay Upadhyay	Shri Ajay C. Mehta	Shri Meghav D. Mehta	Shri Sandesh Kumar Anand	Shri Sanjay Asher	Shri Dileep Choksi	Smt. Purvi Sheth	Shri Punit Lalbhai	Shri Vipul Shah	Shri Prakash Samudra
	Qualification	Bachelor of Science from University of Bombay	Bachelor of Business Administration from University of Liverpool, UK. Master in Industrial and Organisational Psychology from Columbia University, USA. Owner & President Management Program from Harvard Business School.	Associate Member of the Institute of Cost Accountants of India and Fellow Member of the Institute of Company Secretaries of India. Advanced Management Programme from Wharton, USA.	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.	Bahelor's Degree in Arts, Economics & Political Science from St. Xavier's College, Mumbai University and obtained a CPD Business Strategy & Leadership Management from Wharton Business School, USA	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
1.	**Industry Knowledge:**												
	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. Mehta	Shri Sanjay Upadhyay	Shri Ajay C. Mehta	Shri Meghav D. Mehta	Shri Sandesh Kumar Anand	Shri Sanjay Asher	Shri Dileep Choksi	Smt. Purvi Sheth	Shri Punit Lalbhai	Shri Vipul Shah	Shri Prakash Samudra
2.	**Behavioural Competencies/ Personal Attributes:**												
	Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	**Strategic Expertise:**												
	Business Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sales & Marketing	✓	✓	✓	✓	✓	-		✓	-	✓	✓	✓
	Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Forex Management	✓	-	✓	✓	✓	-	✓	✓	-	✓	✓	-
	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Decision Making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	**Technical Skills:**												
	Financial and Management skills;	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
	Legal expertise	✓	-	✓	✓	✓	-	✓	✓	-	✓	✓	-
	Technical / Professional skills and specialized	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
5.	**Other Skills:**												
	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:

Name of Member	Designation	Category
Shri Dileep Choksi	Chairman	Independent Director
Shri Sudhir Mankad[1]	Member	Independent Director
Shri Sandesh Kumar Anand	Member	Non-Executive & Non-Independent Director
Shri Sanjay Asher	Member	Independent Director

[1] 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 Significate 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:

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

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

[2]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.

[3]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 thereat

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:

Name of Member	No. of Nomination & Remuneration Committee Meetings held during tenure of Director	No. of Nomination & Remuneration Committee Meetings attended
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. 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:

Name of Member	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings held during tenure of Director	No. of Stakeholders' Relationship & Investors Grievance Committee Meetings attended
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 it's 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.

(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:

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

[1]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.

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

[3]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[1]	Member	Independent Director
Dr. Swaminathan Sivaram[1]	Member	Independent Director
Shri Prakash Samudra[2]	Member	Independent Director
Shri Vipul Shah[2]	Member	Independent Director
Shri Sanjay Asher	Member	Independent Director

[1]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.

[2]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[1]	Member	Independent Director
Shri Vipul Shah[2]	Member	Independent Director

[1] 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.

[2] 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:

Name of Member	No. of Risk Management Committee Meetings held during tenure of Director	No. of Risk Management Committee Meetings attended
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
Total	**9.22**	**3.00**	**1.82**	**1.67**	**15.71**

* 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 Company other than the sitting fee, re-imbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and such Commission on the Net Profits of the Company as determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Act. The Commission payable to Independent Directors and Non-Independent Non-Executive Directors is calculated as per the provisions of the Act. No remuneration by way of Commission was paid to any single Non-Executive Director in excess of fifty percent (50%) of the total annual remuneration by way of Commission payable to all Non-Executive Directors.

The amount of Commission to Independent Directors and Non-Independent Non-Executive Directors is determined on the basis of: (a) attendance and time spent for the meetings of Board and Committees thereof; (b) attendance at the General Meeting(s) of the Company during the particular year; (c) roles and responsibilities as Chairman and/or Member of respective Committee; (d) individual contribution at the meetings and contribution made by the Directors on various matters of the Company.

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
Total		**31,75,000**	**1,95,00,000**	**2,26,75,000**

* 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:

Sr. No.	Name of Non-Executive Director	No. of shares held
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-imbursement 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:

Financial Year	Date	Time	Venue / Mode
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:

Meeting	Date of AGM	Information regarding Special Resolutions passed
51st AGM	August 3, 2022	No Special Resolution was passed.
50th 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.
49th 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 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. 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.

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.

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 and also from the website of the RTA at 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 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 52nd 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

Results for the Quarter ending	Tentative Time of Reporting
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:

Name & Address of Stock Exchanges	Stock Code	ISIN with NSDL & CDSL
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

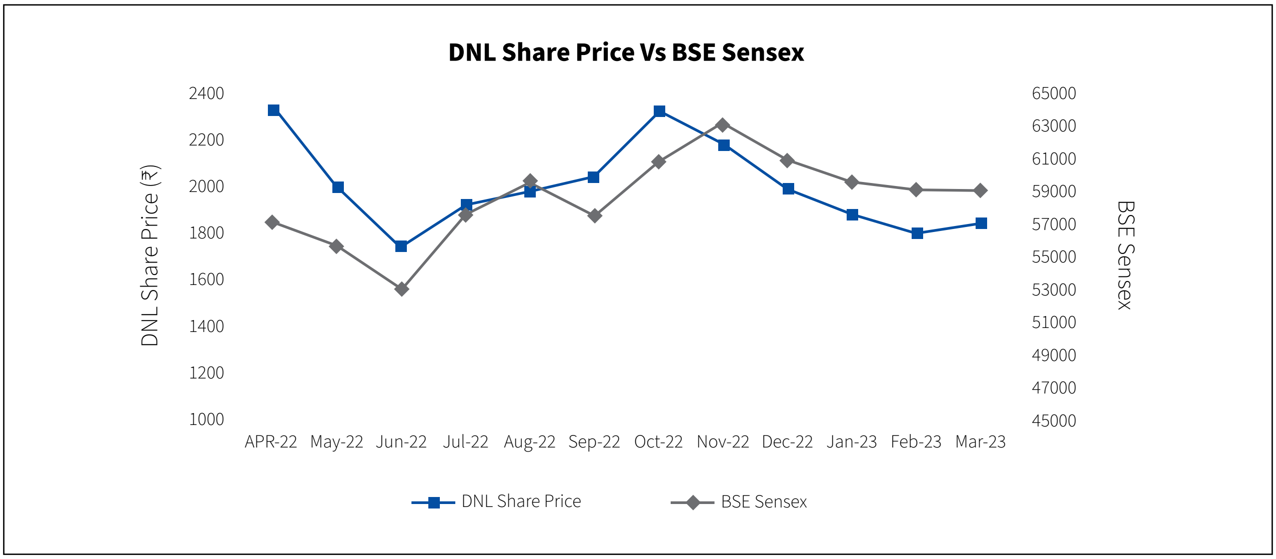
The Securities of the Company have not been suspended from trading during the Financial Year 2022-23 and the requisite Listing fees for Financial Year 2023-24 has been paid to both the Stock Exchanges.

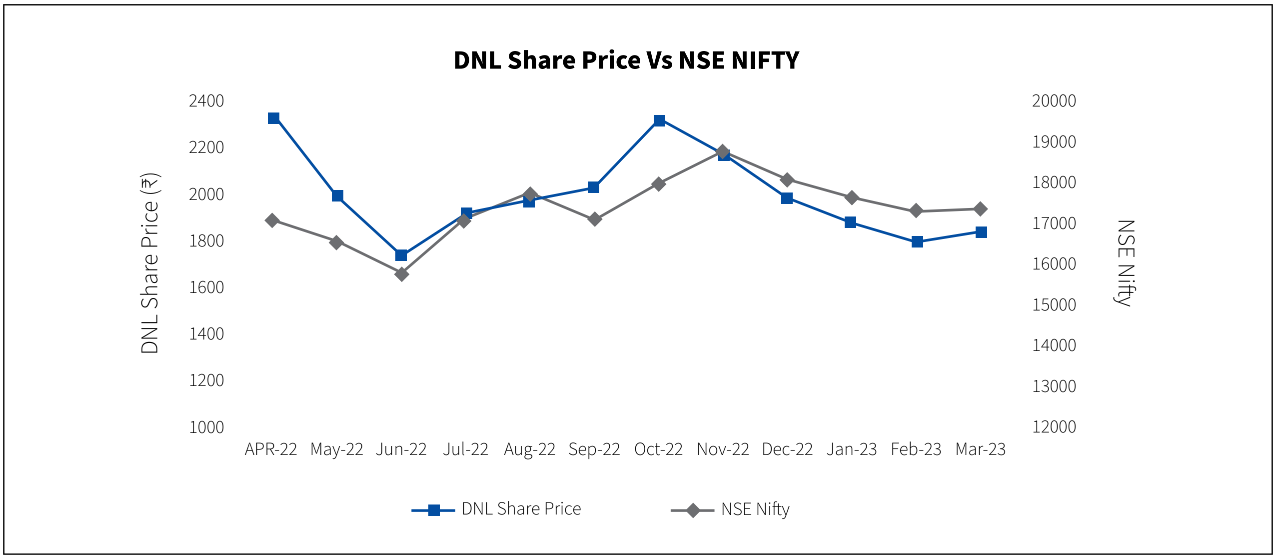
(iv) Market Price Data of Equity Shares

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.





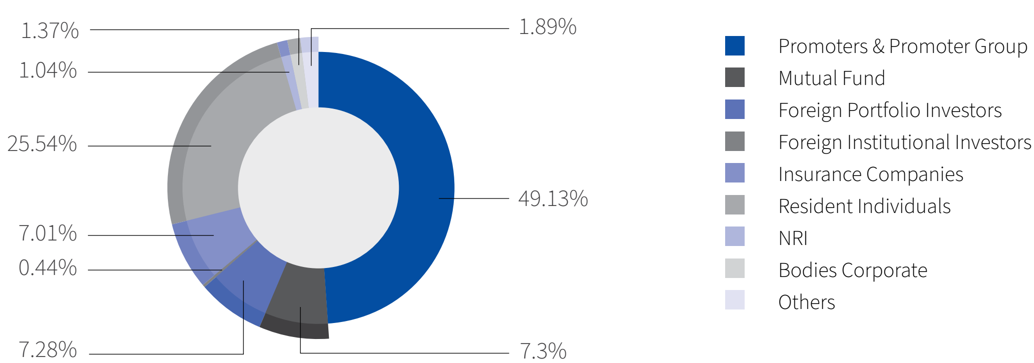
(v) Distribution of Shareholding as on March 31 , 2023

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
TOTAL	**6,66,351**	**100.00**	**13,63,93,041**	**100.00**

(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
TOTAL	**13,63,93,041**	**100**

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

Investor Relation Centre:
B-102-103, Shangrila Complex,
1st 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

(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
Website : 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.

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 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 Dhatav, 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/twentysixteen/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/twentysixteen/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/twentysixteen/companyfiles/corporate_governance_report/Policy_for_Material%20_Subsidiaries.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/twentysixteen/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 52nd 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:

(₹ in Crores)

Payment to Statutory Auditors	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
Total	**1.19**

(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.

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.

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:

DECLARATION

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.

Maulik D. Mehta
Executive Director & CEO

Vadodara
May 11, 2023

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 31of every Financial Year) to formulate a Dividend Distribution Policy, which shall be disclosed 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 numerated 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
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 11, 2023

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Deepak Nitrite Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** Revenue recognition is significant audit risk across all units within the Company. Risk exists that – Revenue is recognized without transfer of control over goods and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design and performed walk through of internal controls relating to revenue recognition. • We selected sample of sales transactions and tested the operating effectiveness of the internal controls relating to revenue recognition. • We carried out a combination of procedures involving enquiry and observation, reperformance and/or inspection. • We have tested samples of sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report including annexure thereto, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 35 to the standalone financial statements

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for following delay in transfer pertaining to unclaimed deposits of year 2014-15

Due date of transfer	Amount (₹)	Actual date of transfer
April 11, 2022	2,74,000	May 03, 2022
April 17, 2022	20,390	May 03, 2022
April 26, 2022	380,117	May 03, 2022

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 49(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 49(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 50 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOQH6622)

Place: Vadodara
Date: May 11, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Deepak Nitrite Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements .

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOQH6622)

Place: Vadodara
Date: May 11, 2023

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Deepak Nitrite Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in- progress and right-of-use assets so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and acquired buildings (other than properties where the Company is the lessee and the lease agreements/supplementary agreements/ deed of assignments are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed. The Company is yet to submit the return/ statement for the quarter ended March 31, 2023 with the banks or financial institutions.

(iii) The Company has not provided any advances in the nature of loans or stood guarantee, or provided security to any other entity during the year. The Company has made investments in and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

(₹ in crore)

Particulars	Loans
Aggregate amount granted/provided during the year:	
- Subsidiaries	45.00
- Others	0.30
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	-
- Others	1.13

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ in crores)	Amount unpaid (₹ in crores)
Central Sales Act	Sales Tax	Sales Tax commissioner (Appeal)	FY 2010 to FY 2014	0.53	-
Employees' Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	Gujarat High Court	FY 1993 to FY 1996	0.10	0.10

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any associates or joint ventures during the year.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2022 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOQH6622)

Place: Vadodara
Date: May 11, 2023

Standalone Balance Sheet

as at March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	726.10	671.93
(b) Capital Work-in-Progress	2	77.03	83.33
(c) Intangible Assets	3	2.23	1.87
(d) Financial Assets			
Investments	4	687.96	472.21
Loans	5	0.70	0.76
Other Financial Assets	6	5.69	5.08
(e) Non-Current Tax Assets (Net)	7	2.63	-
(f) Other Non-Current Assets	8	20.32	12.37
Total Non-Current Assets		**1,522.66**	**1,247.55**
Current Assets			
(a) Inventories	9	447.63	338.53
(b) Financial Assets			
Investments	10	368.87	436.79
Trade Receivables	11	597.02	550.00
Cash and Cash Equivalents	12	16.15	7.44
Bank balances other than Cash and Cash Equivalents above	13	1.79	1.60
Loans	5	0.43	0.41
Other Financial Assets	14	39.19	3.52
(c) Other Current Assets	15	55.86	55.01
(d) Assets classified as held for sale		-	1.39
Total Current Assets		**1,526.94**	**1,394.69**
TOTAL ASSETS		**3,049.60**	**2,642.24**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	27.28	27.28
(b) Other Equity	17	2,597.78	2,228.72
Total Equity		**2,625.06**	**2,256.00**
Non-Current Liabilities			
(a) Financial Liabilities			
Lease Liabilities	42	10.43	9.61
(b) Provisions	18	26.37	19.03
(c) Deferred Tax Liabilities (Net)	19	56.32	51.24
Total Non-Current Liabilities		**93.12**	**79.88**
Current Liabilities			
(a) Financial Liabilities			
Borrowings	20	-	13.99
Lease Liabilities	42	0.25	0.40
Trade Payables			
Total outstanding dues of			
a) Micro Enterprises and Small Enterprises	21	14.26	28.27
b) creditors other than Micro Enterprises and Small Enterprises	21	273.88	230.36
Other Financial Liabilities	22	17.50	12.05
(b) Other Current Liabilities	23	11.72	11.77
(c) Provisions	18	13.81	7.13
(d) Current Tax Liabilities (Net)	24	-	2.39
Total Current Liabilities		**331.42**	**306.36**
Total Liabilities		**424.54**	**386.24**
TOTAL EQUITY AND LIABILITIES		**3,049.60**	**2,642.24**
Significant Accounting Policies	1		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Standalone Statement of Profit and Loss

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	**Revenue from Operations**	25	3,033.55	2,511.05
II.	**Other Income**	26	101.58	70.80
III.	**Total Income (I+II)**		**3,135.13**	**2,581.85**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	27	1,725.16	1,306.83
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	28	(55.48)	(85.49)
	(c) Employee Benefits Expense	29	229.59	196.74
	(d) Power & Fuel Expenses	30	242.60	205.98
	(e) Finance Costs	31	1.57	1.60
	(f) Depreciation and Amortisation Expense	32	76.16	72.54
	(g) Other Expenses	33	305.69	241.64
	Total Expenses (IV)		**2,525.29**	**1,939.84**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**609.84**	**642.01**
VI.	**Exceptional Items**	48	-	-
VII.	**Profit before Tax (V-VI)**		**609.84**	**642.01**
VIII.	**Tax Expense:**			
	(a) Current Tax		133.72	152.52
	(b) Deferred Tax		6.73	3.28
IX.	**Profit for the Year (VII-VIII)**		**469.39**	**486.21**
X.	**Other Comprehensive Income:**			
	Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(6.73)	0.34
	(b) Tax Effect on remeasurement of Defined Benefit obligations (net)		1.71	(0.08)
	(c) Fair Value Gains on Investments		0.22	(0.27)
	(d) Tax effect of Fair Value Gains on Investments		(0.05)	0.07
	Total Other Comprehensive Income for the Year (X)		**(4.85)**	**0.06**
XI.	**Total Comprehensive Income for the Year (IX+X)**		**464.54**	**486.27**
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)	43	34.41	35.65
	(b) Diluted (Nominal Value per Share ₹ 2)	43	34.41	35.65

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Standalone Statement of Cash Flow

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**609.84**	**642.01**
	Adjustments for :		
	1. Depreciation and Amortisation Expense	76.16	72.54
	2. Loss/(Gain) on Sale of Property, Plant and Equipment	1.05	(1.03)
	3. Gain on disposal/modification of RTU assets	-	(0.12)
	4. Provision/(Reversal) for Doubtful Debts	2.53	2.17
	5. Provision/(Reversal) for Inventory Obsolescence	(4.33)	(4.56)
	6. Gain on Redemption of Current Investment including gain on fair valuation	(21.85)	(8.24)
	7. Finance Costs	1.57	1.60
	8. Interest Income	(0.55)	(0.53)
	9. Dividend Income	(61.60)	(39.20)
	10. Unrealised Foreign Exchange Loss/(Gain) (net)	1.11	0.01
	Operating Profit Before Change in Operating Assets and Liabilities	**603.93**	**664.64**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(104.77)	(124.24)
	2. (Increase)/Decrease in Trade Receivables	(49.73)	(199.04)
	3. (Increase)/Decrease in Other Assets	(37.44)	(3.46)
	4. Increase/(Decrease) in Trade Payables	29.56	40.77
	5. Increase/(Decrease) in Other Liabilities	7.19	0.92
	Cash Generated from Operations	**448.74**	**379.59**
	Less: Income Tax paid (net of refund)	138.73	151.72
	Net Cash Inflow from Operating Activities (A)	**310.01**	**227.88**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant and Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(124.56)	(103.86)
	2. Purchase of Intangible assets	(1.15)	(0.31)
	3. Proceeds from Sale of Property, Plant and Equipment	0.86	117.72
	4. Investment in Subsidiaries	(215.50)	(196.45)
	5. Redemption / Repayment of Investment / Loan in Subsidiaries	-	287.00
	6. Net Proceeds/(Purchase) from Redemption of Current Investments	89.75	(302.98)
	7. Interest received	0.53	0.55
	8. Dividend received	61.60	39.20
	Net Cash Outflow from Investing Activities (B)	**(188.47)**	**(159.13)**

Standalone Statement of Cash Flow (Contd.)

