RESPONSIBLE CARE®

DEEPAK NITRITE

DNL/140/NSE/538/2019
June 3,2019

To,
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block-G,
Bandra Kurla Complex, Bandra - East,
Mumbai - 400 051

Dear Sir,

Stock Code: DEEPAKNTR

Sub: Notice of the 48th Annual General Meeting ("AGM") and Annual Report for the Financial Year (FY) 2018-19

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a Notice of the 48th AGM and Annual Report for the FY 2018-19.

The Annual Report of the Company for the FY 2018-19 along with Notice convening 48th AGM and other relevant documents are also available on the website of the Company at https://www.godeepak.com/financial-result/.

Kindly take the same on your records.

Thanking you,

For **DEEPAK NITRITE LIMITED**

ARVIND BAJPAI
Company Secretary

DEEPAK NITRITE LIMITED * VADODARA *

Encl.: as above

DEEPAK NITRITE LIMITED
CIN: L24110GJ1970PLC001735
Registered & Corporate Office:
Aaditya-I, Chhani Road, Vadodara-390 024. Gujarat, India
Tel: +91 265 276 5200/396 0200 | Fax: +91 265 276 5344
Investor Relations Contact: investor@deepaknitrite.com
www.godeepak.com

Deepak Nitrite Limited

48th Annual Report **2018-19**

RESPONSIBLE CHEMISTRY

Promises Delivered



Contents

Corporate Overview 01-44

Deepak Nitrite Limited - At a Glance 04
Our Substantive Value Proposition 06
Our Manufacturing Prowess 08
Research & Development - Our Strength and Differentiator 10
Our Global Footprint 12
Message from the Chairman & Managing Director 14
CEO's Communique 18
CFO's Communique 20
Our Board and Leadership Team 22
Our Strategic Business Units 26

Delivering our Promise of...

- Reducing Import Dependence 28
- Leveraging our Strategy for Stable Growth 30
- Strengthening our Segmental Performance 32
- Generating New Platforms for Sustainable Growth 34

Our Performance Scorecard - Standalone 36
Financial Highlights for the last Ten Years 37
Being Recognised Across the World 38
Committed to Safety Quotient 40
Committed to Make a Difference 42

Statutory Reports 45-128

Notice 45
Management Discussion & Analysis 64
Directors' Report 73
Corporate Governance Report 114

Financial Statements 129-238

Standalone

Independent Auditor's Report 129
Balance Sheet 136
Statement of Profit and Loss 137
Cash Flow Statement 138
Statement of Changes in Equity 140
Notes to the Financial Statements 141

Consolidated

Independent Auditor's Report 185
Balance Sheet 190
Statement of Profit and Loss 191
Cash Flow Statement 192
Statement of Changes in Equity 194
Notes to the Financial Statements 195

Forty-Eighth Annual General Meeting

Day & Date : Friday, June 28, 2019
Time : 10:30 a.m.
Venue : Grand Mercure Vadodara Surya Palace, Opposite Parsi Agiyari, Sayajigunj, Vadodara - 390 020

Cautionary Statement Regarding Forward-Looking Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro-economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this Report. Deepak Nitrite Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



www.godeepak.com

Visit Company's official website to download the Annual Report.

Corporate Information

CHAIRMAN EMERITUS

Shri C. K. Mehta

BOARD OF DIRECTORS

Shri Deepak C. Mehta
Chairman & Managing Director

Shri Umesh Asaikar
Executive Director & Chief Executive Officer

Shri Sanjay Upadhyay
Director-Finance & Chief Financial Officer

Shri Maulik D. Mehta
Whole-Time Director

Shri Ajay C. Mehta
Non-Executive Director

Shri Nimesh Kampani
Independent Director

Shri Sudhin Choksey
Independent Director

Shri Sudhir Mankad
Independent Director

Shri S. K. Anand
Independent Director

Dr. Richard H. Rupp
Independent Director

Dr. Swaminathan Sivaram
Independent Director

Prof. Indira Parikh
Independent Director

Shri Sanjay Asher
Additional Director

Smt. Purvi Sheth
Additional Director

AUDIT COMMITTEE

Shri Sudhin Choksey
Chairman

Shri Sudhir Mankad
Member

Shri S. K. Anand
Member

STAKEHOLDERS' RELATIONSHIP & INVESTORS' GRIEVANCE COMMITTEE

Shri S. K. Anand
Chairman

Shri Ajay C. Mehta
Member

Shri Umesh Asaikar
Member

Prof. Indira Parikh
Member

NOMINATION & REMUNERATION COMMITTEE

Shri Sudhir Mankad
Chairman

Shri Sudhin Choksey
Member

Shri S. K. Anand
Member

Prof. Indira Parikh
Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Arvind Bajpai

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 Ltd.
Standard Chartered Bank
ICICI Bank Ltd.
DBS Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.

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
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com

PLANTS

Nitrite & Nitroaromatics Division
4-12, GIDC Chemical Complex,
Nandesari – Dist., Vadodara – 391 340
Gujarat

Taloja Chemical 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 Specialties 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, Gujarat – 392 130

Deepak Phenolics Limited
Phenol & Acetone
Plot No. 12/B/1, GIDC, Dahej,
Dist. Bharuch, Gujarat – 392 130

Promises Made
Promises Delivered

As India embarked on its journey of becoming self-reliant in chemicals, Deepak Nitrite was established with a larger vision of securing this ambition of the country. We realised that manufacturing chemicals indigenously was inevitable - a need that was thus far met by imports - and converted it into a significant business opportunity

Today, we take pride in having delivered on our commitments with enormous determination and perseverance. We have translated our strategy into action by setting up a massive global-scale greenfield manufacturing plant at Dahej for production of Phenol and Acetone, through our wholly-owned subsidiary, Deepak Phenolics Limited. We also exhibited measurable deliverables by commissioning the plant within envisaged cost and time, making India less dependent on imports. We remain committed to Responsible Chemistry, we have also made significant achievements in People, Planet and Profits.



