

Message from Executive Director - Deepak Phenolics Limited



66

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