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	1. Net (Proceeds)/Borrowings from Current Borrowings	(13.99)	13.99
	2. Interest paid	(0.32)	(0.43)
	3. Dividend paid on Equity Shares	(95.48)	(75.02)
	4. Margin Money Deposit (Net)	(0.01)	(0.01)
	5. Principal repayment of Lease Liability	(1.78)	(1.72)
	6. Interest paid on lease	(1.25)	(1.18)
	Net Cash Outflow from Financing Activities (C)	**(112.83)**	**(64.37)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**8.71**	**4.38**
	Cash and Cash Equivalents at the Beginning of the Financial Year	7.44	3.06
	Cash and Cash Equivalents at the end of the Financial Year	**16.15**	**7.44**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks:		
	In Current Accounts	0.01	0.03
	In Cash Credit Accounts	16.10	7.27
	Cash on Hand	0.04	0.14
	Total Cash and Cash Equivalents as per note 12.	**16.15**	**7.44**

Notes:

1. The Standalone Cash flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
2. Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 39.7.

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Standalone Statement of Changes in Equity

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

(A) EQUITY SHARE CAPITAL (Refer Note 16)

₹ in Crores

As at April 01, 2021	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2022	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2023	**27.28**

(B) OTHER EQUITY (Refer Note 17)

₹ in Crores

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium	Equity instruments through other comprehensive income	
Balance as at April 01, 2021	**1,288.07**	**0.71**	**93.90**	**0.15**	**434.17**	**0.47**	**1,817.47**
Profit for the year	486.21	-	-	-	-	-	486.21
Other Comprehensive income (net of taxes)	0.26	-	-	-	-	(0.20)	0.06
Dividend	(75.02)	-	-	-	-	-	(75.02)
Transfer from Retained Earnings to General Reserve	(5.00)	-	5.00	-	-	-	-
Balance as at March 31, 2022	**1,694.52**	**0.71**	**98.90**	**0.15**	**434.17**	**0.27**	**2,228.72**
Profit for the year	469.39	-	-	-	-	-	469.39
Other Comprehensive income (net of taxes)	(5.02)	-	-	-	-	0.17	(4.85)
Dividend	(95.48)	-	-	-	-	-	(95.48)
Balance as at March 31, 2023	**2,063.41**	**0.71**	**98.90**	**0.15**	**434.17**	**0.44**	**2,597.78**

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

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Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

COMPANY OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at Aaditya-I Chhani Road, Vadodara- 390 024, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company manufactures Advanced Intermediates.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2022, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after April 1, 2022, that do not have material impact on the financial statements of the Company.

1. **Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)**

   The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

2. **Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)**

   The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

   The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. **Reference to the Conceptual Framework for Financial Reporting (Ind AS 103, Business Combinations)**

   The 2022 amendments have substituted the reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards with the reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework), without changing the accounting requirements for business combinations.

4. **Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)**

   If a subsidiary, joint venture of associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.

5. **Fees in the '10 per cent test' for derecognition of financial liabilities (Ind AS 109, Financial Instruments)**

   For the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

6. **Taxation in fair value measurements (Ind AS 41, Agriculture)**

   The amendment removes the requirement to exclude cash flows for taxation when measuring fair value and thereby aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, Fair Value Measurement.

Recent accounting pronouncements effective from April 01, 2023

The Ministry of Corporate Affairs (MCA) notifies new standards/amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, that do not have material impact on the financial statements of the Company

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

There is no material impact on adoption of these amendments.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Standalone Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain financial assets and financial liabilities measured at fair value

(b) Derivative Financial instruments

(c) Defined benefit plan – plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the Standalone Financial Statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Functional and Presentation Currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Standalone Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

(iii) Use of estimates

Preparation of the Standalone Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Useful lives and residual value of property, plant and equipment: The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2)

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix. (Refer Note 39.5)

Fair value of investments: The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer Note 39.1)

Income taxes: Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 36)

(b) Current versus non-current classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

Sale of Goods:

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, trade discounts and rebates – if the following conditions are met:

- The control of the goods have been transferred to the buyer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

(d) Leasing

As a Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They

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are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

The Company has accounted for concession received in lease rent due to COVID-19 scenario as a lease modification. Accordingly carrying value of lease liability and ROU assets has been reduced and Gain arising out of such reduction has been recognised in Standalone Statement of Profit and Loss.

As a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(e) Foreign Currency Transactions

In preparing the Standalone Financial Statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Standalone Statement of Profit and Loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and option contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Standalone Statement of Profit and Loss immediately.

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Standalone Statement of Profit and Loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are recognised in the Standalone Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are met.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Standalone Statement of Profit and Loss.

Past service cost is recognised in Standalone Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);
- net interest expense or income; and
- remeasurement

The first two components of defined benefit costs are recognised in the Standalone Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Standalone Statement of Profit and Loss in the period in which they arise.

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(i) Income Taxes

The Company has elected to exercise option available under section 115BAA of the Income Tax Act, 1961.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profits.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Standalone Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital Work-in-Progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc.

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which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

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

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Standalone Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Asset Category	Estimated Useful Life
Computer Software and Related Implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the fair value less cost of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Work-in-progress are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable value.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Standalone Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income(except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Standalone Statement of Profit and Loss and is included in the 'Other Income' line item.

(iii) Investments in Equity Instruments

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

The cumulative gain or loss is not reclassified to Profit or Loss on disposal of the investments.

Investments in subsidiary companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in Standalone Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent recovery of a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Standalone Statement of Profit and Loss are included in the 'Other income' line item.

(iv) Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Standalone Statement of Profit and Loss. The net gain or loss recognised in Standalone Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other Expenses line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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(v) Impairment of Financial Assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Standalone Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Standalone Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Standalone Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Standalone Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Standalone Statement of Profit and Loss.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Standalone Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

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(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Standalone Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Standalone Statement of Profit and Loss. The net gain or loss recognised in Standalone Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other Expenses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Standalone Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Standalone Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Standalone Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Standalone Statement of Profit and Loss.

(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

(r) Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the standalone financial statements when an inflow of economic benefits is probable.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

In accordance with Ind AS 108 -Operating Segments, the Company has disclosed the segment information at consolidated level and accordingly no separate disclosure on segment information is given at standalone financial results level.

Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Gross Carrying Amount as at April 01, 2021	**24.10**	**142.45**	**124.33**	**707.45**	**7.97**	**7.92**	**3.72**	**3.26**	**1,021.20**	**68.76**
Additions during the year 2021-22	-	11.12	5.62	64.11	0.52	4.29	0.53	0.31	86.50	101.39
Deductions during the year 2021-22	-	(117.44)	(0.05)	(3.77)	(0.07)	(0.35)	(0.06)	-	(121.74)	(86.82)
Gross Carrying Amount as at March 31, 2022	**24.10**	**36.13**	**129.90**	**767.79**	**8.42**	**11.86**	**4.19**	**3.57**	**985.96**	**83.33**
Additions during the year 2022-23	-	-	22.04	108.32	0.90	3.13	0.49	0.22	135.09	127.49
Deductions during the year 2022-23	-	-	(0.97)	(9.91)	(0.15)	(0.49)	(0.16)	-	(11.68)	(133.79)
Gross Carrying Amount as at March 31, 2023	**24.10**	**36.13**	**150.96**	**866.20**	**9.17**	**14.50**	**4.52**	**3.79**	**1,109.37**	**77.03**
Depreciation | Amortisation as at April 01, 2021	**-**	**2.89**	**27.73**	**203.34**	**3.81**	**4.29**	**2.88**	**2.91**	**247.85**	**-**
Depreciation for the year 2021-22	-	1.27	6.83	60.63	1.00	1.29	0.41	0.10	71.53	-
Depreciation on disposal during the year 2021-22	-	(2.47)	-	(2.57)	(0.03)	(0.25)	(0.04)	-	(5.36)	-
Depreciation | Amortisation as at March 31, 2022	**-**	**1.69**	**34.56**	**261.40**	**4.78**	**5.33**	**3.25**	**3.01**	**314.03**	**-**
Depreciation for the year 2022-23	-	0.50	7.01	64.88	0.88	1.58	0.42	0.08	75.37	-
Depreciation on disposal during the year 2022-23	-	-	(0.39)	(5.25)	(0.08)	(0.26)	(0.14)	-	(6.12)	-
Depreciation | Amortisation as at March 31, 2023	**-**	**2.19**	**41.18**	**321.04**	**5.58**	**6.66**	**3.53**	**3.09**	**383.27**	**-**
Net Carrying Amount as at March 31, 2022	**24.10**	**34.44**	**95.34**	**506.39**	**3.64**	**6.52**	**0.94**	**0.56**	**671.93**	**83.33**
Net Carrying Amount as at March 31, 2023	**24.10**	**33.94**	**109.78**	**545.17**	**3.59**	**7.84**	**0.99**	**0.69**	**726.10**	**77.03**

Notes:

1 Capital work-in-progress mainly comprises addition/expansion projects in progress.

The following table provides CWIP Ageing Schedule as at March 31, 2023

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	63.21	5.95	7.87	-	77.03

The following table provides CWIP Ageing Schedule as at March 31, 2022

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	51.83	16.79	14.71	0.00	83.33

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

2 Right -to-use assets included in Property, Plant and Equipment

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Gross Carrying Amount as at April 01, 2021	**8.78**	**0.69**	**1.75**	**1.11**	**12.33**
Additions during the year 2021-22	-	0.70	-	3.42	4.12
Deductions during the year 2021-22	(0.05)	-	-	-	(0.05)
Gross Carrying Amount as at March 31, 2022	**8.73**	**1.39**	**1.75**	**4.53**	**16.40**
Additions during the year 2022-23	2.45	-	-	-	2.45
Gross Carrying Amount as at March 31, 2023	**11.18**	**1.39**	**1.75**	**4.53**	**18.85**
Depreciation | Amortisation as at April 01, 2021	**3.37**	**0.69**	**0.28**	**1.11**	**5.45**
Depreciation for the year 2021-22	1.22	0.32	0.20	0.54	2.28
Depreciation on disposal during the year 2021-22	-	-	-	-	-
Depreciation | Amortisation as at March 31, 2022	**4.59**	**1.01**	**0.48**	**1.65**	**7.73**
Depreciation for the year 2022-23	0.85	0.38	0.20	0.72	2.15
Depreciation | Amortisation as at March 31, 2023	**5.44**	**1.39**	**0.68**	**2.37**	**9.88**
Net Carrying Amount as at March 31, 2022	**4.14**	**0.38**	**1.27**	**2.88**	**8.67**
Net Carrying Amount as at March 31, 2023	**5.74**	**0.00**	**1.07**	**2.16**	**8.97**

3 Research & Development Assets included in Property, Plant and Equipment & Intangible Assets

₹ in Crores

	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Computer Software	Total
Gross Carrying Amount as at April 01, 2021	**0.64**	**17.69**	**1.61**	**0.07**	**0.22**	**0.31**	**20.54**
Additions during the year 2021-22	0.28	6.74	0.19	0.08	0.07	0.07	7.43
Deductions during the year 2021-22	-	(0.01)	-	(0.06)	(0.00)	-	(0.07)
Gross Carrying Amount as at March 31, 2022	**0.92**	**24.42**	**1.81**	**0.08**	**0.29**	**0.38**	**27.90**
Additions during the year 2022-23	-	3.76	0.12	0.14	0.05	-	4.07
Deductions during the year 2022-23	-	(0.00)	-	(0.14)	(0.01)	-	(0.15)
Gross Carrying Amount as at March 31, 2023	**0.92**	**28.18**	**1.93**	**0.08**	**0.33**	**0.38**	**31.82**
Depreciation | Amortisation as at April 01, 2021	**0.19**	**4.71**	**0.59**	**0.05**	**0.18**	**0.12**	**5.84**
Depreciation for the year 2021-22	0.06	1.91	0.16	0.01	0.03	0.05	2.21
Depreciation on disposal during the year 2021-22	-	(0.01)	-	(0.04)	(0.00)	-	(0.05)
Depreciation | Amortisation as at March 31, 2022	**0.25**	**6.60**	**0.75**	**0.01**	**0.21**	**0.18**	**8.00**
Depreciation for the year 2022-23	0.05	2.29	0.17	0.02	0.03	0.06	2.62
Depreciation on disposal during the year 2022-23	-	(0.00)	-	(0.01)	(0.00)	-	(0.02)
Depreciation | Amortisation as at March 31, 2023	**0.30**	**8.89**	**0.92**	**0.02**	**0.23**	**0.24**	**10.60**
Net Carrying Amount as at March 31, 2022	**0.67**	**17.81**	**1.06**	**0.07**	**0.08**	**0.21**	**19.90**
Net Carrying Amount as at March 31, 2023	**0.62**	**19.28**	**1.01**	**0.06**	**0.09**	**0.15**	**21.22**

4 The Company has availed deemed cost approach in relation to the Property, Plant and Equipment & Intangible Assets on the date of transition to IND-AS i.e. 1 April 2016, hence the net block carrying amount has been considered as the gross block carrying amount on that date. Additions to the Plant and Equipment & Intangible Assets after the said date have been recorded on historical cost basis.

5 Refer note 20 for hypothecation / mortgage created on assets of the Company.

6 Building includes ₹ 10.80 Crores (₹ 10.80 Crores at March 31, 2022) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

Notes
forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

3. INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Gross Carrying Amount as at April 01, 2021	**6.40**	**3.43**	**9.83**
Additions during the year 2021-22	0.27	0.04	0.31
Deductions during the year 2021-22	(0.21)	-	(0.21)
Gross Carrying Amount as at March 31, 2022	**6.46**	**3.47**	**9.93**
Additions during the year 2022-23	1.15	-	1.15
Deductions during the year 2022-23	(0.04)	-	(0.04)
Gross Carrying Amount as at March 31, 2023	**7.57**	**3.47**	**11.04**
Depreciation | Amortisation as at April 01, 2021	**4.83**	**2.43**	**7.26**
Depreciation for the year 2021-22	0.81	0.20	1.01
Depreciation on disposal during the year 2021-22	(0.21)	-	(0.21)
Depreciation | Amortisation as at March 31, 2022	**5.43**	**2.63**	**8.06**
Depreciation for the year 2022-23	0.61	0.18	0.79
Depreciation on disposal during the year 2022-23	(0.04)	-	(0.04)
Depreciation | Amortisation as at March 31, 2023	**6.00**	**2.81**	**8.81**
Net Carrying Amount as at March 31, 2022	**1.03**	**0.84**	**1.87**
Net Carrying Amount as at March 31, 2023	**1.57**	**0.66**	**2.23**

4. NON-CURRENT INVESTMENTS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Investments in Equity Instruments of subsidiary companies measured at cost	289.98	289.98
(b)	Investment in Compulsorily Convertible Debentures of subsidiary measured at cost	395.50	180.00
Sub-Total		**685.48**	**469.98**
(a)	Investments in Equity Instruments of other companies measured at Fair Value Through Profit or Loss (FVTPL)	0.09	0.06
(b)	Investments in Equity Instruments of other companies measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.39	2.17
(c)	Investments in Government or Trust Securities measured at amortised cost (Refer Note (c) below)	0.00	0.00
Sub-Total		**2.48**	**2.23**
Total		**687.96**	**472.21**

₹ in Crores

	Face Value	As at March 31, 2023		As at March 31, 2022	
		No. of shares	Amount	No. of shares	Amount
(a) Investment in Equity Instruments (fully paid-up)					
(i) Subsidiary Companies measured at cost (Unquoted)					
In Indian subsidiary company measured at cost					
Deepak Phenolics Limited	INR 10/-	280,000,000	280.00	280,000,000	280.00
Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited)	INR 10/-	9,500,000	9.50	9,500,000	9.50
In Foreign subsidiary company measured at cost					
Deepak Nitrite Corporation, Inc.	US $ 10/-	7,500	0.48	7,500	0.48

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

	Face Value	As at March 31, 2023		As at March 31, 2022	
		No. of shares	Amount	No. of shares	Amount
(ii) **Other Companies measured at FVTPL**					
Quoted					
IDBI Bank	INR 10/-	6,240	0.03	6,240	0.02
Bank of Baroda	INR 2/-	3,234	0.05	3,234	0.03
Unquoted					
Nandesari Environment Control Limited (represents ₹ 8,000)	INR 10/-	800	0.00	800	0.00
Baroda Co-operative Bank Ltd. (represents ₹ 500)	INR 50/-	10	0.00	10	0.00
Shamrao Vitthal Co-op Bank Ltd.	INR 25/-	2,000	0.01	2,000	0.01
New India Co-op Bank Ltd. (represents ₹ 7,980)	INR 10/-	798	0.00	798	0.00
(iii) **Other Companies measured at FVOCI**					
Unquoted					
Jedimetla Effluent Treatment Ltd.	INR 100/-	52,342	0.68	52,342	0.55
Deepak International Limited	GBP 1/-	73,706	0.75	73,706	0.73
Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.96	45,000	0.89
(b) **Investment in Compulsorily Convertible Debentures of subsidiary measured at cost**					
Unquoted					
Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited)					
0.01% Compulsorily Convertible Debentures	INR 100/-	39,550,000	395.50	18,000,000	180.00
(c) **Investments in Government or Trust Securities measured at amortised cost**					
Unquoted					
National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total		**329,241,630**	**687.96**	**307,691,630**	**472.21**

1.

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Aggregate amount of Unquoted Investments	687.88	472.16
(b)	Aggregate amount of Quoted Investments	0.08	0.05

5. LOANS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to Employees		
Unsecured, considered good	0.70	0.76
Total-Non-Current	**0.70**	**0.76**
Current		
Loans to Employees		
Unsecured, considered good	0.43	0.41
Total Current	**0.43**	**0.41**

Notes
forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Security Deposits		
Unsecured, considered good	5.69	5.08
Total	**5.69**	**5.08**

7. NON CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets		
Advance Income Tax (Net of provisions)	2.63	-
Total	**2.63**	**-**

8. OTHER NON-CURRENT ASSETS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Capital Advances	18.79	11.21
(b)	Prepaid Expenses	0.32	0.32
(c)	Advance against Salary	1.21	0.84
Total		**20.32**	**12.37**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Raw materials and components	130.29	72.39
	Goods-in-transit	40.38	29.95
		170.67	**102.34**
(b)	Stores and Spares	23.96	24.45
	Sub-Total	**194.63**	**126.79**
(c)	Work-in-progress	68.57	38.30
(d)	Finished goods	185.33	175.19
	Provision for obsolescence	(0.90)	(1.75)
	Sub-Total	**253.00**	**211.74**
Total		**447.63**	**338.53**

Inventories amounting to ₹ 35.70 Crores has been charged to the Standalone Statement of Profit and Loss on account of damage due to occurrence of fire incident around the warehouse section of Company's one of the manufacturing sites located at Nandesari, Gujarat. (Refer Note 48)

Refer note 20 for hypothecation / mortgage created on assets of the Company.