Today, we are on an accelerated growth path, with sustainable competitive advantages and best positioned to leverage the changing market dynamics.

Our past performance has emboldened us to move ahead with determination, as a robust and diversified Company.

Deepak Nitrite Limited - At a Glance

WE ARE ELEVATING OURSELVES TO A HIGHER POSITION OF STRENGTH BY UPSCALING OUR CAPABILITIES AND MANUFACTURING CAPACITIES. WE ARE ALSO FORWARD AND BACKWARD INTEGRATED TO GAIN GREATER SECURITY ON SUPPLIES AND MARGINS. WITH THIS, WE ARE EARNING THE DUAL ADVANTAGES OF BETTER ECONOMIES OF SCALE, IMPROVED COST COMPETITIVENESS AND HENCE, A LEADERSHIP POSITION IN THE MARKET PLACE



Our Vision

To become the fastest growing chemical company with a diversified portfolio of intermediates.

We are...

- A preferred supplier to some of the biggest leading chemical companies globally
- The Leading manufacturer of Organic and Inorganic chemicals, Fine and Speciality chemicals
- One of the fastest-growing companies in India that adheres to Responsible Care
- A market leader in Nitrites, Toluene, Xylidines, Brightening Agents (OBA) and Phenol-Acetone

Some of the Industries We Cater to


Dyes and Pigments


Agrochemicals


Pharmaceuticals

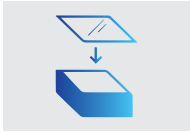

Colourants


Fuel Additives


Detergents


Textiles


Paper


Laminates


Automobiles


Paint


Adhesives

Our Responsible and Sustainable Growth Engine

- A diversified portfolio of value-added intermediates reduces dependency on any single product
- Driven by product and application diversity and strengthened by strategically located manufacturing facilities
- Exports to over 30 countries across 6 continents
- New products – Phenol and Acetone to cater to almost 20 end-user

Some of Our Key Customers

BAYER · Unilever · RALLIS INDIA LIMITED A TATA Enterprise · BASF The Chemical Company

Lubrizol · Reliance Industries Limited · HUNTSMAN Enriching lives through innovation · Lonza

6
Manufacturing Facilities

30
Countries and 6 Continents
Our Worldwide Presence

₹ 2,700+ Crores
Consolidated Revenue

₹ 268 Crores
Consolidated Profit Before Tax

142%
Growth in Consolidated PBT

Deepak Phenolics Ltd.

100%
Achieved upto 100% Capacity Utilisation in Phenol-Acetone and Cumene Plants

₹ 914 Crores
Revenue

₹ 56 Crores
PBT

Our Substantive Value Proposition

WE ARE DELIVERING SUSTAINED GROWTH TO BECOME A CONSISTENT AND PREDICTABLE VALUE GENERATOR. WE ARE EMBARKING ON A JOURNEY OF BUSINESS TRANSFORMATION AND RESTING ON OUR SOUND FINANCIAL STRATEGY TO ANCHOR HEALTHY GROWTH



Our Value Proposition

- Giving the highest importance to safety, environment and health
- Continuing our legacy of ethical business practices
- Ensuring pride in our own performance by being agile, innovative and responsive

Our Core Values



Innovativeness
Driving not just product ideas, but also innovation in terms of processes, thus maximising growth.



Ownership
Where the vision becomes not just the company, but the individual goal as well.



Responsiveness
Towards customers and all other stakeholders, and employees.



Agility
Change is constant. Agility equips the organisation to respond rapidly to a dynamic world.



Performance Driven
Rewarding performance across verticals, thereby setting examples of leadership.

We continue to drive our strategies through a key focus on introducing new products, expanding our footprint in high-value intermediates, dynamically improving production capacity and ensuring value-based pricing. We continue our investments in strengthening our infrastructure, systems and processes and fortifying our product portfolio to drive greater efficiencies.

Our Manufacturing Prowess

OUR STATE-OF-THE-ART MANUFACTURING FACILITIES, WE ARE BUILDING BEST-IN-CLASS INFRASTRUCTURE AND FOSTERING INNOVATION AND IN TURN, POWERING THE INDIAN ECONOMY. OUR PRIMARY GOAL IS TO ALIGN OURSELVES WITH INDIA'S FUNDAMENTAL GROWTH DRIVERS AND THE "MAKE IN INDIA" INITIATIVE AND HELP INDIA TO BECOME A GLOBAL MANUFACTURING HUB

Our 6 State-of-the-Art Manufacturing Facilities



Nandesari, Gujarat





Dahej, Gujarat



Taloja, Maharashtra



Roha, Maharashtra



Hyderabad, Telangana



Deepak Phenolics Limited, Dahej, Gujarat

Research & Development - Our Strength and Differentiator

OUR STATE-OF-THE-ART RESEARCH & DEVELOPMENT (R&D) FACILITY ACTS AS A CATALYST BETWEEN THE R&D TRIALS AND COMMERCIAL PRODUCTION OF INTERMEDIATES AND ENABLES US TO SEAMLESSLY DELIVER QUALITY PRODUCTS. OUR INNOVATIVE FACILITY HAS AN ABILITY TO DEVELOP ADVANCED INTERMEDIATES, WITH A TIMEBOUND PRODUCT DEVELOPMENT AND PROCESS IMPROVEMENT



What Differentiates Us

- Amongst the few Indian companies to be accredited with Responsible Care certification for global environment, safety and health management based on the principles of responsible chemistry
- World-class infrastructure, R&D focus, custom manufacturing expertise and global quality adherence provides strong capabilities to cater to the needs of different end users
- Responsibly leveraging the best of talent and technologies and years of expertise to deliver superior products and services

Key R&D Strengths

- Product innovation
- Expert process for different product segments
- Cost-effective and eco-friendly process development
- Advanced intermediates developed and commercialised for MNCs

Our Objectives

- Keep adding new and innovative products to our portfolio to sustain and augment growth
- Improving process chemistry, productivity and yield
- Creating customer-centric solutions, impacting product performance
- Working on cost leadership and creating value chain
- Focussing on yield improvement with material and energy balance
- Aiming at debottlenecking, energy reduction and time cycle reduction

State-of-the-art **R&D facility** at Nandesari, Gujarat

Recognised by **Department of Scientific and Industrial Research**, Government of India

Our Global Footprint

OVER THE YEARS, WE HAVE BUILT ENDURING RELATIONSHIPS WITH LEADING GLOBAL COMPANIES. WE HAVE ESTABLISHED OUR PRESENCE IN OVER 30 COUNTRIES ACROSS THE GLOBE, INCLUDING USA, EUROPE, JAPAN, LATIN AMERICA, SOUTH EAST AND FAR-EAST ASIA



Map not to scale. For illustrative purposes only


Sweden
Germany
Switzerland
Italy
Spain
France
UK
Turkey
Jordan
Saudi Arabia
Kuwait
Bahrain
UAE
Oman
China
India
Sri Lanka
Bangladesh
Thailand
Indonesia
Philippines
Vietnam
Hong Kong
Taiwan
Japan
Korea
EUROPE
ASIA
AFRICA
AUSTRALIA
Israel
South Africa

Message from the Chairman & Managing Director



Dear Stakeholders,

We are pleased to present to you our Annual Report for FY 2018-19. This year marks a significant landmark for our stakeholders, who have shared this journey with us and contributed to our success. Recalling our journey since the beginning, I remember every single year to be fulfilling in each respect. The year has been a remarkable one for us not just financially, but for some of the significant milestones we achieved.

WORLD ECONOMY

FY 2018-19 was a turbulent year for the global economy, characterised by geopolitical uncertainties and trade wars. Softening of commodity prices, demand deflation and the effect of escalating trade tensions moderately impacted the pace of global growth. While the US witnessed a moderate increase in GDP growth, this was more than offset by other large economies such as China, Euro area economies and some of the Latin American nations.
This had a spiralling impact on interconnected economies, and in turn, on global growth.

Amidst all these, India continues to be one of the fastest-growing major economies in the world backed by healthy domestic consumption. Successful implementation of the Government's structural initiatives towards improving the ease of doing business such as enhancing transparency, speeding up approvals, resolving policy issues and fostering more significant levels of value addition also played a crucial role in sustaining performance.

INDIA'S CHEMICAL INDUSTRY – RISING OPPORTUNITIES

The global chemical industry has been a healthy contributor to the world GDP. It contributed USD 5.7 trillion or 7% to the world's GDP. Due to uncertainty on interest rates, trade tensions and slowing economic growth, global M&As in the chemical industry slowed down. However, transactions undertaken are being consolidated and absorbed, and these are likely to pursue vast opportunities in the global chemicals market.

Within this backdrop, we believe the opportunities for the Indian chemical industry are immense. Moreover, we remain confident that efficient producers that prioritise R&D and innovation with a focus on scaling via sustainable operations will succeed in the long run. An essential reminder to this approach served as the recent crackdown on polluting industries in China, which resulted in supply disruption of necessary chemicals manufactured and exported from there. Due to this unforeseen development, most large customers are on the path to de-risk their China exposure and have been increasingly seeking alternative channels, including India. It has provided a tailwind to growth and enhanced opportunities to chemical producers in India.

WE MADE PROMISES. WE DELIVERED THEM.

We are on a journey of planned transformation. Our transformational expansion, in terms of product portfolio and geographical presence, is already taking shape and showing early signs of bearing fruit. Today, we are a robust and diversified institution, with a strong position in India's chemical industry.

In an uncertain business environment, your Company delivered a resilient performance in FY 2018-19. We delivered on our promises made on the existing lines of business as well as the recently commissioned Phenol and Acetone project. On the back of a robust business model, diverse product portfolio and geographies and a competitive operating profile, we created a superior position in the global chemicals market. Our strategic and focus initiatives - such as reorienting of geographical focus, strengthening product portfolio and brownfield expansion - positively impacted our verticals and enabled us to deliver improved performance.

Our consistent performance, focus on profitable growth and a calibrated strategy towards expansion serves in the best long-term interest of our shareholders as it leads to better valuation. Our relentless focus on faster execution and operational excellence has been one of the Company's key strengths. It helps improve margins as well as sustain and gain free cash flows to create new investments.