Notes

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10. CURRENT INVESTMENTS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	368.87	436.79
Total	**368.87**	**436.79**

11. TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
(i) Trade Receivables - Others	605.33	554.07
(ii) Related Parties (Refer Note 34.18)	6.68	8.40
Allowance for credit losses (Refer Note 39.5)	(14.99)	(12.47)
Total	**597.02**	**550.00**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk and ageing schedule related to Trade Receivables refer note 39.5 and 39.6

Refer note 20 for hypothecation / mortgage created on assets of the Company.

12. CASH AND CASH EQUIVALENTS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	0.04	0.14
(b) Balances with banks		
In Current accounts	0.01	0.03
In Cash Credit Accounts	16.10	7.27
Total	**16.15**	**7.44**

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
(a) Earmarked unpaid dividend accounts	1.60	1.42
(b) Margin Money Deposits	0.19	0.18
Total	**1.79**	**1.60**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

14. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
(a)	Interest Receivable	0.63	0.61
(b)	Insurance Claim Receivable (Refer Note 48)	35.97	-
(c)	Security Deposits	1.23	0.26
(d)	Earnest Money	0.20	0.19
(e)	Others	1.16	2.46
Total		**39.19**	**3.52**

15. OTHER CURRENT ASSETS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
(a)	Balance with Government Authorities	38.24	30.58
(b)	Prepaid Expenses	3.22	3.43
(c)	Advances to Suppliers	14.16	20.93
(d)	Other Receivables	0.24	0.07
Total		**55.86**	**55.01**

16. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Authorised:		
15,00,00,000 Equity shares of ₹ 2 each	30.00	30.00
20,00,000 Preference shares of ₹ 100 each	20.00	20.00
Total	**50.00**	**50.00**
Issued, Subscribed and fully paid up:		
13,63,93,041 Equity shares of ₹ 2 each	27.28	27.28
Total	**27.28**	**27.28**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	13,63,93,041	27.28	13,63,93,041	27.28
Shares outstanding at the end of the year	**13,63,93,041**	**27.28**	**13,63,93,041**	**27.28**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	21,852,531	16.02	21,841,531	16.01
Stiffen Credits & Capital Pvt. Ltd.	8,437,840	6.19	8,437,840	6.19
Checkpoint Credits & Capital Pvt. Ltd.	7,206,050	5.28	7,206,050	5.28
Stepup Credits & Capital Pvt. Ltd.	6,915,580	5.07	6,915,580	5.07

(d) Details of shares held by Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Shri Chimanlal K. Mehta	697,090	0.51	697,090	0.51	0.00%
Shri Deepak Chimanlal Mehta	21,852,531	16.02	21,841,531	16.01	0.01%
Shri Maulik D. Mehta	131,300	0.10	131,300	0.10	0.00%

17. OTHER EQUITY

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
(a) Retained Earnings	2,063.41	1,694.52
(b) General Reserve	98.90	98.90
(c) Capital Reserve	0.71	0.71
(d) Capital Redemption Reserve	0.15	0.15
(e) Securities Premium	434.17	434.17
Reserves Representing Unrealised Gains/(Losses)		
(f) Equity Instruments through Other Comprehensive Income	0.44	0.27
Total	**2,597.78**	**2,228.72**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	**Retained Earnings**		
	Balance at beginning of year	1,694.52	1,288.07
	Add: Profit for the year	469.39	486.21
	Add: Remeasurement of Defined Benefit Obligation (Net of tax)	(5.02)	0.26
	Less: Payment of Dividend on Equity Shares	95.48	75.02
	Less: Transferred to General Reserve	-	5.00
	Balance at end of year	**2,063.41**	**1,694.52**
	Retained earnings represents the Company's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	98.90	93.90
	Add: Transferred from Retained Earnings	-	5.00
	Balance at end of year	**98.90**	**98.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. Items included in the general reserve will not be reclassified subsequently to the standalone statement of profit and loss as the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
(c)	**Capital Reserve**		
	Balance at beginning of year	0.71	0.71
	Balance at end of year	**0.71**	**0.71**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	0.15	0.15
	Balance at end of year	**0.15**	**0.15**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the debentures. The Company has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium**		
	Balance at beginning of year	434.17	434.17
	Balance at end of year	**434.17**	**434.17**
	Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Companies Act, 2013.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.27	0.47
	Add: Gain / (Loss) on revaluation of Equity Instruments (Net of tax)	0.17	(0.20)
	Balance at end of year	**0.44**	**0.27**
	This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

18. PROVISIONS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	26.37	19.03
Total-Non-Current	**26.37**	**19.03**
Current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	6.60	5.25
Provision for Gratuity (Refer Note 37 (A)(iii))	7.21	1.88
Total-Current	**13.81**	**7.13**

19. DEFERRED TAX LIABILITY (NET)

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	**Break up of deferred tax liability as at year end:**		
	Nature of temporary difference		
	Property, Plant and Equipment	61.96	62.31
	Insurance claim receivable on account of loss of inventory	8.10	-
	Unrealised Gain on Investments	2.28	0.93
	Total Deferred Tax Liability (a)	**72.34**	**63.24**
(b)	**Break up of deferred tax asset as at year end:**		
	Nature of temporary difference		
	Disallowances u/s 43B, Provisions and Others	16.02	12.00
	Total Deferred Tax Asset (b)	**16.02**	**12.00**
	Deferred Tax Liability (Net) (a-b)	**56.32**	**51.24**

Refer note 36C for movement in Deferred Tax Assets and Liabilities.

20. CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Working Capital Borrowings from Banks		
Secured	-	13.99
Total	**-**	**13.99**

(i) Working Capital borrowings from banks represent Cash Credit and Working Capital Demand Loan with rate of interest as MCLR of respective banks plus spread ranging from 0% to 1.25% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant and Equipment by way of hypothecation and mortgage. The assets stated herein are disclosed under note 2, 9 and 11.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

21. TRADE PAYABLES

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	To outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 45)	14.26	28.27
(b)	To outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	273.88	230.36
Total		**288.14**	**258.63**

The average credit period on goods purchased or services received ranges between 30 days to 180 days. For ageing schedule related to Trade Payables refer note 39.5

22. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Security Deposits	6.86	5.82
(b)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	1.60	1.42
	Unclaimed Matured Deposits	-	0.07
(c)	Payable for capital expenditure	9.04	4.74
Total		**17.50**	**12.05**

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for amounts of ₹ 274000, ₹ 20390 & ₹ 380117 pertaining to unclaimed deposits of FY 2014-15 which were due to be transferred on April 11, 2022, April 17, 2022 & April 26, 2022 respectively and the same were transferred on May 03, 2022.

The Unclaimed Matured deposits of ₹ 0.07 Crores outstanding as at March 31, 2022 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

23. OTHER CURRENT LIABILITIES

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Advances received from Customers	7.25	6.55
(b)	Statutory Dues	4.47	5.22
Total		**11.72**	**11.77**

24. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Current Tax Liabilities		
Provision for Tax (Net of Advances)	-	2.39
Total	**-**	**2.39**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

25. REVENUE FROM OPERATIONS

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Sale of Products	3,002.14	2,480.65
(b)	Sale of Services	8.70	10.72
(c)	Other Operating Revenues		
	Export Incentives	15.39	14.93
	Scrap Sale	7.19	4.72
	Insurance Claims	0.13	0.03
Total		**3,033.55**	**2,511.05**

Reconciliation of sales of products

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customer	3,003.87	2,480.17
Adjustments made to contract price on account of discounts and rebates	1.73	(0.48)
Total	**3,002.14**	**2,480.65**

Refer Note 11 - Trade Receivables to the Standalone Financial Statements for the amount of contract assets outstanding as at March 31, 2023 and refer to details of Advance received from Customers in Note 23 - Other Current Liabilities to the Standalone Financial Statements for the contract liabilities outstanding as at March 31, 2023.

26. OTHER INCOME

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Foreign Exchange Gain	6.91	8.93
(b)	Cash Discount	5.63	4.65
(c)	Gain on redemption of Investments	12.80	4.56
(d)	Fair Value Gains on Financial Assets	9.05	3.69
(e)	Interest Income	0.55	0.53
(f)	Dividend Income (Refer Note 34.15)	61.60	39.20
(g)	Rent	0.62	0.42
(h)	Gain on sale of Property, Plant and Equipment	-	1.03
(i)	Writebacks and Other Recoveries	4.33	7.18
(j)	Other Non-Operating Revenue	0.09	0.61
Total		**101.58**	**70.80**

27. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Cost of Raw Material and Components Consumed	1,687.52	1,265.89
(b)	Cost of Packing Material Consumed	37.64	40.94
Total		**1,725.16**	**1,306.83**

Notes
forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-Progress	38.30	26.74
Finished Goods	175.19	101.26
	213.49	**128.00**
Less:		
Inventories at the end of the year		
Work-in-Progress	68.57	38.30
Finished Goods	185.33	175.19
	253.90	**213.49**
Less:		
Loss of inventory due to fire disclosed seperately under exceptional items (Refer Note 48)	15.07	-
Total	**(55.48)**	**(85.49)**

29. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries & Wages	199.55	172.28
(b)	Contribution to provident fund and other funds (Refer Note 37C)	13.23	10.34
(c)	Gratuity Expenses (Refer Note 37A(iv))	2.71	2.76
(d)	Staff Welfare Expenses	14.10	11.36
Total		**229.59**	**196.74**

30. POWER & FUEL EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Consumption of Power	83.45	75.95
(b)	Consumption of Fuel and other utilities	159.15	130.03
Total		**242.60**	**205.98**

31. FINANCE COSTS

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Interest on Borrowings	0.32	0.42
(b)	Interest cost on lease liabilities (Refer Note 42A)	1.25	1.18
Total		**1.57**	**1.60**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

32. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Depreciation on Property, Plant and Equipment	73.22	69.25
(b)	Depreciation on Right-of-use Assets	2.15	2.28
(c)	Amortisation of Intangible Assets	0.79	1.01
Total		**76.16**	**72.54**

33. OTHER EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Conversion Charges	8.44	8.40
(b)	Other Manufacturing Expenses	15.00	11.28
(c)	Rent	3.33	1.69
(d)	Repairs & Maintenance		
	Repairs to Building	2.22	2.22
	Repairs and Maintenance to Plant and Equipment	40.19	32.11
	Repairs and Maintenance to Others	1.25	0.63
(e)	Consumption of stores & spare parts	20.09	16.09
(f)	Insurance	10.15	9.29
(g)	Rates & Taxes	1.94	1.44
(h)	Bank Charges	0.98	1.15
(i)	Travelling & Conveyance	4.90	1.50
(j)	Freight & Forwarding Charges	118.04	101.25
(k)	Loss on Sale of Property, Plant and Equipment	1.05	-
(l)	Commission on sales	6.10	5.01
(m)	CSR Expenses (Refer Note 47)	12.64	9.92
(n)	Provision for Doubtful Debts (Gross)	2.63	3.10
	Less: Transfer from Provision for Doubtful Debts	0.10	0.93
	Provision/(Reversal) for Doubtful Debts (Net)	2.53	2.17
(o)	Vehicle Expenses	3.66	3.58
(p)	Legal & Professional Expenses	17.82	10.96
(q)	General Expenses	32.24	20.23
(r)	Payment to Auditor	0.85	0.69
(s)	Director's Sitting Fees	0.32	0.22
(t)	Other Directors Commission	1.95	1.81
Total		**305.69**	**241.64**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

Note: Payment to Auditor

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	As Auditor:		
	Audit fees	0.41	0.33
	Tax Audit fees	0.04	0.04
	Quarterly Limited Review	0.37	0.28
(b)	In Other Capacity:		
	Taxation Matters	0.02	0.02
	Other Services (Certification fees)	0.01	0.02
Total		**0.85**	**0.69**

34. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America
Deepak Phenolics Limited
Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited)

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director (Finance) & Group CFO (from August 03, 2022): Director (Finance) & CFO (upto August 02, 2022)
Shri Somsekhar Nanda	Chief Financial Officer (from August 03, 2022); Deputy CFO (upto August 02, 2022)

(iii) Entities over which key managerial personnel or their relatives are able to exercise significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited *Deepak Gulf LLC, Sultanate of Oman* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credits & Capital Private Limited * Storewell Credits and Capital Private Limited* Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri Chimanlal K. Mehta
Shri Meghav D. Mehta
Smt Ila D. Mehta

Notes
forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2023					31st March, 2022				
		Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
1	**Purchase of Goods**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	168.72	-	**168.72**	-	-	124.64	-	**124.64**
	Deepak Phenolics Limited	5.68	-	-	-	**5.68**	5.80	-	-	-	**5.80**
2	**Sale of Goods/Services**										
	Deepak Novochem Technologies Limited	-	-	12.97	-	**12.97**	-	-	18.12	-	**18.12**
	Deepak Phenolics Limited	0.70	-	-	-	**0.70**	1.72	-	-	-	**1.72**
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	-	-	**-**	-	-	1.23	-	**1.23**
3	**Conversion Charges Received**										
	Deepak Novochem Technologies Limited	-	-	8.70	-	**8.70**	-	-	10.72	-	**10.72**
4	**Sharing of Utilities**										
	Deepak Phenolics Limited	25.54	-	-	-	**25.54**	6.35	-	-	-	**6.35**
5	**Rendering of Services / Reimbursement of Expenses**										
	Deepak Novochem Technologies Limited	-	-	0.04	-	**0.04**	-	-	0.03	-	**0.03**
	Deepak Phenolics Limited	8.33	-	-	-	**8.33**	5.39	-	-	-	**5.39**
	Deepak Chem Tech Limited	9.20	-	-	-	**9.20**	8.29	-	-	-	**8.29**
	Storewell Credits and Capital Private Limited	-	-	-	-	**-**	-	-	0.04	-	**0.04**
6	**Sale of Capital Asset**										
	Deepak Chem Tech Limited	-	-	-	-	**-**	127.99	-	-	-	**127.99**
7	**Receiving of services / Reimbursement of Expenses**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	0.15	-	**0.15**	-	-	0.15	-	**0.15**
	Deepak Phenolics Limited	0.01	-	-	-	**0.01**	0.02	-	-	-	**0.02**
	Deepak Foundation	-	-	0.05	-	**0.05**	-	-	0.01	-	**0.01**
	Deepak Medical Foundation	-	-	0.20	-	**0.20**	-	-	0.24	-	**0.24**

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2023					31st March, 2022				
		Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
	Deepak Nitrite Corporation Inc.	0.14	-	-	-	**0.14**	0.15	-	-	-	**0.15**
	Deepak Cybit Private Limited	-	-	0.93	-	**0.93**	-	-	0.67	-	**0.67**
	Stepup Credits And Capital Private Limited	-	-	0.37	-	**0.37**	-	-	0.23	-	**0.23**
	Deepak Chem Tech Limited	0.42	-	-	-	**0.42**	-	-	-	-	**-**
8	**Managerial Remuneration**										
	Shri Deepak C. Mehta	-	6.99	-	-	**6.99**	-	6.99	-	-	**6.99**
	Shri Maulik D. Mehta	-	3.79	-	-	**3.79**	-	3.29	-	-	**3.29**
	Shri Sanjay Upadhyay	-	4.93	-	-	**4.93**	-	4.32	-	-	**4.32**
	Shri Somsekhar Nanda	-	1.11	-	-	**1.11**	-	-	-	-	**-**
9	**Subscription of Investment**										
	Deepak Chem Tech Limited	215.50	-	-	-	**215.50**	189.45	-	-	-	**189.45**
10	**Redemption of Investment (Redeemable Preference Shares)**										
	Deepak Phenolics Limited	-	-	-	-	**-**	280.00	-	-	-	**280.00**
11	**Security Deposit Given**										
	Stepup Credits And Capital Private Limited	-	-	-	-	**-**	-	-	0.18	-	**0.18**
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	-	-	**-**	-	-	0.04	-	**0.04**
12	**Loan Given**										
	Deepak Phenolics Limited	45.00	-	-	-	**45.00**	-	-	-	-	**-**
	Deepak Chem Tech Limited	-	-	-	-	**-**	7.00	-	-	-	**7.00**
13	**Repayment of Loan**										
	Deepak Phenolics Limited	45.00	-	-	-	**45.00**	-	-	-	-	**-**
	Deepak Chem Tech Limited	-	-	-	-	**-**	7.00	-	-	-	**7.00**
14	**Interest Received**										
	Deepak Chem Tech Limited	0.03	-	-	-	**0.03**	0.08	-	-	-	**0.08**
	Deepak Phenolics Limited	0.11	-	-	-	**0.11**	-	-	-	-	**-**
15	**Dividend Received**										
	Deepak Phenolics Limited	61.60	-	-	-	**61.60**	39.20	-	-	-	**39.20**

Notes
forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2023					31st March, 2022				
		Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
16	**Dividend Paid**										
	Checkpoint Credits & Capitals Private Limited	-	-	5.04	-	**5.04**	-	-	3.96	-	**3.96**
	Stigma Credits & Capital Private Limited	-	-	4.33	-	**4.33**	-	-	3.40	-	**3.40**
	Stiffen Credits & Capital Private Limited	-	-	5.91	-	**5.91**	-	-	4.63	-	**4.63**
	Stepup Credits & Capital Private Limited	-	-	4.84	-	**4.84**	-	-	3.80	-	**3.80**
	Skyrose Finvest Private Limited	-	-	2.68	-	**2.68**	-	-	2.11	-	**2.11**
	Pranawa Leafin Private Limited	-	-	1.61	-	**1.61**	-	-	1.27	-	**1.27**
	Forex Leafin Private Limited	-	-	1.52	-	**1.52**	-	-	1.19	-	**1.19**
	Sundown Finvest Private Limited	-	-	0.58	-	**0.58**	-	-	0.46	-	**0.46**
	Storewell Credits and Capital Private Limited	-	-	0.62	-	**0.62**	-	-	0.49	-	**0.49**
	Hardik Leafin Private Limited	-	-	0.24	-	**0.24**	-	-	0.19	-	**0.19**
	Shri Deepak C. Mehta	-	15.29	-	-	**15.29**	-	12.03	-	-	**12.03**
	Shri Chimanlal K. Mehta	-	-	-	0.49	**0.49**	-	-	-	0.39	**0.39**
	Shri Maulik D. Mehta	-	0.09	-	-	**0.09**	-	0.07	-	-	**0.07**
	Shri Meghav D. Mehta	-	-	-	0.03	**0.03**	-	-	-	0.03	**0.03**
	Smt. Ila D. Mehta	-	-	-	0.28	**0.28**	-	-	-	0.22	**0.22**
	Others	-	-	-	0.08	**0.08**	-	-	-	0.04	**0.04**
17	**Donation / CSR Activity**										
	Deepak Foundation	-	-	10.16	-	**10.16**	-	-	7.64	-	**7.64**
	Deepak Medical Foundation	-	-	0.04	-	**0.04**	-	-	2.39	-	**2.39**
18	**Net Accounts Receivable incl advance / (Payable)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	(27.26)	-	**(27.26)**	-	-	(2.59)	-	**(2.59)**
	Deepak Novochem Technologies Limited	-	-	6.68	-	**6.68**	-	-	8.40	-	**8.40**
	Deepak Phenolics Limited	(6.83)	-	-	-	**(6.83)**	(1.12)	-	-	-	**(1.12)**
	Deepak Nitrite Corporation Inc.	(0.86)	-	-	-	**(0.86)**	(0.81)	-	-	-	**(0.81)**
	Deepak Chem Tech Limited	-	-	-	-	**-**	0.83	-	-	-	**0.83**
	Deepak Cybit Private Limited	-	-	-	-	**-**	-	-	(0.02)	-	**(0.02)**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	31st March, 2023					31st March, 2022				
		Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
	Deepak Medical Foundation	-	-	(0.01)	-	**(0.01)**	-	-	(0.10)	-	**(0.10)**
	Deepak Foundation	-	-	0.03	-	**0.03**	-	-	0.31	-	**0.31**
	Shri Maulik D. Mehta	-	(0.72)	-	-	**(0.72)**	-	(0.63)	-	-	**(0.63)**
	Shri Somsekhar Nanda	-	(0.14)	-	-	**(0.14)**	-	-	-	-	**-**
	Shri Sanjay Upadhyay	-	(0.95)	-	-	**(0.95)**	-	(0.79)	-	-	**(0.79)**

The amounts outstanding are current, unsecured and will be settled in cash or cash equivalents, for which no guarantees have been given or received. No expense has been recognised in current or previous year for bad or doubtful debts in respect of the amounts owed by related parties.