OUR LEGACY GIVES US PRIDE

Today, Deepak Nitrite Limited is proud to state that it has been carrying the legacy of responsible chemistry for about 50 years. We have built our corporate strength by unshackling opportunities with enormous patience, determination, and perseverance.

Despite having started as a bulk commodity manufacturer, your Company has transformed its operations over the years. It has expanded its offerings to include high-value fine and speciality chemicals, based on our core expertise and the lateral and vertical integration of the existing products. Our robust R&D capabilities have been stepped up across the value chain, in-line with the expansion in product categories. Additionally, our healthy client relationships have enabled us to create deeper inroads into the existing markets, widen our product portfolio and enter newer markets. At the foundation of our transformational journey is our firm commitment to being completely and squarely aligned with reinforcing India's positioning as a superpower and doing good for society.

OUR TRIPLE BOTTOMLINE APPROACH: PEOPLE

Our employees have been our most significant assets. We believe that

none of our achievements would have been possible without the passion and commitment of our employees. Today, a dedicated team of professionals, nurtured over the years, have been driving the growth of your Company. Among the several steps we are taking to grow sustainably, we are recruiting and nurturing quality talent and create a work culture that ensures a high level of performance and a conducive work environment. During the year under review, the Global Employer Branding Institute and World HRD Congress conferred Deepak Nitrite Limited with the "National Best Employer Brands 2018".

Our people-aligned business strategy has catapulted in organisation-wide success. We will continue to create platforms to hire and nurture our talent pool with a transformational vision for our employees. There is also a deep focus on giving back to society and to the communities in which we operate. Through Deepak Foundation, the Company is executing various healthcare, skill development and education related CSR programmes for the families of workers and local communities residing around our manufacturing facilities and other remote areas, including tribal areas. Over the years, the Foundation has progressed into a leading non-profit civil society in Gujarat and has been executing several such initiatives to enhance lives of the people.

PLANET

As a responsible corporate citizen, your Company strongly believes in sustainable practices. Your Company is already a member of the coveted accredited bodies such as 'Responsible Care,' 'Nicer Globe,' and 'Together for Sustainability' which makes it a "Preferred Supplier" for several chemical multinationals. Additionally, your Company has steadily worked towards a reduced carbon footprint. It has a key focus on reduction in resource intensity in energy and water and greater emphasis on products that are a part of the sustainable supply chains. Your Company's Phenol plant has been set up with the latest technologies. It is also one of the most efficient units globally at this scale, in terms of water and energy efficiency, further underscoring our commitment to the planet.

> "We delivered on our promise of executing the plant and getting it commissioned in record time – and with no cost or time over-runs. This not only demonstrates our preparedness, it also indicates our elevated manufacturing and marketing capabilities.

PROFIT & PERFORMANCE

Your Company ended FY 2018-19 on an exuberant note with double-digit growth in Revenues, EBITDA and Profit Before Tax. It also managed to report higher volumes and realisations across critical products, amidst rising prices of crude oil and related petrochemical intermediates. On consolidated basis, total revenues for the year stood at ₹ 2,715 crore, while EBITDA came in at ₹ 429 crore. Both PBT and PAT recorded accelerated growth during the year at ₹ 268 crore and ₹ 174 crore, respectively. During the year, we continued our "bottom line accretive" investments in solidifying our capital structure and fortifying the product portfolio. We are focussed on strengthening our infrastructure, systems, and processes to drive greater efficiencies.

WE ARE "FUTURE-READY"

To sustain a growing business in size and complexity, we are strategically transforming our organisation and becoming "future-ready." We are making continuous investments in our productive assets, and our expansion strategies are also devised keeping in mind our in-depth risk-mitigated approach towards incurring capital expansion.

We take immense pride in stating that during the year we over-delivered on our promises of creating a global-scale manufacturing plant within the envisaged cost and scheduled time. This was made possible through our qualities of meticulous planning and precise execution. These attributes gave us the confidence to leverage our key strengths and capabilities and create massive value for all our stakeholders. We also believe that our investments in cutting-edge research & development is not only altering our competitive capabilities, but also sustaining and bettering our performance in the future years.

In light of a spirited performance reported by your Company, the Board of Directors have recommended a dividend of ₹ 2 per equity share (100%) on a face value of ₹ 2 each on an expanded capital base. This is compared to a dividend of ₹ 1.30 per equity share (65%) declared in the previous financial year.

MAKING INDIA SELF-RELIANT IN CHEMICAL IMPORTS

FY 2018-19 has been a milestone year for the Company, as we commissioned our mega Greenfield project for manufacturing of Phenol and Acetone at Dahej in Gujarat in November 2018. More importantly, we successfully ramped up its capacity utilisation above 80% within first few months of commissioning, which in itself is a positive achievement. I congratulate the entire team at Deepak Phenolics Limited for their tireless efforts in achieving the above. I am also happy to highlight that our dedicated logistics team has been successful in despatching approximately 75% of the average capacity utilisation in the first quarter of commissioning.

We delivered on our promise of executing the plant and getting it commissioned in record time – and with no cost or time over-runs. This not only demonstrates our preparedness, it also indicates our elevated manufacturing and marketing capabilities. Our robust execution has been a result of the seed marketing efforts undertaken during the pre-commissioning phase. With this, we have enabled the country to become self-reliant in the production of Phenol and Acetone and resulting in import savings. The plant is well capacitated to address India's demand for Phenol and Acetone and reduce its import dependence on these chemical intermediates, based on its cutting-edge technology as well as resource and energy efficiency. Our philosophy of import substitution has been converted into further action as we succeeded in replacing the bulk of imports of Phenol and Acetone in the domestic market.