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35. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
I.	**Claims against the Company not acknowledged as debts in respect of**		
(a)	Matters relating to Sales Tax/VAT from FY 2010-11 to FY 2014-15 is being contested at various level of Indirect Tax authorities	0.53	0.92
(b)	Bank Guarantees:		
	Financial	62.30	14.71
	Performance	14.34	11.17
(c)	Disputed Labour Matters	Amount not ascertainable	
	Management is not expecting any future cash outflow in respect of (a) & (c).		
	Total (I)	**77.17**	**26.80**
II.	**Commitments**		
	Capital Commitments (Net of Advances: Refer Note 8(a))	45.67	39.86
	Total(II)	**45.67**	**39.86**

36. TAX EXPENSE

A. Income Tax Expense Recognised in the Standalone Statement of Profit and Loss

₹ in Crores

		For the Year March 31, 2023	For the Year March 31, 2022
I.	**Expense / (Benefit) recognised in the Standalone Statement of profit and loss**		
	Current tax on profit for the year	133.72	152.52
	Increase/ (Decrease) in deferred tax liabilities	6.73	3.28
	Total	**140.45**	**155.80**
II.	**Expense / (Benefit) recognised in Standalone Statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(1.71)	0.08
	Equity instruments through other comprehensive income	0.05	(0.07)
	Total	**(1.66)**	**0.01**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

₹ in Crores

	For the Year March 31, 2023	For the Year March 31, 2022
Profit before taxes	**609.84**	**642.01**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**153.48**	**161.58**
Effect of:		
Donations and CSR Expense	3.21	2.68
Deduction for section 80M pertaining to Dividend Income	(15.50)	(9.87)
Others (Net)	(0.74)	1.41
Total income tax expense	**140.45**	**155.80**

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C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

	As at March 31, 2023	Recognised in standalone statement of profit and loss / OCI	As at March 31, 2022	Recognised in standalone statement of profit and loss /OCI	As at April 01, 2021
Property, plant and equipment	61.96	(0.35)	62.31	1.50	60.81
Insurance claim receivable on account of loss of inventory	8.10	8.10	-	-	-
Unrealised Gain on Investments	2.28	1.35	0.93	0.93	-
Total Deferred Tax Liabilities (a)	**72.34**	**9.10**	**63.24**	**2.43**	**60.81**
Disallowances u/s 43B, Provision and Others	16.02	4.02	12.00	(0.87)	15.18
Transferred from Income Tax Provision	-	-	-	-	(2.31)
Total Deferred Tax Assets (b)	**16.02**	**4.02**	**12.00**	**(0.87)**	**12.87**
Net Deferred Tax (Asset)/Liabilities (a-b)	**56.32**	**5.08**	**51.24**	**3.30**	**47.94**

37. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Company has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	35.20	31.98
Current Service Cost	2.58	2.38
Interest Cost	2.55	2.18
Actuarial (gain)/losses	6.67	0.16
Benefits Paid	(1.29)	(1.49)
Balance at the end of the year	**45.71**	**35.20**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	33.32	26.39
Interest Income	2.41	1.80
Return on Plan Assets	(0.06)	0.50
Contribution by the Company	4.12	6.12
Benefits Paid	(1.29)	(1.49)
Balance at the end of the year	**38.50**	**33.32**
Actual Return on Plan Assets	**7.47% to 7.52%**	**6.96% to 7.33%**

Notes

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(iii) Assets and Liabilities Recognised in the Standalone Balance Sheet

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligation	45.71	35.20
Less: Fair Value of Plan Assets	38.50	33.32
Amounts recognised as liability	**7.21**	**1.88**
Recognised under		
Current provision (Refer Note 18)	7.21	1.88
Total	**7.21**	**1.88**

(iv) Expenses recognised in the Standalone Statement of Profit and Loss

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	2.58	2.38
Net Interest Cost	0.14	0.38
Total Expenses (Refer Note 29)	**2.72**	**2.76**

(v) Expenses recognised in the Other Comprehensive Income

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(losses) on Obligation for the year	(6.67)	(0.16)
Return on Plan assets excluding Interest Income	(0.06)	0.50
Total Expenses recognised in OCI	**(6.73)**	**0.34**

(vi) Major Category of Plan Assets

₹ in Crores

	As at March 31, 2023		As at March 31, 2022	
	₹ in Crores	%	₹ in Crores	%
Insurance Policies	38.50	100.00	33.32	100.00

Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.52%	7.33%
Expected Return on Plan Assets	7.52%	7.33%
Salary Growth Rate	8.00%	8.00%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ in Crores

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	%	%	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Discount Rate	1.00%	1.00%	(2.79)	(2.09)	3.23	2.43
Salary Growth Rate	1.00%	1.00%	3.17	2.39	(2.80)	(2.10)
Attrition Rate	1.00%	1.00%	(0.16)	(0.16)	0.17	0.18

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit liability as recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

(ix) Maturity profile of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	10.41	9.75
From 2 to 5 years	13.59	8.75
From 6 to 10 years	19.07	14.04
Beyond 10 years	47.55	35.16

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

B. Leave Benefit

(a) The Leave Benefit is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Benefit (unfunded) provided in the books as at March 31, 2023, is ₹ 32.97 Crores (Previous year ₹ 24.28 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Standalone Statement of Profit and Loss, for the year is as under

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund and other funds except superannuation	10.71	8.17
Employer's Contribution to Superannuation Fund	2.52	2.17
Total (refer note 29)	**13.23**	**10.34**

38. CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

For the purpose of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

The capital structure of the Company was as follows

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Total Equity (A)	2,625.06	2,256.00
Non-Current Borrowings	-	-
Current Borrowings	-	13.99
Total Borrowings (B)	-	13.99
Total Capital (A+B)	**2,625.06**	**2,269.99**
Total Borrowings as % of Total Capital	0.00%	0.62%
Total Borrowings as % of Total Equity	0.00%	0.62%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
EBITDA (excluding other income)	584.74	644.17
Finance Cost (excluding interest on lease)	0.32	0.42
Interest Coverage Ratio	**1,827.31**	**1,533.74**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
EBITDA (excluding other income)	584.74	644.17
Finance Cost (excluding interest on lease)	0.32	0.42
Repayment of Non-Current Borrowings	-	0.00
Debt Service Coverage Ratio	**1,827.31**	**1,533.74**

39. FINANCIAL INSTRUMENTS

39.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2023 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	16.15	16.15
Other Balances with Banks	-	-	1.79	1.79
Investments	2.39	368.96	-	371.35
Government Securities (Refer Note 4(c))	-	-	0.00	0.00
Trade Receivables	-	-	597.02	597.02
Loans	-	-	1.13	1.13
Other Financial Assets	-	0.62	44.26	44.88
Total	**2.39**	**369.58**	**660.35**	**1,032.32**
Financial Liabilities				
Trade Payables	-	-	288.14	288.14
Other Financial Liabilities	-	-	28.18	28.18
Total	**-**	**-**	**316.32**	**316.32**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	7.44	7.44
Other Balances with Banks	-	-	1.60	1.60
Investments	2.17	436.85	-	439.02
Government Securities (Refer Note 4(c))	-	-	0.00	0.00
Trade Receivables	-	-	550.00	550.00
Loans	-	-	1.17	1.17
Other Financial Assets	-	1.63	6.97	8.60
Total	**2.17**	**438.48**	**567.18**	**1,007.83**
Financial Liabilities				
Current Borrowings	-	-	13.99	13.99
Trade Payables	-	-	258.63	258.63
Other Financial Liabilities	-	-	22.06	22.06
Total	**-**	**-**	**294.68**	**294.68**

The assets and liabilities which are valued at amortised cost represents Fair Value at period end.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

39.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2023

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	368.95	-	2.40	**371.35**
Other Financial Assets	-	0.62	-	**0.62**

Fair Value Hierarchy as at March 31, 2022

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	436.84	-	2.18	**439.02**
Other Financial Assets	-	1.63	-	**1.63**

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Balance as at April 01, 2021	**2.44**
Total gains in other comprehensive income	(0.27)
Balance as at March 31, 2022	**2.17**
Total gains in other comprehensive income	0.22
Balance as at March 31, 2023	**2.39**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

39.3. Financial Risk Management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and option contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, exports, short-term and long-term borrowings	The Company hedges its foreign currency risk using foreign exchange forward contracts and option contracts.	Note 39.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 39.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 39.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 39.6

39.4 Market Risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

39.4.1 Foreign Currency Risk management

The Company is exposed to foreign exchange risk on account of following

1. Imports of raw materials and services.
2. Exports of finished goods.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts and option contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

(a) The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores)	0.79	0.24	2.21	2.50
INR (Crores)	65.16	18.04	181.57	189.45
EURO (Crores)	0.00 (Represents € 7,443)	0.03	0.43	0.13
INR (Crores)	0.07	2.52	38.18	11.10
GBP (Crores)	-	-	-	0.00 (Represents £ 20,685)
INR (Crores)	-	-	-	0.21
CHF (Crores)	0.00 (Represents CHF 1,213	0.00 (Represents CHF 150)	-	-
INR (Crores)	0.01	0.00	-	-

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forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(b) Foreign currency forward contracts and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2023		As at March 31, 2022	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	-	-	-	1.60
Range Forward (USD Crores)	-	1.48	-	1.02

The forward contracts and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables.

(c) Net open exposures outstanding as at the Balance Sheet date:

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores)	0.06	0.36	-	-
GBP (Crores)	-	-	-	0.00
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 1,213	(Represents CHF 150)		
EURO (Crores)	-	-	0.43	0.10

(d) Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Crores

Currency USD Impact on profit or loss	As at March 31, 2023	As at March 31, 2022
Impact of INR 1 strengthening against US Dollar	(0.44)	1.47
Impact of INR 1 weakening against US Dollar	1.97	2.12

39.4.2 Interest Rate Risk Management

The Company draws working capital demand loans, avails cash credit, foreign currency borrowings etc. for meeting its funding requirements. Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

39.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Company measured the loss allowance for receivables based on the management estimate and judgment, credit risk and consequential default considering emerging situations due to COVID-19.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The table below provides ageing of trade receivables as at March 31, 2023

	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	495.19	-	-	495.19
Less than 6 months	112.12	-	-	112.12
6 months - 1 year	0.78	-	-	0.78
1 - 2 years	0.84	-	-	0.84
2-3 years	0.08	-	-	0.08
More than 3 years	3.00	-	-	3.00
Sub-Total	**612.01**	**-**	**-**	**612.01**
Less: Allowance for credit loss	14.99	-	-	14.99
Total (Refer Note 11)	**597.02**	**-**	**-**	**597.02**

The table below provides ageing of trade receivables as at March 31, 2022

	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	439.47	-	-	439.47
Less than 6 months	118.74	-	-	118.74
6 months - 1 year	0.37	-	-	0.37
1 - 2 years	0.87	-	-	0.87
2-3 years	2.79	-	-	2.79
More than 3 years	0.23	-	-	0.23
Sub-Total	**562.47**	**-**	**-**	**562.47**
Less: Allowance for credit loss	12.47	-	-	12.47
Total (Refer Note 11)	**550.00**	**-**	**-**	**550.00**

Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance as at April 01, 2021	**10.30**
Changes in loss allowance	2.17
Loss allowance as at March 31, 2022	**12.47**
Changes in loss allowance	2.52
Loss allowance as at March 31, 2023	**14.99**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

The table below provides ageing of trade payables as at March 31, 2023

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	79.15	-	-	79.15
Not Due	13.03	121.45	-	-	134.48
Less than 1 year	1.10	71.59	-	-	72.69
1 to 2 years	0.05	0.77	-	-	0.82
2 to 3 years	0.00	0.02	-	-	0.02
More than 3 years	0.08	0.90	-	-	0.98
Total (Refer Note 21)	**14.26**	**273.88**	**-**	**-**	**288.14**

The table below provides ageing of trade payables as at March 31, 2022

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	61.19	-	-	61.19
Not Due	26.33	125.60	-	-	151.93
Less than 1 year	1.94	40.77	-	-	42.71
1 to 2 years	-	0.14	-	-	0.14
2 to 3 years	0.00 (represents ₹ 26,822)	1.01	-	-	1.02
More than 3 years	-	1.64	-	-	1.64
Total (Refer Note 21)	**28.27**	**230.36**	**-**	**-**	**258.63**

39.6 Liquidity Risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	288.14	288.14	-	-	**288.14**
Other Financial Liabilities	17.50	17.50	-	-	**17.50**

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2022

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	258.63	258.63	-	-	**258.63**
Borrowings	13.99	13.99	-	-	**13.99**
Other Financial Liabilities	12.05	12.05	-	-	**12.05**

Refer note 42B for contractual maturity of Lease Liabilities.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

39.7 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in Crores

	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 01, 2021	**-**	**0.00**	**7.89**	**1.20**
Cash Flows	13.99	(0.43)	(2.90)	(74.80)
Charged to P&L during the year	-	0.42	1.06	-
Additions (net of **Deductions**/Disposal)	-	-	3.96	-
Dividend recognised during the year	-	-	-	75.02
As at March 31, 2022	**13.99**	**(0.00)**	**10.01**	**1.42**
Cash Flows	(13.99)	(0.32)	(3.03)	(95.30)
Charged to P&L during the year	-	0.32	1.25	-
Additions (net of Deductions/Disposal)	-	-	2.45	-
Dividend recognised during the year	-	-	-	95.48
As at March 31, 2023	**-**	**(0.00)**	**10.68**	**1.60**

40. ANALYTICAL RATIOS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (%)
Current Ratio (x)	Current Assets	Current Liabilities	5	5	1
Debt-Equity Ratio (x)	Total Debt	Shareholder's Equity	-	0.01	-
Debt Service Coverage Ratio (x)	EBITDA (excluding other income)	Finance Cost (excluding interest on lease) + Repayment of Non-Current Borrowings	1,827	1,534	19
Return on Equity Ratio (%)	Profit after tax	Average Shareholder's Equity	19.23%	23.71%	-19
Inventory turnover ratio (x)	Cost of Materials Consumed + Changes in Inventories of FG and WIP + Power & Fuel Expenses	Average Inventory	5	5	-7
Trade Receivables turnover ratio (x)	Revenue from Operations	Average Trade Receivables	5	6	-5
Trade payables turnover ratio (x)	Cost of Materials Consumed + Power & Fuel Expenses + Closing Inventory - Opening Inventory	Average Trade Payables	7	7	15
Net capital turnover ratio (x)	Revenue from Operations	Working Capital	3	2	10
Net-Profit Ratio (%)	Profit after tax	Revenue from Operations	15.47%	19.36%	-20
Return on Capital employed (%)	Earnings before Interest and Taxes	Total Assets - Current Liabilities	22.49%	27.55%	-18
Return on investment (%)					
Quoted#	Income from Investment	Time Weighted Average Investment	5.01%	3.85%	30

Increase in return on investment from Mutual funds are on account of fluctuation in market yields

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

41. SEGMENT INFORMATION

The Company has planned introduction of several downstream chemicals and complex chemical platforms which shall significantly diversify its operations adding to the existing wide range of value-added product mix. It has significant presence in value chain from basic intermediates to fine and speciality products to performance products through integrated operations with processes ranging from manufacturing basic intermediates to niche and complex intermediates, leading to high dependency on each other as most of the products are forward-backward integrated, serving varied end-user industries across all the geographies. This gives flexibility to focus on manufacturing products that enjoy encouraging demand and offer better price. Further, over the period of time, the business scenario and macro-economic conditions have changed.

Owing to increasing number of facilities catering multi products, integrated production processes, similar economic characteristics of products and business scenario, the Chief Operating Decision Maker (CODM) evaluates the performance of the Company as single business segment i.e. 'Advanced Intermediates' and allocates resources based on value generated from this segment, as compared to three business segments reported earlier in Standlone Financial Statements (Basic Intermediates, Fine & Speciality chemicals and Performance Products).

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements and therefore, no separate disclosure on segment information is given in the Standalone Financial Statements.

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

₹ in Crores

Revenue	For the year March 31, 2023	For the year March 31, 2022
In India	1,718.97	1,454.16
Outside India	1,314.58	1,056.89
Total	**3,033.55**	**2,511.05**

₹ in Crores

Carrying Amount of Segment Assets	As at March 31, 2023	As at March 31, 2022
In India	2,827.66	2,439.38
Outside India	221.94	202.86
Total	**3,049.60**	**2,642.24**

₹ in Crores

Addition to Fixed Assets	As at March 31, 2023	As at March 31, 2022
In India		
- Tangible	132.64	82.39
- Intangible	1.15	0.31
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**133.79**	**82.70**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

42. LEASES

A. The following is the movement in lease liabilities:

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**10.01**	**7.89**
Additions during the year	2.45	4.12
Deductions during the year	-	(0.16)
Finance cost accrued during the year	1.25	1.18
Payment/Provision of Lease Liabilities	(3.03)	(3.02)
Balance at the end of the year	**10.68**	**10.01**
Recognised under		
Non -Current Financial Liabilities	10.43	9.61
Current Financial Liabilities	0.25	0.40
Total	**10.68**	**10.01**

B. The following are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Less than one year	2.34	2.84
One to five years	8.35	10.16
More than five years	-	0.53
Total	**10.69**	**13.53**

43. EARNINGS PER SHARE

	As at March 31, 2023	As at March 31, 2022
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Crores)	13.64	13.64
Number of Shares at the end (Nos. in Crores)	13.64	13.64
Weighted Average Number of Shares considered for Basic and Diluted Earnings Per Share (Nos. in Crores)	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	469.39	486.21
Basic and Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	34.41	35.65

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

44 A. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(i)	**Capital Expenditure (Refer Note 2.3)**	**4.07**	**7.43**
(ii)	**Revenue Expenditure**		
	Materials	0.72	0.60
	Utilities	0.49	0.32
	Maintenance	0.46	0.26
	Personnel	8.16	8.78
	Others	4.19	2.68
		14.02	**12.64**
	Loss on discarding of assets	0.00	0.01
	Depreciation	2.61	2.21
		2.61	**2.22**
	Total Revenue Expenditure	**16.63**	**14.86**
(iii)	**Total Capital & Revenue Expenditure ((i)+(ii))**	**20.71**	**22.29**

44 B. R & D DISCLOSURE FOR DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH (DSIR)

₹ in Crores

		2022-23	2021-22	2020-21	2019-20	2018-19
(i)	**Capital Expenditure**					
	Nandesari	4.07	7.43	4.92	3.09	0.99
	Roha	-	-	-	-	0.94
	Total	**4.07**	**7.43**	**4.92**	**3.09**	**1.93**
(ii)	**Revenue Expenditure**					
	Nandesari	16.52	14.64	10.05	10.19	7.85
	Roha	0.13	0.22	0.22	0.24	0.26
	Total	**16.65**	**14.86**	**10.27**	**10.43**	**8.11**
(iii)	**Total Capital & Revenue Expenditure**					
	Nandesari	20.59	22.07	14.97	13.28	8.84
	Roha	0.13	0.22	0.22	0.24	1.20
	Total	**20.72**	**22.29**	**15.19**	**13.52**	**10.04**

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

45. DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(i)	Principal amount remaining unpaid.	14.26	28.27
(ii)	Interest due thereon remaining unpaid.	-	-
(iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v)	Interest accrued and remaining unpaid (net of tax deducted at source).	-	-
(vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

46. The Company has been sanctioned working capital from banks on the basis of security of current assets. Quarterly Statements of Inventory and Book Debts submitted with the Banks in this regard, are reconciling with the books of Accounts of respective period.