This project has undoubtedly added another feather in our cap. We are of the firm belief that this will enable a quantum leap in your Company's revenues and profits, and subsequently open new avenues of growth from forward-integration into value-added derivatives.

MOVING AHEAD

Your Company's strategic focus on the performance of People, Planet and Profit have built a formidable foundation that will serve multiple growth levers in the years ahead. We are traversing the journey forward with an unwavering faith in our conviction, as we continue to innovate with vigour and passion for taking your Company to a higher horizon of excellence. We remain focussed on executing our clear-cut strategies on cost optimisation, adding new products, tapping new markets and expanding our capacities.

Today, we are in a position to take advantage of market dynamics through our diversified portfolio and credibility among the customers and confident of continuing our growth momentum. Being on a steep growth path, we are confident about our growth prospects and building market share gains. We are ready for a promising future with the multiple business drivers that will enable us to achieve our goals. We also believe our growth will be sustainable as it is predicated on the strengths of our organisation. Some of these are – an able and competent leadership, deep customer relationships, ability to innovate and develop new products, expertise in complex chemistry, ability to cope up with change, globally competitive manufacturing capabilities, and an efficient supply chain and distribution infrastructure.

VOTE OF THANKS

On behalf of the Board, I thank the entire team at Deepak Nitrite Limited and Deepak Phenolics Limited and our valued shareholders for their continued support and encouragement. We thank you for having your continued faith in our strength and capabilities and our employees for their tireless efforts towards achieving our goals.

We are on an exciting journey towards becoming a diversified chemical powerhouse. We are proud to have been associated with you as we continue on our voyage of responsible growth and value creation.

Best Regards,

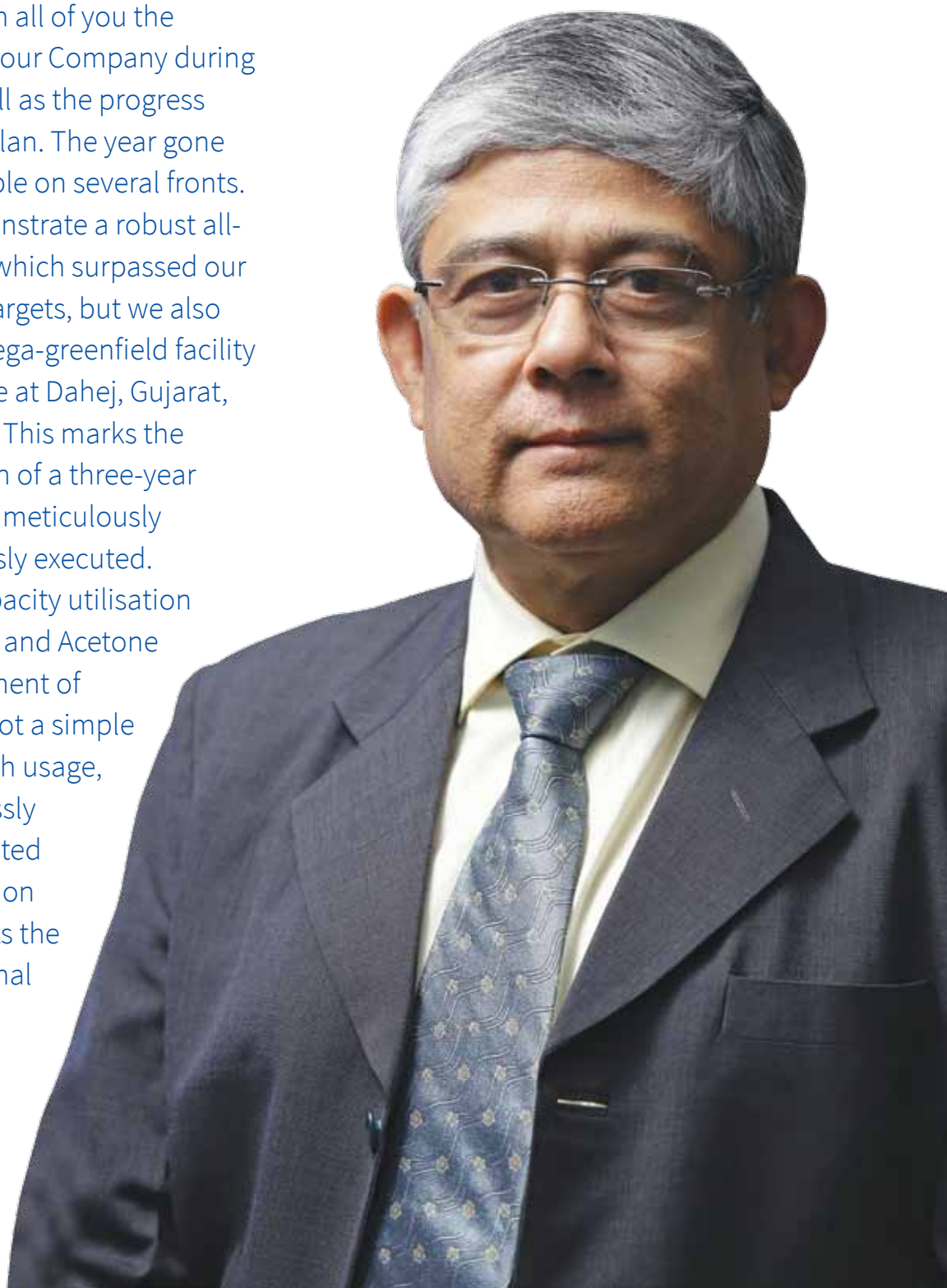
DEEPAK C. MEHTA
Chairman and Managing Director