47. CORPORATE SOCIAL RESPONSIBILITY

The Company has been continuing to undertake projects for overall development and welfare of the society. Through the group's charitable trust "Deepak Foundation", the Company has upgraded its Corporate Social Responsibility ('CSR') activities to cover a larger section of the society encompassing social interventions in various developmental domains.

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	12.64	9.87
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	2.01	0.95
(ii) On purposes other than (i) above	9.93	8.97
Shortfall at the end of the year	0.70	NIL
Total of previous years shortfall	NIL	NIL
Reason for shortfall	Ongoing Projects	NA
Nature of CSR activities	Health Care, Skills Building & Livelihood, Education & Research & Development	
Details of related party transactions		
Deepak Foundation	10.15	7.18
Deepak Medical Foundation	-	2.39
Provision, if any	0.70	NIL

48. On June 02, 2022, an incidence of fire occurred around the warehouse section of Company's one of the manufacturing sites located at Nandesari, Gujarat. This incident led to damage of certain property, plant and equipment, inventory and interrupted business. The Company is adequately insured for reinstatement value of damaged assets and loss of profits due to business interruption. The Company has lodged claim of this incident for both replacement value of the damaged facilities and loss of profits due to business interruption with the insurance company which is under process. The Company has estimated and recognised an initial loss of ₹ 47.20 Crores on account of damage to certain property, plant and equipment & inventory and has recognised insurance claim receivable to the extent of aforesaid losses.

Notes

forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

The Company has received an interim relief from the insurance companies towards assets and inventories aggregating of ₹ 25.00 Crores, out of which ₹ 11.23 Crores has been received in the month of March 2023 which has been adjusted against the claims receivable and balance ₹ 13.77 Crores received in the month of April 2023.

49. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

50. Events occurring after the balance sheet date: The Board of Directors have recommended, subject to the approval of shareholders, dividend of ₹ 7.50/- (Rupees Seven & Fifty Paise only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2023 on 13,63,93,041 equity shares amounting to ₹ 102.29 Crores.

51. The Standalone Financial Statements were approved for issue by the Board of Directors on May 11, 2023.

The accompanying Notes form an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries

PART "A": SUBSIDIARIES

1	Name of the subsidiary	Deepak Phenolics Limited	Deepak Chem Tech Limited	Deepak Nitrite Corporation, Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23	2022-23	2022-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	US$ 1US$ = ₹ 82.2169
		₹ in Crores	₹ in Crores	₹ in Lakhs
4	Share Capital	280.00	9.50	47.68
5	Other Equity	1,475.21	392.05	34.04
6	Total Assets	2,352.73	427.39	89.36
7	Total Liabilities	597.53	25.84	7.65
8	Investments	8.00	-	-
9	Turnover	4,970.49	-	14.48
10	Profit before Tax	598.89	(0.84)	0.50
11	Provision for Tax	153.57	(0.14)	0.27
12	Profit after Tax	445.33	(0.70)	0.22
13	Total Comprehensive Income	445.31	(0.84)	0.22
14	Proposed Dividend	75.60	-	-
15	% of Shareholding	100%	100%	100%

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Independent Auditor's Report

To The Members of Deepak Nitrite Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Deepak Nitrite Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of a subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** Revenue recognition is significant audit risk across the Group. Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design and performed walkthrough of internal controls relating to revenue recognition. • We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, reperformance and/or inspection. • We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents. • We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind-AS 115.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and annexures thereto, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of one subsidiaries, whose financial statements reflect total assets of ₹ 0.89 Crore as at March 31, 2023, total revenues of ₹ 0.14 Crore and net cash inflows amounting to ₹ 0.016 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 38 to the consolidated financial statements;

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India except for following delay by the Parent pertaining to unclaimed deposits pertaining to the year 2014-15.

Due date of transfer	Amount (₹)	Actual date of transfer
April 11, 2022	2,74,000	May 03, 2022
April 17, 2022	20,390	May 03, 2022
April 26, 2022	380,117	May 03, 2022

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors respectively that, to the best of their knowledge and belief, as disclosed in the note 48 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 48 (vi) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement

v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 50 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOQI9495)

Place: Vadodara
Date: May 11, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOQI9495)

Place: Vadodara
Date: May 11, 2023

Consolidated Balance Sheet

as at March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	1,913.53	1,932.68
	(b) Capital Work-in-Progress	2	282.59	103.69
	(c) Intangible Assets	3	28.08	30.75
	(d) Intangible Assets Under Development		18.24	18.54
	(e) Financial Assets			
	Investments	4	2.48	2.23
	Loans	5	0.70	0.76
	Other Financial Assets	6	10.78	8.89
	(f) Non-Current Tax Assets (Net)	7	6.16	0.99
	(g) Deferred Tax Assets	8	0.15	-
	(h) Other Non-Current Assets	9	126.96	47.20
	Total Non-Current Assets		**2,389.67**	**2,145.72**
	Current Assets			
	(a) Inventories	10	893.07	584.55
	(b) Financial Assets			
	Investments	11	376.87	436.79
	Trade Receivables	12	1,309.52	1,129.06
	Cash and Cash Equivalents	13	37.64	22.85
	Bank Balances Other than Cash and Cash Equivalents above	14	2.31	18.94
	Loans	5	0.43	0.41
	Other Financial Assets	15	39.60	2.98
	(c) Current Tax Assets (Net)	16	-	6.16
	(d) Other Current Assets	17	79.63	81.61
	(e) Assets classified as held for sale		-	1.39
	Total Current Assets		**2,739.07**	**2,284.74**
	TOTAL ASSETS		**5,128.74**	**4,430.46**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	18	27.28	27.28
	(b) Other Equity	19	4,062.68	3,311.16
	Total Equity		**4,089.96**	**3,338.44**
	Non-Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	20	43.02	187.49
	Lease Liabilities	44	15.41	12.88
	(b) Provisions	21	29.97	21.86
	(c) Deferred Tax Liabilities (Net)	22	156.62	122.87
	Total Non-Current Liabilities		**245.02**	**345.10**
	Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	23	11.46	113.19
	Lease Liabilities	44	2.97	1.47
	Trade Payables			
	Total outstanding dues of			
	a) Micro Enterprises and Small Enterprises	24	26.61	32.37
	b) creditors other than Micro Enterprises and Small Enterprises	24	635.15	479.34
	Other Financial Liabilities	25	55.65	42.11
	(b) Other Current Liabilities	26	47.55	68.35
	(c) Provisions	21	14.37	7.70
	(d) Current Tax Liabilities (Net)	27	-	2.39
	Total Current Liabilities		**793.76**	**746.92**
	Total Liabilities		**1,038.78**	**1,092.02**
	TOTAL EQUITY AND LIABILITIES		**5,128.74**	**4,430.46**
	Significant Accounting Policies	1		

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Consolidated Statement of Profit and Loss

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	**Revenue from Operations**	28	7,972.06	6,802.19
II.	**Other Income**	29	47.58	42.61
III.	**Total Income (I+II)**		**8,019.64**	**6,844.80**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	30	5,394.56	4,205.30
	(b) Purchase of Stock-in-Trade		144.06	5.65
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	(191.11)	(96.60)
	(d) Employee Benefits Expense	32	318.25	274.11
	(e) Power & Fuel Expenses	33	541.93	438.61
	(f) Finance Costs	34	24.78	34.04
	(g) Depreciation and Amortisation Expense	35	166.30	177.70
	(h) Other Expenses	36	474.99	371.54
	Total Expenses (IV)		**6,873.76**	**5,410.35**
V.	**Profit before Exceptional Items and tax (III-IV)**		**1,145.88**	**1,434.45**
VI.	**Exceptional Items**	49	**-**	**-**
VII.	**Profit before tax (V-VI)**		**1,145.88**	**1,434.45**
VIII.	**Tax Expense:**			
	(a) Current Tax		258.63	352.79
	(b) Deferred Tax		35.25	15.02
IX.	**Profit for the Year (VII-VIII)**		**852.00**	**1,066.64**
X.	**Other Comprehensive Income:**			
	Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(6.89)	0.48
	(b) Tax Effect on remeasurement of Defined Benefit obligations (Net)		1.73	(0.11)
	(c) Fair Value Gains on Investments		0.22	(0.27)
	(d) Tax effect of Fair Value Gains on Investments		(0.06)	0.07
	Total Other Comprehensive Income for the Year (X)		**(5.00)**	**0.17**
XI.	**Total Comprehensive Income for the year (IX+X)**		**847.00**	**1,066.81**
XII.	**Profit is attributable to:**			
	Owners of the Group		852.00	1,066.64
	Non-Controlling Interest		-	-
XIII.	**Other Comprehensive Income is attributable to:**			
	Owners of the Group		(5.00)	0.17
	Non-Controlling Interest		-	-
XIV.	**Total Comprehensive Income is attributable to:**			
	Owners of the Group		847.00	1,066.81
	Non-Controlling Interest		-	-
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per share ₹ 2)	45	62.46	78.20
	(b) Diluted (Nominal Value per share ₹ 2)	45	62.46	78.20

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Consolidated Statement of Cash Flow

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**1,145.88**	**1,434.45**
	Adjustments for :		
	1. Depreciation and Amortisation Expense	166.30	177.70
	2. Loss on Sale of Property, Plant and Equipment	1.15	0.76
	3. Gain on disposal/modification of RTU assets	-	(0.12)
	4. Provision/(Reversal) for Doubtful Debts	(0.48)	4.42
	5. Provision/(Reversal) for Inventory Obsolescence	(1.76)	(4.56)
	6. Gain on Redemption of Current Investment including gain on fair valuation	(22.26)	(9.90)
	7. Finance Costs	30.86	38.35
	8. Interest Income	(3.21)	(2.13)
	9. Unrealised Foreign Exchange Loss/(Gain) net	1.99	2.64
	Operating Profit Before Change in Operating Assets and Liabilities	**1,318.47**	**1,641.61**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(306.77)	(197.75)
	2. (Increase)/Decrease in Trade Receivables	(193.65)	(385.95)
	3. (Increase)/Decrease in Other Assets	(57.17)	(18.25)
	4. Increase/(Decrease) in Trade Payables	162.96	86.97
	5. Increase/(Decrease) in Other Liabilities	(13.90)	50.66
	Cash Generated from Operations	**909.94**	**1,177.29**
	Less: Income tax paid (net of refund)	260.02	353.45
	Net Cash Inflow from Operating Activities (A)	**649.92**	**823.84**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant and Equipment, including Capital Work-in-Progress, Capital Advances & Payable for Capital Expenditure	(358.13)	(186.50)
	2. Purchase of Intangible Assets	(2.72)	(0.31)
	3. Proceeds from Sale of Property, Plant and Equipment	0.93	0.66
	4. Net Proceeds/(Purchase) from Redemption of Current Investments	82.15	(240.12)
	5. Deposit with Bank	(0.52)	-
	6. Interest Received	2.24	2.22
	Net Cash Outflow from Investing Activities (B)	**(276.05)**	**(424.06)**

Consolidated Statement of Cash Flow (Contd.)

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	1. Proceeds from Non-Current Borrowings	-	15.00
	2. Repayment of Non-Current Borrowings	(215.75)	(335.06)
	3. Net (Proceeds)/Borrowings from Current Borrowings	(36.53)	38.90
	4. Interest paid	(23.31)	(32.03)
	5. Dividend paid on Equity Shares	(95.48)	(75.02)
	6. Margin Money Deposit	17.33	5.81
	7. Principal repayment of Lease Liability	(3.36)	(1.69)
	8. Interest cost of Lease	(1.98)	(1.73)
	Net Cash Outflow from Financing Activities (C)	**(359.08)**	**(385.81)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**14.79**	**13.96**
	Cash and Cash Equivalents at the Beginning of the Financial Year	22.85	8.89
	Cash and Cash Equivalents at the End of the Financial Year	**37.64**	**22.85**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks:		
	In Current Accounts	0.35	5.36
	In Cash Credit Accounts	23.17	7.28
	Deposit with banks with maturity less than 3 months from the date of acquisition	14.01	10.00
	Cash on Hand	0.11	0.21
	Total Cash and Cash Equivalents as per note 13.	**37.64**	**22.85**

Notes:

1. The Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
2. Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 'Cash Flow Statement' is presented under note 42.7.

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2023

Corporate Identification Number: L24110GJ1970PLC001735

(A) EQUITY SHARE CAPITAL (Refer Note 18)

	₹ in Crores
As at April 01, 2021	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2022	**27.28**
Changes in Equity Share Capital during the year	-
As at March 31, 2023	**27.28**

(B) OTHER EQUITY (Refer Note 19)

₹ in Crores

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium	Equity instruments through other comprehensive income	
Balance as at April 01, 2021	**1,789.97**	**0.71**	**93.90**	**0.15**	**434.17**	**0.47**	**2,319.37**
Profit for the year	1,066.64	-	-	-	-	-	1,066.64
Other Comprehensive income (net of taxes)	0.37	-	-	-	-	(0.20)	0.17
Dividend	(75.02)	-	-	-	-	-	(75.02)
Transfer from Retained Earnings to General Reserve	(5.00)	-	5.00	-	-	-	-
Balance as at March 31, 2022	**2,776.96**	**0.71**	**98.90**	**0.15**	**434.17**	**0.27**	**3,311.16**
Profit for the year	852.00	-	-	-	-	-	852.00
Other Comprehensive income (net of taxes)	(5.16)	-	-	-	-	0.16	(5.00)
Dividend	(95.48)	-	-	-	-	-	(95.48)
Balance as at March 31, 2023	**3,528.32**	**0.71**	**98.90**	**0.15**	**434.17**	**0.43**	**4,062.68**

The accompanying Notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kartikeya Raval
Partner

Vadodara: May 11, 2023

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

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Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

GROUP OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at Aaditya-I Chhani Road, Vadodara- 390 024, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company with its three subsidiaries namely Deepak Phenolics Limited, Deepak Nitrite Corporation Inc. and Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited) are referred to as the Group here under.

The Group manufactures Advanced Intermediates and Phenolics.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2022, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after April 1, 2022, that do not have material impact on the financial statements of the Company.

1. **Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)**

   The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

2. **Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)**

   The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

   The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. **Reference to the Conceptual Framework for Financial Reporting (Ind AS 103, Business Combinations)**

   The 2022 amendments have substituted the reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards with the reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework), without changing the accounting requirements for business combinations.

4. **Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)**

   If a subsidiary, joint venture of associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.

5. **Fees in the '10 per cent test' for derecognition of financial liabilities (Ind AS 109, Financial Instruments)**

   For the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

6. **Taxation in fair value measurements (Ind AS 41, Agriculture)**

   The amendment removes the requirement to exclude cash flows for taxation when measuring fair value and thereby aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, Fair Value Measurement.

Recent accounting pronouncements effective from April 01, 2023

The Ministry of Corporate Affairs (MCA) notifies new standards/amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, that do not have material impact on the financial statements of the Company

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Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

There is no material impact on adoption of these amendments.

1. SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

(a) I. Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain financial assets and financial liabilities measured at fair value

(b) Derivative Financial instruments

(c) Defined benefit plan – plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Functional and Presentation Currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated Financial Statements of the Group are presented in Indian currency (INR), which is also the functional and presentation currency of the Group.

(iii) Use of estimates

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Useful lives and residual value of property, plant and equipment : The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2)

Allowance for expected credit losses: The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix. (Refer Note 42.5)

Fair value of investments: The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected statement of profit and loss by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. (Refer Note 42.1)

Income taxes: Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 39)

(a) II. Principles of Consolidation :

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at 31 March 2023. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The basis for preparing the consolidated financial statements is given below:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances, cashflows and unrealised

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gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies are consistent with the policies adopted by the Group.

In case of foreign subsidiary revenue items are consolidated at the average rate that approximates the actual rate at the date of transaction. All monetary items are translated into Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Group and to the non-controlling interests. Total Comprehensive Income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Name of Entity	Ownership in % either directly or through subsidiaries		Nature	Country of Incorporation
	2022-23	2021-22		
Deepak Phenolics Limited	100%	100%	Subsidiary	India
Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited)	100%	100%	Subsidiary	India
Deepak Nitrite Corporation, Inc.	100%	100%	Subsidiary	United States of America

Changes in ownership interest

When the Group ceases to consolidate or equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company or financial asset.

(b) Current versus non-current classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Group's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Group has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

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(c) Revenue Recognition

Sale of Goods:

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, trade discounts and rebates – if the following conditions are met:

- The control of the goods have been transferred to the buyer.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Services is recognised in the accounting period in which the services are rendered.

Interest Income:

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Group is reasonably certain of its ultimate realisation.

(d) Leasing

As a Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

The Group has accounted for concession received in lease rent due to COVID-19 scenario as a lease modification. Accordingly carrying value of lease liability and ROU assets has been reduced and Gain arising out of such reduction has been recognised in Statement of Profit and Loss.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(e) Foreign Currency Transactions

In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Consolidated Statement of profit and loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and option contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of profit and loss immediately.

(f) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are not recognised until there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited in the Consolidated Statement of profit and loss in proportion to fulfilment of associated export obligations and presented within other income.

(iii) Government grants relating to income are recognised in the Consolidated Statement of Profit and Loss on a Systematic basis over the period necessary to match them with the costs that they are intended to compensate or when the performance obligations are met.

(h) Employee Benefits

(i) Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans in respect of an approved gratuity plan, the cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

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Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income is reflected in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss.

Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and curtailments and settlements);

• net interest expense or income; and

• remeasurement

The first two components of defined benefit costs are recognised in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ii) Short-Term and Other Long-Term Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the Present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

(iii) Compensated Absence and Earned Leaves

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(i) Income Taxes

The Company and its Subsidiary, Deepak Phenolics Limited, has elected to exercise option available under section 115BAA of the Income Tax Act, 1961.

Deepak Chem Tech Limited (Formerly known as Deepak Clean Tech Limited), wholly owned subsidiary, shall be eligible to claim benefit of lower rate of tax under section 115BAB of the Income Tax Act, 1961.

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

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Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(j) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated impairment losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital Work-in-Progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the group, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	5 to 10 years
Vehicle	8 years
Office Equipment	2 to 5 years
Road	2 to 10 years

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

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

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Consolidated Statement of Profit and Loss.

(k) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Asset Category	Estimated Useful Life
Computer Software and related implementation costs	2 to 6 years
Rights to use facilities	5 years
Technical Know How	10 years

(l) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Consolidated Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the fair value less cost of disposal or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(n) Inventories

Raw materials and components, stores and spares are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Work-in-Progress are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable value.

(o) Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at Fair Value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income(except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the “”Other Income”” line item.

(iii) Investments in Equity Instruments

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’.

The cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Consolidated Statement of Profit and Loss when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Consolidated Statement of Profit and Loss are included in the ‘Other income’ line item.

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(iv) Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income or Other expenses line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(v) Impairment of Financial Assets

The Group recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive

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income is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part it continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(vii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Consolidated Statement of Profit and Loss.

• Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

• For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange difference on amortised cost are recognised in Consolidated Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(p) Financial Liabilities and equity instruments

(i) Classification as Debt and Equity

Debt and Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(iii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' or 'Other expenses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Consolidated Statement of Profit and Loss.

b) Financial Liabilities subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' or 'Other expenses'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognised in Consolidated Statement of Profit and Loss.

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(q) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(s) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(t) Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(u) Segment Reporting - Basis of Information

The Group has determined 2 (two) reporting Segments, based on the information reviewed by Chief Operating Decision Maker (CODM) as primary segments viz. (i) Advanced Intermediates and (ii) Phenolics.

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Group.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under “Other unallocable”. Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under “Unallocable Assets/Liabilities”.

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows:

(i) India and

(ii) Outside India.

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2. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Gross Carrying Amount as at April 01, 2021	**24.10**	**158.73**	**168.59**	**1,848.08**	**11.14**	**10.15**	**6.56**	**22.80**	**2,250.15**	**206.76**
Additions during the year 2021-22	-	22.00	20.63	224.28	0.73	4.30	0.70	0.31	272.94	172.17
Deductions during the year 2021-22	-	-	(0.05)	(5.11)	(0.04)	(0.45)	(0.08)	-	(5.72)	(275.24)
Gross Carrying Amount as at March 31, 2022	**24.10**	**180.73**	**189.17**	**2,067.26**	**11.83**	**14.00**	**7.18**	**23.11**	**2,517.38**	**103.69**
Additions during the year 2022-23	-	-	27.08	114.42	1.62	4.33	1.36	0.85	149.66	323.89
Deductions during the year 2022-23	-	-	(0.97)	(10.09)	(0.15)	(0.60)	(0.21)	-	(12.02)	(144.99)
Gross Carrying Amount as at March 31, 2023	**24.10**	**180.73**	**215.28**	**2,171.59**	**13.30**	**17.73**	**8.33**	**23.96**	**2,655.02**	**282.59**
Depreciation | Amortisation as at April 01, 2021	**-**	**3.78**	**33.19**	**351.97**	**5.44**	**4.89**	**4.28**	**10.92**	**414.47**	
Depreciation for the year 2021-22	-	1.92	9.33	152.72	1.47	1.56	0.89	5.67	173.55	
Depreciation on disposal during the year 2021-22	-	(0.00)	-	(2.91)	(0.03)	(0.32)	(0.06)	-	(3.32)	
Depreciation | Amortisation as at March 31, 2022	**-**	**5.70**	**42.52**	**501.77**	**6.88**	**6.13**	**5.12**	**16.59**	**584.70**	
Depreciation for the year 2022-23	-	2.08	10.57	145.35	1.27	1.85	0.98	0.99	163.09	
Depreciation on disposal during the year 2022-23	-	-	(0.39)	(5.34)	(0.09)	(0.30)	(0.18)	-	(6.30)	
Depreciation | Amortisation as at March 31, 2023	**-**	**7.78**	**52.70**	**641.78**	**8.06**	**7.68**	**5.92**	**17.58**	**741.49**	
Net Carrying Amount as at March 31, 2022	**24.10**	**175.02**	**146.66**	**1,565.49**	**4.95**	**7.87**	**2.07**	**6.52**	**1,932.68**	**103.69**
Net Carrying Amount as at March 31, 2023	**24.10**	**172.94**	**162.59**	**1,529.81**	**5.24**	**10.05**	**2.42**	**6.38**	**1,913.53**	**282.59**

Notes:

1 Capital work-in-progress mainly comprises addition/expansion projects in progress.

The following table provides CWIP Ageing Schedule as at March 31, 2023

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	236.81	37.91	7.87	-	282.59

The following table provides CWIP Ageing Schedule as at March 31, 2022

₹ in Crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	72.19	16.79	14.71	-	**103.69**

The following table provides details of Projects that were overdue as at March 31, 2021, and were completed & capitalized in F.Y. 2021-22

₹ in Crores

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	111.49	-	-	-	**111.49**

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2 Right -to-use assets included in Property, Plant and Equipment

₹ in Crores

	Building	Plant and Equipment	Furniture	Vehicle	Total
Gross Carrying Amount as at April 01, 2021	**14.51**	**0.69**	**1.75**	**1.11**	**18.06**
Additions during the year 2021-22	0.89	0.70	-	3.42	5.01
Deductions during the year 2021-22	(0.05)	-	-	-	(0.05)
Gross Carrying Amount as at March 31, 2022	**15.35**	**1.39**	**1.75**	**4.53**	**23.02**
Additions during the year 2022-23	7.39	-	-	-	7.39
Gross Carrying Amount as at March 31, 2023	**22.74**	**1.39**	**1.75**	**4.53**	**30.41**
Depreciation | Amortisation as at April 01, 2021	**5.11**	**0.69**	**0.28**	**1.11**	**7.19**
Depreciation for the year 2021-22	2.26	0.32	0.20	0.54	3.32
Depreciation | Amortisation as at March 31, 2022	**7.37**	**1.01**	**0.48**	**1.65**	**10.51**
Depreciation for the year 2022-23	2.67	0.38	0.20	0.72	3.97
Depreciation | Amortisation as at March 31, 2023	**10.04**	**1.39**	**0.68**	**2.37**	**14.48**
Net Carrying Amount as at March 31, 2022	**7.98**	**0.38**	**1.26**	**2.88**	**12.50**
Net Carrying Amount as at March 31, 2023	**12.70**	**-**	**1.06**	**2.16**	**15.92**

3 The Group has availed deemed cost approach in relation to the property, plant and equipment on the date of transition to IND-AS i.e. 1 April 2016, hence the net block carrying amount has been considered as the gross block carrying amount on that date. Additions to the property, plant and equipment after the said date have been recorded on historical cost basis.

4 Refer note 20 and 23 for hypothecation / mortgage created on assets of the Group.

5 Building includes ₹ 10.80 Crores (₹ 10.80 Crores) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

6 With effect from April 1, 2021, the Group has changed the useful life of certain Property, Plant and Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant and Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

7. Out of the total depreciation, ₹ 2.15 Crores has been allocated to Capital Work-in-Progress in Deepak Chem Tech Limited, a wholly owned subsidiary.

3. INTANGIBLE ASSETS

₹ in Crores

	Computer Software	Others	Total
Gross Carrying Amount as at April 01, 2021	**8.44**	**33.94**	**42.38**
Additions during the year 2021-22	1.08	6.22	7.30
Deductions during the year 2021-22	(0.21)	-	(0.21)
Gross Carrying Amount as at March 31, 2022	**9.31**	**40.16**	**49.48**
Additions during the year 2022-23	2.72	-	2.72
Deductions during the year 2022-23	(0.04)	-	(0.04)
Gross Carrying Amount as at March 31, 2023	**11.99**	**40.16**	**52.16**
Depreciation | Amortisation as at April 01, 2021	**5.57**	**8.76**	**14.33**
Depreciation for the year 2021-22	1.10	3.51	4.61
Depreciation on disposal during the year 2021-22	(0.21)	-	(0.21)
Depreciation | Amortisation as at March 31, 2022	**6.46**	**12.27**	**18.73**
Depreciation for the year 2022-23	1.18	4.20	5.38
Depreciation on disposal during the year 2022-23	(0.04)	-	(0.04)
Depreciation | Amortisation as at March 31, 2023	**7.60**	**16.47**	**24.07**
Net Carrying Amount as at March 31, 2022	**2.85**	**27.90**	**30.75**
Net Carrying Amount as at March 31, 2023	**4.39**	**23.69**	**28.08**

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The table below provides aging of Intangible Assets Under Development as at March 31, 2023

₹ in Crores

Intangible Assets Under Development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	4.56	13.68	-	18.24

The table below provides aging of Intangible Assets Under Development as at March 31, 2022

₹ in Crores

Intangible Assets Under Development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.86	13.68	-	-	18.54

4. NON-CURRENT INVESTMENTS

₹ In Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Investments in Equity Instruments of other companies measured at Fair Value Through Profit or Loss (FVTPL)	0.09	0.06
(b)	Investments in Equity Instruments of other companies measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.39	2.17
(c)	Investments in Government or Trust Securities measured at amortised cost (Refer Note (b) below)	0.00	0.00
Total		**2.48**	**2.23**

₹ in Crores

	Face Value	As at March 31, 2023		As at March 31, 2022	
		No. of shares	Amount	No. of shares	Amount
(a) Investment in Equity Instruments (fully paid-up)					
(i) Other Companies measured at FVTPL					
Quoted					
IDBI Bank	INR 10/-	6,240	0.03	6,240	0.02
Bank of Baroda	INR 2/-	3,234	0.05	3,234	0.03
Unquoted					
Nandesari Environment Control Limited (represents ₹ 8,000)	INR 10/-	800	0.00	800	0.00
Baroda Co-operative Bank Ltd. (represents ₹ 500)	INR 50/-	10	0.00	10	0.00
Shamrao Vitthal Co-op Bank Ltd.	INR 25/-	2,000	0.01	2,000	0.01
New India Co-op Bank Ltd. (represents ₹ 7,980)	INR 10/-	798	0.00	798	0.00
(ii) Other Companies measured at FVOCI					
Unquoted					
Jeedimetla Effluent Treatment Ltd.	INR 100/-	52,342	0.68	52,342	0.55
Deepak International Limited	GBP 1/-	73,706	0.75	73,706	0.73
Deepak Gulf LLC	Omani Riyal 1/-	45,000	0.96	45,000	0.89
(b) Investments in Government or Trust Securities measured at amortised cost					
Unquoted					
National Savings Certificate (represents ₹ 1,000)			0.00		0.00
Total		**1,84,130**	**2.48**	**1,84,130**	**2.23**

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₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Aggregate amount of Unquoted Investments	2.40	2.18
(b)	Aggregate amount of Quoted Investments	0.08	0.05

5. LOANS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to Employees		
Unsecured, considered good	0.70	0.76
Total-Non-Current	**0.70**	**0.76**
Current		
Loans to Employees		
Unsecured, considered good	0.43	0.41
Total Current	**0.43**	**0.41**

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Security Deposits		
Unsecured, considered good	10.78	8.89
Total	**10.78**	**8.89**

7. NON CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets		
Advance Income Tax (Net of provisions)	6.16	0.99
Total	**6.16**	**0.99**

8. DEFERRED TAX ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Carry Forward of Business Losses	0.15	-
Total	**0.15**	**-**

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9. OTHER NON-CURRENT ASSETS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Capital Advances	79.05	20.31
(b)	Prepaid Expenses	0.32	0.32
(c)	Advance against Salary	1.21	0.85
(d)	Balance with Government Authorities	46.38	25.72
Total		**126.96**	**47.20**

10. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Raw materials and components	262.26	160.67
	Goods-in-transit	73.27	50.36
		335.53	**211.03**
(b)	Stores and Spares	55.85	48.77
	Sub-Total	**391.38**	**259.80**
(c)	Work-in-progress	103.83	91.90
(d)	Finished goods	312.99	234.65
	Provision for obsolescence	(0.90)	(1.80)
(e)	Stock in trade	85.77	-
	Sub-Total	**501.69**	**324.75**
Total		**893.07**	**584.55**

Inventories amounting to ₹ 35.70 Crores has been charged to the Statement of Profit and Loss on account of damage due to occurrence of fire incident around the warehouse section of Group's one of the manufacturing sites located at Nandesari, Gujarat. (Refer Note 49)

Refer note 20 and 23 for hypothecation / mortgage created on assets of the Group.

11. CURRENT INVESTMENTS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	376.87	436.79
Total	**376.87**	**436.79**

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12. TRADE RECEIVABLES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
(i) Trade Receivables - Others	1,338.04	1,156.54
(ii) Related Parties (Refer Note 37.10)	6.87	8.40
Allowance for credit losses (Refer Note 42.5)	(35.39)	(35.88)
Total	**1,309.52**	**1,129.06**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 7 to 180 days. For financial risk and ageing related to Trade Receivables refer note 42.5 and 42.6.

Refer note 20 and 23 for hypothecation / mortgage created on assets of the Group.

13. CASH AND CASH EQUIVALENTS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Cash on hand	0.11	0.21
(b)	Balances with banks		
	In Current accounts	0.35	5.36
	In Cash Credit Accounts	23.17	7.28
	Deposit with banks with maturity less than 3 months from the date of acquisition	14.01	10.00
Total		**37.64**	**22.85**

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	Earmarked unpaid dividend accounts	1.60	1.42
(b)	Deposits with banks with maturity less than 3 months (refer note below)	-	17.34
(c)	Deposits with banks with maturity more than 3 months but less than 12 months	0.71	0.18
Total		**2.31**	**18.94**

Deposit of ₹ 17.34 Crores was placed with bank for Debt Service Reserve Account (DSRA) as on March 31, 2022.

15. OTHER CURRENT FINANCIAL ASSETS

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
(a)	Interest Receivable	0.63	0.61
(b)	Insurance Claim Receivable (Refer Note 49)	35.97	-
(c)	Security Deposits	1.64	0.55
(d)	Earnest Money	0.20	0.19
(e)	Others	1.16	1.63
Total		**39.60**	**2.98**

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16. CURRENT TAX ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Current Tax Assets		
Advance Income Tax (Net of provisions)	-	6.16
Total	**-**	**6.16**

17. OTHER CURRENT ASSETS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) Balance with Government Authorities	50.71	36.32
(b) Prepaid Expenses	10.20	9.60
(c) Advances to Suppliers	18.47	35.62
(d) Other Receivables	0.25	0.07
Total	**79.63**	**81.61**

18. EQUITY SHARE CAPITAL

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Authorised:		
15,00,00,000 Equity shares of ₹ 2 each	30.00	30.00
20,00,000 Preference shares of ₹ 100 each	20.00	20.00
Total	**50.00**	**50.00**
Issued, Subscribed and fully paid up:		
13,63,93,041 Equity shares of ₹ 2 each	27.28	27.28
Total	**27.28**	**27.28**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity Shares				
Shares outstanding at the beginning of the year	13,63,93,041	27.28	13,63,93,041	27.28
Shares outstanding at the end of the year	**13,63,93,041**	**27.28**	**13,63,93,041**	**27.28**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No.	% holding	No.	% holding
Shri Deepak Chimanlal Mehta	2,18,52,531	16.02	2,18,41,531	16.01
Stiffen Credits & Capital Pvt. Ltd.	84,37,840	6.19	84,37,840	6.19
Checkpoint Credits & Capital Pvt. Ltd.	72,06,050	5.28	72,06,050	5.28
Stepup Credits & Capital Pvt. Ltd.	69,15,580	5.07	69,15,580	5.07

(d) Details of shares held by Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Shri Chimanlal K. Mehta	6,97,090	0.51	6,97,090	0.51	0.00%
Shri Deepak Chimanlal Mehta	2,18,52,531	16.02	2,18,41,531	16.01	0.01%
Shri Maulik D. Mehta	1,31,300	0.10	1,31,300	0.10	0.00%

19. OTHER EQUITY

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
(a) Retained Earnings	3,528.32	2,776.96
(b) General Reserve	98.90	98.90
(c) Capital Reserve	0.71	0.71
(d) Capital Redemption Reserve	0.15	0.15
(e) Securities Premium	434.17	434.17
Reserves Representing Unrealised Gains/(Losses)		
(f) Equity Instruments through Other Comprehensive Income	0.43	0.27
Total	**4,062.68**	**3,311.16**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	**Retained Earnings**		
	Balance at beginning of year	2,776.96	1,789.97
	Add: Profit for the year	852.00	1,066.64
	Add: Remeasurement of Defined Benefit Obligation (Net of tax)	(5.16)	0.37
	Less: Payment of Dividend on Equity Shares	95.48	75.02
	Less: Transferred to General Reserve	-	5.00
	Balance at end of year	**3,528.32**	**2,776.96**
	Retained earnings represents the Company's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	98.90	93.90
	Add: Transferred from Retained Earnings	-	5.00
	Balance at end of year	**98.90**	**98.90**
	The general reserve is used for purposes as specified under the Companies Act, 2013. Items included in the general reserve will not be reclassified subsequently to the statement of profit and loss as the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
(c)	**Capital Reserve**		
	Balance at beginning of year	0.71	0.71
	Balance at end of year	**0.71**	**0.71**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	0.15	0.15
	Balance at end of year	**0.15**	**0.15**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Group is required to transfer certain amounts on redemption of the debentures. The Group has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium**		
	Balance at beginning of year	434.17	434.17
	Balance at end of year	**434.17**	**434.17**
	Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Companies Act, 2013.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	0.27	0.47
	Add: Gain / (Loss) on revaluation of Equity Instruments (Net of tax)	0.16	(0.20)
	Balance at end of year	**0.43**	**0.27**
	This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

20. NON-CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Term Loans from Banks at amortised cost		
Secured	49.02	258.69
Sub-Total	**49.02**	**258.69**
Less:		
Current maturities of Non-Current Borrowings (Refer Note 23)	6.00	71.20
Total	**43.02**	**187.49**

Secured Term Loans:-

In case of Indian Subsidiary, Deepak Phenolics Limited, term loan from Banks are secured by an exclusive charge by way of hypothecation of all the movables including movable plant and machinery pertaining to the Project.

The assets stated herein are disclosed under note 2, 10 and 12.

Repayment Schedule:-

Term loan availed is repayable on quarterly basis starting from May, 2022.