CEO's Communique

Dear Stakeholders,

I am glad to share with all of you the accomplishments of your Company during Fiscal Year 2019 as well as the progress towards its strategic plan. The year gone by has been memorable on several fronts. Not only did we demonstrate a robust all-around performance which surpassed our internal operational targets, but we also commissioned our mega-greenfield facility of Phenol and Acetone at Dahej, Gujarat, on November 1, 2018. This marks the successful culmination of a three-year project that had been meticulously planned and seamlessly executed.

We have achieved capacity utilisation of over 80% in Phenol and Acetone since the commencement of operations, which is not a simple feat. In addition to high usage, the Company seamlessly managed a sophisticated logistics and distribution network which exhibits the depth of our operational preparedness.



EVOLUTION AND STRATEGIC DIRECTION

Those of you who know Deepak Nitrite's (DNL) history would be aware that the origin of the company was based on the fact of desire to substitute imports and to adopt the 'Make in India' concept. The vision, which had first given shape with Sodium Nitrite and Sodium Nitrate nearly half a century ago and the commissioning of this Phenol and Acetone plant housed within Deepak Phenolics, marks the coming of a full circle for your Company.

Over the years, DNL has demonstrated its ability to add value by forward integration. It first understands and creates strong capabilities around basic chemical compounds. Later, it aims to elevate its operational excellence to their forward uses to deliver growth and capture more value by moving up the chain. We have done this earlier too to emerge as the only fully integrated producer of Fluorescent Whitening Agents. The addition of sizeable capacities for Phenol and Acetone within our fold opens up new avenues of growth for your Company, based on its strategy of value-added products by forward integration, which our country is currently importing.

PERFORMANCE AND OPERATIONAL EXCELLENCE

During the year under review, we witnessed good progress in each of our Strategic Business Units, driven by a combination of management initiatives to grow these units and the ability to capitalise on opportunities arising from shifts in the global industry landscape.

Today, I take pride in saying that your Company has worked hard to elevate its operational capabilities. This has been possible through the tireless efforts of all our associates to execute the business strategy devised by the management team and guided by our accomplished Board. Your Company has created a robust platform and invested in the right ingredients to ensure continued earnings momentum in the years ahead.

The focus, within DNL, has been to persevere in carefully selected products, elevate competencies and aspire for cost leadership. It creates an obsession towards enhancing operating efficiencies which are attained by optimising production processes through debottlenecking initiatives and re-evaluating the value chain on an ongoing basis to explore opportunities for backward integration. Our cost leadership position in key building blocks unlocks new avenues for growth such as new products, new customers and new markets. This enables us to scale our offerings by enhancing capacities through expansion, which further elevates our competitive positioning.

ENVIRONMENT AND SUSTAINABILITY

As a signatory of Responsible Care, DNL assigns the highest importance to safety, environment, and health. Adherence to the most stringent pollution control norms at all of its manufacturing facilities supporting various initiatives in the areas of reduction in carbon footprints and energy efficiency enhancement to preserve and protect the environment.

With this, we are not only delivering growth, but also building a stronger, more resilient company which can continue to grow sustainably.

I genuinely believe that Deepak Nitrite's future is even brighter. We have multiple businesses driving our growth. We have unique capabilities that are becoming increasingly vital. We are serving customers that are benefiting from strong demand for their products. Our relationships, product innovations, consistent delivery of high-quality products and services are unlocking new opportunities. With a proven track record, hunger for growth, extensive product range, and capacities based on the latest technological innovations, amplified by committed employees, we are confident of surpassing more milestones, as we move ahead.

Last, but not the least, our pool of talent is our wealth which helps us propel our growth into the higher orbits. We highly appreciate and respect the value of our human resources. We continue to expand, nurture and retain our pool of human ability.

Thank you for being on this journey with us.

Best Regards,

UMESH ASAIKAR
Executive Director & Chief Executive Officer

CFO's Communique



Dear Stakeholders,

FY 2018-19 has been an exciting one for Deepak Nitrite Limited (DNL) amidst a range of micro and macro-economic events, including those across geographies. While we have seen regional protectionism, tension around energy resources, a clear change in industry scenario in China, and growth in the USA and EU economies, your Company has reported its highest-ever turnover and profit. This performance has been driven by a passionate and energetic team and supported by sound corporate governance and a prudent capital structure.

EFFICIENT HANDLING OF PROJECT & TEAM BUILDING

In a significant development for your Company, its greenfield facility for the manufacture of Phenol and Acetone at Dahej, Gujarat, through the wholly-owned subsidiary Deepak Phenolics Limited (DPL), was commissioned on November 1, 2018. The Greenfield facility has made excellent progress in a short period of time. One, we have efficiently handled the project through successful stabilisation and optimal capacity utilisation during the first few months after commissioning; and two, we also delivered positive EBITDA and PBT within a very short span of commissioning.

The credit for this, undoubtedly, goes to the entire team of DPL which undertook the project with seamless planning and execution. Care was taken to identify and invest in an experienced and capable team at DPL to ensure timely completion of the plant, rapid scale-up of operations, and smooth conduct of complicated logistics. Our seed marketing initiative undertaken during the pre-commissioning phase also played a vital role in establishing DPL in a leadership position in the domestic market.

This project goes a long way to support the 'Make in India' initiative of the Government. It has a capacity of producing 2,00,000 MTPA of Phenol and 1,20,000 MTPA of its co-product Acetone, supported by an in-house facility to manufacture 2,60,000 MT of Cumene for captive consumption.

CAPITAL STRUCTURE

During the financial year under review, your Company commissioned the Phenol plant through its wholly-owned subsidiary DPL within envisaged project cost of ₹ 1,400 crore. Your Company has fully funded the committed equity into this project. Apart from commissioning the Phenol plant, your Company also spent on capital expenditure towards enhancing capacities in the existing SBUs of Basic Chemicals and Fine & Speciality Chemicals segment. This was aimed at capitalising on the ensuing demand available across crucial products. Moreover, we have further plans of growth across SBUs, given the buoyant demand expected in the near future.

After all such initiatives, your Company has been able to reduce the intensity in working capital. The capital structure also remains healthy with standalone gearing at around 0.30X and consolidated gearing at around 1.10X. We may keep in mind that the entire investment of the Phenol plant shall yield its first complete year of result in FY 2019-20, which should make the cacapital structure even healthier. Having said this, I take this opportunity to convey that your Company has clear plans of growth commencing in the current financial year, both in existing products and in new products. Once operationalised, the contributions out of such growth plans are also expected to make the Company's capital structure healthier.

A NEW BUSINESS SEGMENT - PHENOLICS

Upon commencement of the operations of the Phenol plant, we have created a separate segment "Phenolics" in our consolidated results. This segment shall report operational numbers of both Phenol and Acetone.

ENHANCED CREDIT RATING

It gives us pleasure in informing you that your Company has been assigned a long-term rating of AA- Stable and a short-term rating of A1+ by CRISIL Limited, while the credit rating of Deepak Phenolics Limited has also undergone a significant upgradation assigned by ICRA Limited : long-term rating from ICRA BBB Stable to ICRA A- Stable and short-term rating from A3+ to A2+.

SHAREHOLDER VALUE CREATION

Our foremost objective of all our above initiatives and our business plan is to generate value for our shareholders on a sustainable basis. In this backdrop, I am delighted to share that our Board has recommended a Dividend of 100%, i.e., ₹ 2 per share on a Face Value of ₹ 2 each, in light of the improved performance of the Company.

We take this opportunity to convey that with untiring efforts, we have been able to deliver on our promises – turning around the Performance Product business segment, flawless commissioning of the Phenol project within cost, retaining a healthy capital structure, and a rapid ramp-up of the Phenol facility.

Let me assure you that we endeavour to build onto this momentum and create further value for all our stakeholders.

Best Regards,

SANJAY UPADHYAY
Director-Finance & Chief Financial Officer

Our Board and Leadership Team



SHRI DEEPAK C. MEHTA

Chairman & Managing Director

Shri Deepak C. Mehta's business acumen, leadership skills and dynamism have enabled Deepak Nitrite Limited to take swift strides forward and achieve many milestones in the last 40 years. An active participant at industry forums, he has been the Chairman of the National Chemicals Committee at FICCI. He is a science graduate from the University of Bombay.

SHRI UMESH ASAIKAR

Executive Director & CEO



Shri Umesh Asaikar has been associated with Deepak Nitrite Limited as a Chief Executive Officer since September 2008. He holds a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology Bombay, and Master's Degree in Management Science from Jamnalal Bajaj Institute of Management Studies. He is an associate member of the Institute of Cost Accountants of India . He is also a certified coach and member of the International Coach Federation.

He has around 40 years of varied experience in the areas of Sales and Marketing, Manufacturing, Commercial and Business Management across industries, including pharmaceuticals, vitamins and fine chemicals etc. He has held various leadership positions in companies such as Parke-Davis Limited, Piramal Healthcare Limited (erstwhile Nicholas Piramal Limited) and Piramal Glass Limited (erstwhile Gujarat Glass Limited).



SHRI SANJAY UPADHYAY

Director - Finance & CFO

Shri Sanjay Upadhyay is an Associate Member of the Institute of Cost Accountants of India. He is also a Fellow Member of the Institute of Company Secretaries of India. He has completed an Advanced Management Programme from Wharton, USA. He has vast experience in the areas of Finance, Accounts, Commercial and Secretarial Functions. He is associated with the Company since 1994.

SHRI MAULIK MEHTA

Whole-Time Director



Shri Maulik D. Mehta holds a Bachelor's Degree in Business Administration from University of Liverpool, UK. He has also done Masters in Organisational Psychology from Columbia University, USA. Shri Mehta has more than 9 years of experience in the areas of Business Development. During the span of his career, he has held important positions, including Product Head in the Company.

He also heads the Strategy cell of the Company and has taken several landmark decisions to elevate the Company to a new height.



SHRI AJAY C. MEHTA

Non-Executive Director

With extensive experience, a comprehensive approach and industry foresight, Shri Ajay C. Mehta has paved the way for innovation and excellence at Deepak Nitrite Limited. He has been actively associated with the organisation since 1984. He is a science graduate with Honours and a Master of Science in Chemical Engineering from the University of Texas, USA.