21. PROVISIONS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 40 (B))	29.44	21.86
Provision for Gratuity (Refer Note 40 (A)(iii))	0.53	-
Total-Non-Current	**29.97**	**21.86**
Current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 40 (B))	6.75	5.25
Provision for Gratuity (Refer Note 40 (A)(iii))	7.62	2.45
Total-Current	**14.37**	**7.70**

22. DEFERRED TAX LIABILITY (NET)

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(a)	**Break up of deferred tax liability as at year end:**		
	Nature of temporary difference		
	Property, Plant and Equipment	170.32	134.78
	Insurance claim receivable on account of loss of inventory	8.10	-
	Unrealised Gain on Investments	2.28	0.93
	Total Deferred Tax Liability (a)	**180.70**	**135.71**
(b)	**Break up of deferred tax asset as at year end:**		
	Nature of temporary difference		
	Disallowances u/s 43B, Provisions and Others	24.08	12.84
	Total Deferred Tax Asset (b)	**24.08**	**12.84**
	Deferred Tax Liability (Net) (a-b)	**156.62**	**122.87**

Refer note 39C for movement in Deferred Tax Assets and Liabilities.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

23. NON-CURRENT BORROWINGS

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Working Capital Borrowings from Banks		
(a) Secured	5.46	41.99
(b) Current maturities of Long term Borrowings (Refer Note 20)	6.00	71.20
Total	**11.46**	**113.19**

(i) Working Capital borrowings from banks represent Cash Credit and Working Capital Demand Loan with rate of interest as MCLR of respective banks plus spread ranging from 0% to 1.25% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Group's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts. The assets stated herein are disclosed under note no. 10 and 12.

24. TRADE PAYABLES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
(a) To outstanding dues of Micro Enterprises and Small Enterprises	26.61	32.37
(b) To outstanding dues of creditors other than Micro Enterprises and Small Enterprises	635.15	479.34
Total	**661.76**	**511.71**

The average credit period on goods purchased or services received ranges between 30 days to 180 days. For ageing related to Trade Payables refer note 42.5.

25. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
(a) Security Deposits	9.44	8.40
(b) Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	1.60	1.42
Unclaimed Matured Deposits (Refer Note below)	-	0.07
(c) Payable for capital expenditure	44.26	30.85
(d) Interest accrued but not due on Borrowings	-	0.35
(e) Others	0.35	1.02
Total	**55.65**	**42.11**

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group except for amounts of ₹ 274000, ₹ 20390 & ₹ 380117 pertaining to unclaimed deposits of Parent Company of FY 2014-15 which were due to be transferred on April 11, 2022, April 17, 2022 & April 26, 2022 respectively and the same were transferred on May 03, 2022.

The Unclaimed Matured deposits of ₹ 0.07 crores outstanding as at March 31, 2022 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

26 . OTHER CURRENT LIABILITIES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
(a) Advances received from Customers	15.92	32.24
(b) Statutory Dues	31.63	36.11
Total	**47.55**	**68.35**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

27. CURRENT TAX LIABILITIES

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Current Tax Liabilities		
Provision for Tax (Net of Advances)	-	2.39
Total	**-**	**2.39**

28. REVENUE FROM OPERATIONS

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Sale of Products	7,873.88	6,762.62
(b)	Sale of Services	8.70	10.72
(c)	Other Operating Revenues		
	Export Incentives	18.76	21.08
	Scrap Sale	7.87	6.11
	Others	62.85	1.66
Total		**7,972.06**	**6,802.19**

Reconciliation of sales of products

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customer	7,952.36	6,811.07
Adjustments made to contract price on account of Discounts, Rebates and Provisional Price (Net)	78.48	48.45
Total	**7,873.88**	**6,762.62**

Refer Note 12 - Trade Receivables to the Consolidated Financial Statements for the amount of contract assets outstanding as at March 31, 2023 and refer to details of Advance received from Customers in Note 26 - Other Current Liabilities to the Consolidated Financial Statements for the contract liabilities outstanding as at March 31, 2023.

29. OTHER INCOME

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Foreign Exchange Gain	1.94	7.67
(b)	Cash Discount	16.06	11.90
(c)	Gain on redemption of Investments	12.80	6.21
(d)	Interest Income	3.21	2.13
(e)	Rent	0.05	0.15
(f)	Fair Value Gains on Financial Assets	9.46	3.69
(g)	Writebacks and Other Recoveries	3.97	7.16
(h)	Other Non-Operating Revenue	0.09	3.70
Total		**47.58**	**42.61**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

30. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Cost of Raw Material and Components Consumed	5,351.00	4,158.15
(b)	Cost of Packing Material Consumed	43.56	47.15
Total		**5,394.56**	**4,205.30**

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Work-in-Progress	91.90	60.14
Finished Goods	234.65	169.81
	326.55	**229.95**
Less:		
Inventories at the end of the year		
Work-in-Progress	103.83	91.90
Finished Goods	312.99	234.65
Stock-in-Trade	85.77	-
	502.59	**326.55**
Less:		
Loss of inventory due to fire disclosed seperately under exceptional items (Refer Note 49)	15.07	-
Total	**(191.11)**	**(96.60)**

32. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries & Wages	281.07	243.94
(b)	Contribution to Provident Fund and other funds (Refer Note 40C)	15.52	12.36
(c)	Gratuity Expenses (Refer Note 40A(iv))	3.46	3.51
(d)	Staff Welfare Expenses	18.20	14.30
Total		**318.25**	**274.11**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

33. POWER & FUEL EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Consumption of Power	178.93	163.94
(b)	Consumption of Fuel and other utilities	363.00	274.67
Total		**541.93**	**438.61**

34. FINANCE COSTS

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Interest on Borrowings	22.96	32.31
(b)	Interest cost on lease liabilities	1.82	1.73
Total		**24.78**	**34.04**

35. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Depreciation on Property, Plant and Equipment	157.37	169.77
(b)	Depreciation on Right-of-use Assets	3.71	3.32
(c)	Amortisation of Intangible Assets	5.22	4.61
Total		**166.30**	**177.70**

36. OTHER EXPENSES

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Conversion Charges	9.51	9.60
(b)	Other Manufacturing Expenses	18.30	13.04
(c)	Rent	5.39	3.30
(d)	Repairs & Maintenance		
	Repairs to Building	2.56	2.29
	Repairs and maintenance to Plant and Equipment	62.61	48.96
	Repairs and maintenance to Others	1.47	0.78
(e)	Consumption of stores & spare parts	20.69	16.73
(f)	Insurance	19.70	18.51
(g)	Rates & taxes	3.43	4.56
(h)	Bank Charges	1.90	2.33
(i)	Travelling & Conveyance	6.20	2.10
(j)	Freight & Forwarding Charges	195.99	161.33
(k)	Loss on Sale of Property, Plant and Equipment	1.15	0.76
(l)	Commission on sales	6.10	5.25
(m)	CSR Expenses (Refer note 47)	22.66	14.97

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
(n)	Provision for Doubtful Debts (Gross)	-	15.53
	Less: Transfer from Provision for Doubtful Debts	-	11.11
	Provision for Doubtful Debts (Net)	-	4.42
(o)	Vehicle Expenses	7.28	7.24
(p)	Legal & Professional Expenses	27.17	16.47
(q)	General Expenses	55.78	34.32
(r)	Payment to Auditor	1.19	0.98
(s)	Director's Sitting Fees	0.52	0.35
(t)	Other Directors Commission	3.67	3.25
(u)	Provision for Inventory Obsolescence	1.72	-
	Total	**474.99**	**371.54**

37. RELATED PARTIES DISCLOSURES

A) Name of Related Party and nature of relationship

(i) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director Finance & Group CFO (from August 03, 2022): Director Finance & CFO (upto August 02, 2022)
Shri Somsekhar Nanda	Chief Financial Officer (from August 03, 2022); Deputy CFO (upto August 02, 2022)

(ii) Entities over which key managerial personnel or their relatives are able to exercise significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited * Deepak Gulf LLC, Sultanate of Oman* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credits & Capital Private Limited *Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited * Sara Consultants * Checkpoint Credit & Capital Private Limited

(iii) Relative of Key Management Personnel

Shri Chimanlal K. Mehta
Shri Meghav D. Mehta
Smt Ila D. Mehta

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	March 31, 2023 Key Management Personnel	March 31, 2023 Entities over which key managerial personnel or their relatives are able to exercise significant influence	March 31, 2023 Relative of Key Management Personnel	March 31, 2023 TOTAL	March 31, 2023 Key Management Personnel	March 31, 2023 Entities over which key managerial personnel or their relatives are able to exercise significant influence	March 31, 2023 Relative of Key Management Personnel	March 31, 2023 TOTAL
1	**Purchase of Goods**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	168.72	-	**168.72**	-	124.64	-	**124.64**
2	**Sale of Goods**								
	Deepak Novochem Technologies Limited	-	13.30	-	**13.30**	-	19.68	-	**19.68**
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	-	**-**	-	1.23	-	**1.23**
3	**Conversion Charges Received**								
	Deepak Novochem Technologies Limited	-	8.70	-	**8.70**	-	10.72	-	**10.72**
4	**Rendering of Services / Reimbursement of Expenses**								
	Deepak Novochem Technologies Limited	-	0.04	-	**0.04**	-	0.04	-	**0.04**
	Storewell Credits and Capital Private Limited	-	-	-	**-**	-	0.04	-	**0.04**
5	**Receiving of services / Reimbursement of Expenses**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	0.18	-	**0.18**	-	0.15	-	**0.15**
	Deepak Foundation	-	0.06	-	**0.06**	-	0.01	-	**0.01**
	Deepak Medical Foundation	-	0.23	-	**0.23**	-	0.83	-	**0.83**
	Deepak Cybit Private Limited	-	1.35	-	**1.35**	-	0.94	-	**0.94**
	Stepup Credits And Capital Private Limited	-	0.37		**0.37**		0.23		**0.23**
	Sara Consultants	-	0.48	-	**0.48**	-	0.33	-	**0.33**
	Checkpoint Credit & Capital Private Limited	-	0.23	-	**0.23**	-	0.14	-	**0.14**
6	**Security Deposit Given**								
	Stepup Credits And Capital Private Limited	-	-	-	**-**	-	0.18	-	**0.18**
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	0.03	-	**0.03**	-	0.04	-	**0.04**
	Checkpoint Credit & Capital Private Limited	-	-	-	**-**	-	0.11	-	**0.11**
7	**Managerial Remuneration**								
	Shri Deepak C. Mehta	24.99	-	-	**24.99**	24.99	-	-	**24.99**
	Shri Maulik D. Mehta	3.79	-	-	**3.79**	3.29	-	-	**3.29**
	Shri Sanjay Upadhyay	4.93	-	-	**4.93**	4.32	-	-	**4.32**
	Shri Meghav D. Mehta	-	-	2.35	**2.35**	-	-	1.95	**1.95**
	Shri Somsekhar Nanda	1.11	-	-	**1.11**	-	-	-	**-**
8	**Dividend Paid**								
	Checkpoint Credits & Capitals Private Limited	-	5.04	-	**5.04**	-	3.96	-	**3.96**
	Stigma Credits & Capital Private Limited	-	4.33	-	**4.33**	-	3.40	-	**3.40**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

₹ in Crores

Sr. No.	Nature of Transaction	March 31, 2023				March 31, 2023			
		Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL	Key Management Personnel	Entities over which key managerial personnel or their relatives are able to exercise significant influence	Relative of Key Management Personnel	TOTAL
	Stiffen Credits & Capital Private Limited	-	5.91	-	**5.91**	-	4.63	-	**4.63**
	Stepup Credits & Capital Private Limited	-	4.84	-	**4.84**	-	3.80	-	**3.80**
	Skyrose Finvest Private Limited	-	2.68	-	**2.68**	-	2.11	-	**2.11**
	Pranawa Leafin Private Limited	-	1.61	-	**1.61**	-	1.27	-	**1.27**
	Forex Leafin Private Limited	-	1.52	-	**1.52**	-	1.19	-	**1.19**
	Sundown Finvest Private Limited	-	0.58	-	**0.58**	-	0.46	-	**0.46**
	Storewell Credits and Capital Private Limited	-	0.62	-	**0.62**	-	0.49	-	**0.49**
	Hardik Leafin Private Limited	-	0.24	-	**0.24**	-	0.19	-	**0.19**
	Shri Deepak C. Mehta	15.29	-	-	**15.29**	12.03	-	-	**12.03**
	Shri C.K. Mehta	-	-	0.49	**0.49**	-	-	0.39	**0.39**
	Shri Maulik.D. Mehta	0.09	-	-	**0.09**	0.07	-	-	**0.07**
	Shri Meghav.D. Mehta	-	-	0.03	**0.03**	-	-	0.03	**0.03**
	Smt Ila D. Mehta	-	-	0.28	**0.28**	-	-	0.22	**0.22**
	Others	-	-	0.08	**0.08**	-	-	0.04	**0.04**
9	**Donation / CSR Activity**								
	Deepak Foundation	-	16.51	-	**16.51**	-	11.63	-	**11.63**
	Deepak Medical Foundation	-	0.74	-	**0.74**	-	2.88	-	**2.88**
10	**Net Accounts Receivable incl advance / (Payable)**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(27.26)	-	**(27.26)**	-	(2.59)	-	**(2.59)**
	Deepak Novochem Technologies Limited	-	6.87	-	**6.87**	-	8.40	-	**8.40**
	Shri Deepak C. Mehta	(18.00)	-	-	**(18.00)**	(18.00)	-	-	**(18.00)**
	Shri Maulik D. Mehta	(0.72)	-	-	**(0.72)**	(0.63)	-	-	**(0.63)**
	Shri Sanjay Upadhyay	(0.95)	-	-	**(0.95)**	(0.79)	-	-	**(0.79)**
	Shri Somsekhar Nanda	(0.14)	-	-	**(0.14)**	-	-	-	**-**
	Shri Meghav Mehta	-	-	(0.41)	**(0.41)**	-	-	(0.33)	**(0.33)**
	Deepak Medical Foundation	-	(0.01)	-	**(0.01)**	-	(0.22)	-	**(0.22)**
	Deepak Cybit Private Limited	-	(0.04)	-	**(0.04)**	-	(0.03)	-	**(0.03)**
	Sara Consultants	-	(0.10)	-	**(0.10)**	-	-	-	**-**
	Deepak Foundation	-	0.03	-	**0.03**	-	0.31	-	**0.31**

The amounts outstanding are current, unsecured and will be settled in cash or cash equivalents, for which no guarantees have been given or received. No expense has been recognised in current or previous year for bad or doubtful debts in respect of the amounts owed by related parties.

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38. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
I.	**Claims against the Company not acknowledged as debts in respect of**		
(a)	Matters relating to Sales Tax/VAT from FY 2010-11 to FY 2014-15 is being contested at various level of Indirect Tax authorities	0.53	0.92
(b)	Bank Guarantees:		
	Financial	62.30	14.71
	Performance	14.34	11.17
(c)	Disputed Labour Matters	Amount not ascertainable	
	Management is not expecting any future cash outflow in respect of (a) & (c).		
	Total (I)	**77.17**	**26.80**
II.	**Commitments**		
	Capital Commitments (Net of Advances: Refer Note 9 (a))	416.84	138.71
	Total (II)	**416.84**	**138.71**

39. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Crores

		For the Year March 31, 2023	For the Year March 31, 2022
I.	**Expense / (Benefit) recognised in the consolidated statement of profit and loss**		
	Current tax on profit for the year	258.63	352.79
	Increase/ (Decrease) in deferred tax liabilities	35.25	15.02
	Total	**293.88**	**367.81**
II.	**Expense / (Benefit) recognised in consolidated statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(1.73)	0.11
	Equity instruments through other comprehensive income	0.06	(0.07)
	Total	**(1.67)**	**0.04**

B. The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Profit before taxes	**1,145.88**	**1,434.45**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**288.40**	**361.02**
Effect of:		
Donations and CSR Expenses	5.73	3.95
Others (Net)	(0.25)	2.84
Total income tax expense	**293.88**	**367.81**

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C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Crores

	As at March 31, 2023	Recognised in consolidated statement of profit and loss / OCI	As at March 31, 2022	Recognised in consolidated statement of profit and loss /OCI	As at April 01, 2021
Property, plant and equipment	170.32	35.54	134.78	6.67	128.11
Insurance claim receivable on account of loss of inventory	8.10	8.10	-	-	-
Unrealised Gain on Investments	2.28	1.35	0.93	0.93	-
Total deferred tax liabilities (a)	**180.70**	**44.99**	**135.71**	**7.60**	**128.11**
Disallowances u/s 43B, Provision and Others	24.23	11.39	12.84	(7.46)	22.61
Transferred from Income Tax Provision	-	-	-	-	(2.31)
Total deferred tax assets (b)	**24.23**	**11.39**	**12.84**	**(7.46)**	**20.30**
Net deferred tax (asset)/liabilities (a-b)	**156.47**	**33.60**	**122.87**	**15.06**	**107.81**

40. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Group has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Deepak Chem Tech Limited, a wholly owned Subsidiary, has a defined gratuity plan which is unfunded. Under these plans, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	37.67	33.87
Current Service Cost	3.29	3.06
Interest Cost	2.73	2.31
Actuarial (gain)/losses	6.83	0.03
Benefits Paid	(1.56)	(1.60)
Liability Transferred in	0.40	-
Liability Transferred out	(0.39)	-
Balance at the end of the year	**48.97**	**37.67**

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	35.22	27.94
Interest Income	2.55	1.91
Return on Plan Assets	(0.07)	0.50
Contribution by the Group	4.68	6.47
Benefits Paid	(1.56)	(1.60)
Balance at the end of the year	**40.82**	**35.22**
Actual Return on Plan Assets	**7.47% to 7.52%**	**6.96% to 7.37%**

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(iii) Assets and Liabilities Recognised in the Consolidated Balance Sheet

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligation	48.97	37.67
Less: Fair Value of Plan Assets	40.82	35.22
Amounts recognised as liability	**8.15**	**2.45**
Recognised under:		
Current Provision (Refer Note 21)	7.62	2.45
Non-Current Provision (Refer Note 21)	0.53	-
Total	**8.15**	**2.45**

(iv) Expenses recognised in the Consolidated Statement of Profit and Loss

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	3.29	3.06
Net Interest Cost	0.17	0.40
Provision	-	0.05
Total Expenses (Refer Note 32)	**3.46**	**3.51**

(v) Expenses recognised in the Other Comprehensive Income

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(losses) on Obligation for the year	(6.83)	(0.03)
Return on Plan assets excluding Interest Income	(0.07)	0.50
Total Expenses recognised in OCI	**(6.90)**	**0.47**

(vi) Major Category of Plan Assets

	As at March 31, 2023		As at March 31, 2022	
	₹ in Crores	%	₹ in Crores	%
Insurance Policies	40.82	100.00	35.21	100.00

Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.52%	7.33%
Expected Return on Plan Assets	7.52%	7.33%
Salary Growth Rate	8.00%	8.00%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in assumptions		Impact on defined benefit obligation			
			Increase		Decrease	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	%	%	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Discount Rate	1.00%	1.00%	(3.24)	(2.44)	3.78	2.85
Salary Growth Rate	1.00%	1.00%	3.70	2.81	(3.24)	(2.45)
Attrition Rate	1.00%	1.00%	(0.20)	(0.21)	0.22	0.23

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit liability as recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

(ix) Maturity profile of Defined Benefit Obligation

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	10.45	9.78
From 2 to 5 years	14.04	9.07
From 6 to 10 years	19.79	14.52
Beyond 10 years	59.33	44.31

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B. Leave Benefit

(a) The Leave Benefit is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Benefit (unfunded) provided in the books as at March 31, 2023 is ₹ 36.19 Crores (₹ 27.11 Crores), which is determined on actuarial basis using Projected Unit Credit Method.

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Consolidated Statement of Profit and Loss, for the year is as under

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund and other funds except superannuation	13.00	10.19
Employer's Contribution to Superannuation Fund	2.52	2.17
Total (refer note 32)	**15.52**	**12.36**

41. CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

For the purpose of Capital Management, the Group considers the following components of its Balance Sheet to manage capital.

The capital structure of the Company was as follows

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Total Equity (A)	4,089.96	3,338.44
Non-Current Borrowings	43.02	187.49
Current Borrowings	11.46	113.19
Total Borrowings (B)	54.48	300.68
Total Capital (A+B)	**4,144.44**	**3,639.12**
Total Borrowings as % of Total Capital	1.31%	8.26%
Total Borrowings as % of Total Equity	1.33%	9.01%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
EBITDA (excluding other income)	1,287.56	1,601.85
Finance Cost (excluding interest on lease)	22.96	32.31
Interest Coverage Ratio	**56.08**	**49.58**

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The Debt Service Coverage Ratio for the reporting period was as follows

₹ in Crores

	For the year ended March 31, 2023	For the year ended March 31, 2022
EBITDA (excluding other income)	1,287.56	1,601.85
Finance Cost (excluding interest on lease)	22.96	32.31
Repayment of Non-Current Borrowings	54.95	49.95
Debt Service Coverage Ratio	**16.53**	**19.47**

42. FINANCIAL INSTRUMENTS

42.1. Categories of financial instruments

The carrying value of financial instruments by categories as at March 31, 2023 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	37.64	37.64
Other Balances with Banks	-	-	2.31	2.31
Investments	2.39	376.96	-	379.35
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,309.52	1,309.52
Loans	-	-	1.13	1.13
Other financial assets	-	0.62	49.76	50.38
Total	**2.39**	**377.58**	**1,400.36**	**1,780.33**
Financial Liabilities				
Current Borrowings	-	-	11.46	11.46
Non-Current Borrowings	-	-	43.02	43.02
Trade Payables	-	-	661.76	661.76
Other financial liabilities	-	0.35	73.68	74.03
Total	**-**	**0.35**	**789.92**	**790.27**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows

₹ in Crores

	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	22.85	22.85
Other Balances with Banks	-	-	18.94	18.94
Investments	2.17	436.85	-	439.02
Government Securities (Refer Note 4(b))	-	-	0.00	0.00
Trade receivables	-	-	1,129.06	1,129.06
Loans	-	-	1.17	1.17
Other financial assets	-	1.63	10.24	11.87
Total	**2.17**	**438.48**	**1,182.26**	**1,622.91**
Financial Liabilities				
Current Borrowings	-	-	113.19	113.19
Non-Current Borrowings	-	-	187.49	187.49
Trade Payables	-	-	511.71	511.71
Other financial liabilities	-	1.02	55.44	56.46
Total	**-**	**1.02**	**867.83**	**868.85**

The assets and liabilities which are valued at amortised cost represents Fair Value at period end.

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42.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2023

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	376.96	-	2.40	**379.35**
Other Financial Assets	-	0.62	-	**0.62**

Fair Value Hierarchy as at March 31, 2022

₹ in Crores

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	436.84	-	2.18	**439.02**
Other Financial Assets	-	1.63	-	**1.63**

Reconciliation of Level 3 fair value measurements

₹ in Crores

	Investment in unquoted shares irrevocably designated as FVTOCI
Balance as at April 01, 2021	2.44
Total gains in other comprehensive income	(0.27)
Balance as at March 31, 2022	**2.17**
Total gains in other comprehensive income	0.22
Balance as at March 31, 2023	**2.39**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

42.3. Financial Risk Management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts and option contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily effected by	Risk management policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, exports, short-term and long-term borrowings	The Group hedges its foreign currency risk using foreign exchange forward contracts and option contracts after considering the natural hedge.	Note 42.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; cash management policies	Note 42.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 42.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 42.6

42.4 Market Risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

42.4.1 Foreign Currency Risk management

The Group is exposed to foreign exchange risk on account of following:

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency Non Resident borrowings, availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts and option contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Group follows netting principle for managing the foreign exchange exposure.

(a) The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores)	2.45	1.80	2.30	2.73
INR (Crores)	201.65	136.54	189.23	206.70
EURO (Crores)	0.00	0.06	0.43	0.13
	(Represents € 7,443)			
INR (Crores)	0.07	4.98	38.18	11.10
GBP (Crores)	-	-	-	0.00
				(Represents £ 20,685)
INR (Crores)	-	-	-	0.21
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 1213)	(Represents CHF 150)		
INR (Crores)	0.01	0.00	-	-

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The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

(b) Foreign currency forward contracts and option contracts outstanding as at the Balance Sheet date:

	As at March 31, 2023		As at March 31, 2022	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Crores)	0.88	-	1.27	1.60
Range Forward (USD Crores)	-	1.48	-	1.02

The forward contracts and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables.

(c) Net open exposures outstanding as at the Balance Sheet date:

	Liabilities		Assets	
Currency	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD (Crores)	0.75	-	-	0.60
GBP (Crores)	-	-	-	0.00
CHF (Crores)	0.00	0.00	-	-
	(Represents CHF 1213)	(Represents CHF 150)		
EURO (Crores)	-	-	0.43	0.07

(d) Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Impact of INR 1 strengthening against US Dollar	0.25	1.57
Impact of INR 1 weakening against US Dollar	1.28	2.02

42.4.2 Interest Rate Risk Management

The Group draws working capital demand loans, avails cash credit, foreign currency borrowings for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

Interest rate sensitivity analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended March 31, 2023 would decrease/ increase by ₹ 0.12 Crores (March 31, 2022: ₹ 0.73 Crores).

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42.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through third party experts. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis.

The Group measured the loss allowance for receivables based on the management estimate and judgment, credit risk and consequential default considering emerging situations due to COVID-19.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The table below provides ageing of trade receivables as at March 31, 2023

₹ in Crores

	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,196.01	-	-	1,196.01
Less than 6 months	144.04	-	-	144.04
6 months - 1 year	0.94	-	-	0.94
1 - 2 years	0.84	-	-	0.84
2-3 years	0.08	-	-	0.08
More than 3 years	3.00	-	-	3.00
Sub-Total	**1,344.91**	**-**	**-**	**1,344.91**
Less: Allowance for Credit Loss	35.39	-	-	35.39
Total (Refer Note 12)	**1,309.52**	**-**	**-**	**1,309.52**

The table below provides ageing of trade receivables as at March 31, 2022

₹ in Crores

	Undisputed Trade Receivables – considered good	Undisputed Trade Receivables – which have significant increase in credit risk	Undisputed Trade Receivables – credit impaired	Total
Not Due	1,040.01	-	-	1,040.01
Less than 6 months	120.67	-	-	120.67
6 months - 1 year	0.37	-	-	0.37
1 - 2 years	0.87	-	-	0.87
2-3 years	2.79	-	-	2.79
More than 3 years	0.23	-	-	0.23
Sub-Total	**1,164.94**	**-**	**-**	**1,164.94**
Less: Allowance for Credit Loss	35.88	-	-	35.88
Total (Refer Note 12)	**1,129.06**	**-**	**-**	**1,129.06**

Reconciliation of loss allowance provision - Trade receivables

	₹ in Crores
Loss allowance as at April 01, 2021	**31.46**
Changes in loss allowance	4.42
Loss allowance as at March 31, 2022	**35.88**
Changes in loss allowance	(0.49)
Loss allowance as at March 31, 2023	**35.39**

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The table below provides ageing of trade payables as at March 31, 2023

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	125.92	-	-	125.92
Not Due	25.35	429.82	-	-	455.18
Less than 1 year	1.13	77.48	-	-	78.61
1 to 2 years	0.05	1.71	-	-	1.75
2 to 3 years	0.00	0.02	-	-	0.02
More than 3 years	0.08	0.20	-	-	0.28
Total (Refer Note 24)	**26.61**	**635.15**	**-**	**-**	**661.76**

The table below provides ageing of trade payables as at March 31, 2022

₹ in Crores

Outstanding for following periods from due date of payment	MSME	Others	Disputed MSME	Disputed Others	Total
Unbilled	-	105.70	-	-	105.70
Not Due	30.43	325.42	-	-	355.85
Less than 1 year	1.94	45.40	-	-	47.34
1 to 2 years	-	0.17	-	-	0.17
2 to 3 years	0.00 (represents ₹ 26,822)	1.01	-	-	1.02
More than 3 years	-	1.64	-	-	1.64
Total (Refer Note 24)	**32.37**	**479.34**	**-**	**-**	**511.71**

42.6 Liquidity Risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	661.76	661.76	-	-	**661.76**
Borrowings*	54.48	15.38	23.02	28.06	**66.46**
Other Financial Liabilities	55.65	55.65	-	-	**55.65**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022

₹ in Crores

	Amount	upto 1 year	1-3 year	More than 3 year	Total cash flows
Trade Payables	511.71	511.71	-	-	**511.71**
Borrowings*	300.68	126.91	168.23	34.45	**329.59**
Other Financial Liabilities	42.11	42.11	-	-	**42.11**

* Includes Contractual interest payment based on interest rates prevailing at the end of the reporting period over the tenor of the borrowing.

Refer note 44B for contractual maturity of Lease Liabilities.

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42.7 Changes in Liabilities arising from Financing Activities

₹ in Crores

	Non-Current Borrowings (including Current Maturities of Non-Current Borrowings)	Current Borrowings	Interest Accrued But Not Due	Lease Liabilities	Unpaid dividend on equity Shares (Incl DDT)
As at April 01, 2021	**574.44**	**3.09**	**0.62**	**12.20**	**1.20**
Cash Flows	(320.06)	38.90	(32.03)	(3.42)	(74.80)
Foreign Exchange movement	-	-	(0.56)	-	-
Charged to P&L during the period	4.30	-	32.31	1.73	-
Addition (net of disposals)	-	-	-	4.85	-
Dividend recognised during the year	-	-	-	-	75.02
Others	-	-	-	(1.00)	-
As at March 31, 2022	**258.69**	**41.99**	**0.35**	**14.35**	**1.42**
Cash Flows	(215.75)	(36.53)	(23.31)	(5.34)	(95.30)
Charged to P&L during the period	6.08	-	22.96	1.82	-
Addition (net of disposals)	-	-	-	7.39	-
Dividend recognised during the year	-	-	-	-	95.48
Others		-	-	0.16	-
As at March 31, 2023	**49.02**	**5.46**	**(0.00)**	**18.38**	**1.60**

43. SEGMENT INFORMATION

(a) Primary Segment Information

Owing to increasing number of facilities catering multi products, integrated production processes, similar economic characteristics of products and business scenario, the Chief Operating Decision Maker (CODM) evaluates the performance of the Group as two business segments and allocates resources based on value generated from these segments, as compared to four business segments reported earlier in Consolidated financial statements (Basic Intermediates, Fine & Speciality chemicals, Performance Products and Phenolics).

Accordingly, the operations of the Group are reported under two Business Segments as per Ind AS 108- Operating Segment:

a) Advanced Intermediates

b) Phenolics

The prior years' segment has been re-casted to confirm to the way the Group internally manages and monitors segment performance.

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

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₹ in Crores

		For the year ended March 31, 2023	For the year ended March 31, 2022
I)	**Segment Revenue**		
	(a) Advanced Intermediates	3,033.55	2,511.05
	(b) Phenolics	4,970.49	4,303.42
	TOTAL	**8,004.04**	**6,814.47**
	Less: Inter Segment Revenue	31.98	12.28
	Revenue from operations	**7,972.06**	**6,802.19**
II)	**Segment Results**		
	Profit + Loss (-) Before Tax & Interest		
	(a) Advanced Intermediates	555.06	595.73
	(b) Phenolics	594.46	867.11
	TOTAL	**1,149.52**	**1,462.84**
	Less : (i) Interest Expenses	24.77	34.05
	(ii) Other un-allocable expenditure net of un-allocable Income	(21.13)	(5.66)
III)	**Profit Before Tax**	**1,145.88**	**1,434.45**
IV)	**Assets**		
	(a) Advanced Intermediates	1,995.25	1,732.59
	(b) Phenolics	2,341.19	2,067.60
	(c) Un- allocable	792.30	630.27
	TOTAL	**5,128.74**	**4,430.46**
V)	**Segment Liabilities**		
	(a) Advanced Intermediates	416.85	384.31
	(b) Phenolics	597.53	702.01
	(c) Un- allocable	24.40	5.70
	TOTAL	**1,038.78**	**1,092.02**
VI)	**Capital Expenditure (Excluding RTU assets)**		
	(a) Advanced Intermediates	133.79	82.69
	(b) Phenolics	7.73	181.33
	(c) Un- allocable	3.47	11.22
	TOTAL	**144.99**	**275.24**
VII)	**Depreciation**		
	(a) Advanced Intermediates	76.15	72.31
	(b) Phenolics	89.99	105.39
	(c) Un- allocable	0.16	-
	TOTAL	**166.30**	**177.70**

(b) Secondary Segment Information

The following table shows the distribution of the Group's Revenue and Assets by geographical market:

₹ in Crores

Revenue	For the year March 31, 2023	For the year March 31, 2022
In India	6,410.31	5,272.15
Outside India	1,561.75	1,530.04
Total	**7,972.06**	**6,802.19**

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₹ in Crores

Carrying Amount of Segment Assets	As at March 31, 2023	As at March 31, 2022
In India	4,899.14	4,210.35
Outside India	229.60	220.11
Total	**5,128.74**	**4,430.46**

₹ in Crores

Addition to Fixed Assets	As at March 31, 2023	As at March 31, 2022
In India		
- Tangible	142.27	267.93
- Intangible	2.72	7.30
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**144.99**	**275.23**

44. LEASES

A. The following is the movement in lease liabilities:

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**14.35**	**12.20**
Additions during the year	7.39	5.01
Deductions during the year	-	(0.16)
Finance cost accrued during the year	1.98	1.73
Payment/Provision of Lease Liabilities	(5.34)	(4.43)
Balance at the end of the year	**18.38**	**14.35**
Recognised under		
Non -Current Financial Liabilities	15.41	12.88
Current Financial Liabilities	2.97	1.47
Total	**18.38**	**14.35**

B. The following are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

	As at March 31, 2023	As at March 31, 2022
Less than one year	5.78	4.35
One to five years	14.19	14.14
More than five years	-	0.53
Total	**19.97**	**19.02**

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45. EARNINGS PER SHARE

	As at March 31, 2023	As at March 31, 2022
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Crores)	13.64	13.64
Number of Shares at the end (Nos. in Crores)	13.64	13.64
Weighted Average Number of Shares considered for Basic and Diluted Earnings Per Share (Nos. in Crores)	13.64	13.64
Net Profit after Tax available for Equity Shareholders (₹ in Crores)	852.00	1,066.64
Basic and Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	62.47	78.20

46. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crores

		As at March 31, 2023	As at March 31, 2022
(i)	**Capital Expenditure (Refer Note 2.3)**	**4.07**	**7.43**
(ii)	**Revenue Expenditure**		
	Materials	0.72	0.60
	Utilities	0.49	0.32
	Maintenance	0.46	0.26
	Personnel	12.50	10.70
	Others	4.19	2.68
		18.36	**14.56**
	Loss on discarding of assets	0.00	0.01
	Depreciation	2.61	2.21
		2.61	**2.22**
	Total Revenue Expenditure	**20.97**	**16.78**
(iii)	**Total Capital & Revenue Expenditure ((i)+(ii))**	**25.04**	**24.21**

47. During FY 2022-23, the Group has spent ₹ 22.66 Crores (Previous year ₹ 14.97 Crores) on Corporate Social Responsibility activities.

48. OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with struck off companies.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

49. On June 02, 2022, an incidence of fire occurred around the warehouse section of Group's one of the manufacturing sites located at Nandesari, Gujarat. This incident led to damage of certain property, plant and equipment, inventory and interrupted business.

The Group is adequately insured for reinstatement value of damaged assets and loss of profits due to business interruption. The Group has lodged claim of this incident for both replacement value of the damaged facilities and loss of profits due to business interruption with the insurance company which is under process. The Group has estimated and recognised an initial loss of ₹ 47.20 Crores on account of damage to certain property, plant and equipment & inventory and has recognised insurance claim receivable to the extent of aforesaid losses.

The Group has received an interim relief from the insurance companies towards assets and inventories aggregating of ₹ 25.00 crores, out of which ₹ 11.23 crores has been received in the month of March 2023 which has been adjusted against the claims receivable and balance ₹ 13.77 crores received in the month of April 2023.

50. Events occurring after the balance sheet date: The Board of Directors of Parent Company have recommended, subject to the approval of shareholders, dividend of ₹ 7.50/- (Rupees Seven & Fifty Paise only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2023 on 13,63,93,041 equity shares amounting to ₹ 102.29 Crores.

51. The Consolidated Financial Statements were authorised for issue by the Board of Directors on May 11, 2023.

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

52. ADDITIONAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE III OF COMPANIES ACT, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Crores	As % of consolidated profit or loss	Amount ₹ in Crores	As % of consolidated other comprehensive income	Amount ₹ in Crores	As % of consolidated 1total comprehensive income	Amount ₹ in Crores
Parent								
Deepak Nitrite Limited	54.89%	2,625.06	51.35%	469.39	96.91%	(4.85)	51.10%	464.54
Subsidiaries								
1. Deepak Phenolics Limited	36.70%	1,755.21	48.72%	445.33	0.30%	(0.01)	48.99%	445.31
2. Deepak Chem Tech Limited	8.40%	401.55	-0.08%	(0.70)	2.79%	(0.14)	-0.09%	(0.84)
3. Deepak Nitrite Corporation Inc.	0.02%	0.82	0.00%	0.00	0.00%	-	0.00%	0.00
				(represents ₹ 22,039)				(represents ₹ 22,039)
Non controlling interests in all subsidiaries	-	-	-	-	-	-	-	-
Sub total	**100.00%**	**4,782.64**	**100.00%**	**914.02**	**100.00%**	**(5.00)**	**100.00%**	**909.01**
CFS Adjustments and Eliminations	-	(692.68)	-	(62.02)	-	0.00	-	(62.01)
Total	**-**	**4,089.96**	**-**	**852.00**	**-**	**(5.00)**	**-**	**847.00**

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
DIN: 00028377

Maulik Mehta
Executive Director & CEO
DIN: 05227290

Dileep Choksi
Director
DIN: 00016322

Sanjay Upadhyay
Director-Finance & Group CFO
DIN: 01776546

Somsekhar Nanda
CFO

Arvind Bajpai
Company Secretary
Membership No.: F6713

Vadodara: May 11, 2023

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