SHRI NIMESH KAMPANI

Independent Director



Shri Nimesh N. Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India. He is the founder and Chairman of the JM Financial Group, one of India's leading players in the financial services space.

He has pioneering contributions into developments of Capital Markets. He has several landmark corporate deals to his credit which make him distinguished in the country.

Shri Kampani has served as a member of several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India. He is Chairman of the CII National Council on Financial Sector Development.



SHRI SUDHIN CHOKSEY

Independent Director

Shri Sudhin Choksey has extensive experience in functional areas of finance, commerce and general management, both in India and abroad. He is the Managing Director of GRUH Finance Ltd. and a Fellow Member of the Institute of Chartered Accountants of India. He is a Director on the Board of Gujarat Ambuja Exports Ltd., HDFC Credila Financial Services Pvt. Ltd. and Light Microfinance Pvt. Ltd.



SHRI SUDHIR MANKAD

Independent Director

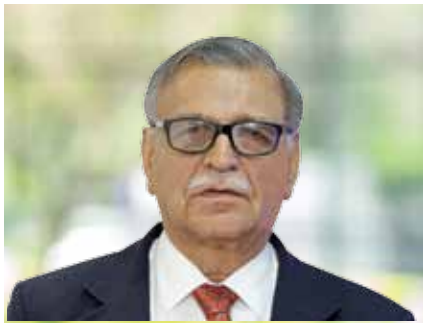
Shri Sudhir Mankad, IAS (Retd.) has served in senior positions, both with the Government of India and Government of Gujarat. His last assignment was as Chief Secretary, Government of Gujarat. Additionally, he has served as a Director/Chairman on the Board of several cement, power, fertiliser and finance companies. He is associated with several educational institutions and NGOs. He holds a Master's degree in History from the University of Delhi. He is also a Director on the Board of Reserve Bank of India.

DR. RICHARD H. RUPP

Independent Director

Dr. Richard H. Rupp has held various top level positions in leading multinational companies such as Hoechst AG (Germany), Lonza (Switzerland) and Allessachemie (Germany). His experience encompasses a mix of scientific, technical as well as managerial roles. He is well-acquainted with the USA, European, Asian and Indian sub-continent markets. Dr. Rupp holds a Ph.D in Chemistry from the University of Karlsruhe, Germany, and has completed a programme for Executive Development from IMD at Lausanne, Switzerland.





SHRI S. K. ANAND

Independent Director

Shri S. K. Anand has a rich experience of 46 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 is a Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course from I.I.P., Dehradun. He has also done an advanced management course from IIM Ahmedabad.

DR. SWAMINATHAN SIVARAM

Independent Director

Dr. Swaminathan Sivaram is a polymer chemist by profession and a mentor as well as a science administrator of distinction. He is a former director of the CSIR - National Chemical Laboratory, Pune. Currently, he is an Honorary Professor and INSA Senior Scientist of the Indian Institute of Science Education and Research (IISER), Pune. He has authored over two hundred and twenty papers in peer-reviewed journals, edited two books and authored one book. He has fifty-one issued US and European patents and fifty-two Indian patents to his credit. Dr. Sivaram is a highly decorated scientist / technologist with numerous awards and honours to his credit. He was conferred Padma Shri by the President of India in 2006.

Dr. Sivaram is an alumnus of IIT-Kanpur. He earned a PhD. in Chemistry and DSc (h.c) from Purdue University, W. Lafayette, Indiana, USA.





PROF. INDIRA PARIKH

Independent Director

Prof. Indira Parikh is the Founder President of FLAME (Foundation for Liberal and Management Education). Previously, she was the Dean of IIM-Ahmedabad from 2002 to 2005. She was a faculty member at IIM-Ahmedabad for over 30 years. She has specialised in organisation development and design, and institution building. She holds a Ph.D from Gujarat University, Ahmedabad and an MA from University of Rochester. She has designed and offered management development programmes for managerial role effectiveness, issues of roles and identity, and stress and self-renewal for men and women in organisations. She has been a consultant to various national and international organisations, both in private and public sectors.

SHRI SANJAY ASHER

Additional Director

Shri Sanjay Asher holds a Bachelor's degree in commerce and a Bachelor's degree in law from the University of Bombay. He has been a practising advocate since 1991, and was admitted as a solicitor in 1993. He is also a qualified Chartered Accountant. He is presently a senior partner with Crawford Bayley & Co, which is India's oldest law firm, established in 1830. He specialises in the fields of corporate law and commercial law, corss-border M&A, joint ventures, and capital markets, and advises large, medium and small business enterprises on these subjects.





SMT. PURVI SHETH

Additional Director

Smt. Purvi Sheth has completed her Bachelor'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.

Smt. Purvi helps create business opportunities and competitive advantage via Strategic HR management. She has helped several businesses effectively cultivate talent engagement through advanced leadership processes and implementation in impacting business performance and productivity.

Our Strategic Business Units

WE ARE CONSISTENTLY SHARPENING EACH OF OUR BUSINESS VERTICALS THROUGH DETERMINED INNOVATION, CAPACITY EXPANSION, AND NEW PRODUCT LAUNCH, AND ACHIEVING SCALE TO WIDEN THE VALUE-ADD IN EVERYTHING WE DO. OUR JOURNEY IS MARKED BY OUR IMPACTFUL PLAY WITHIN EACH OF OUR BUSINESS SEGMENTS AND A CONTINUOUS COMMITMENT TO ADVANCE ON OUR PRODUCTIVITY ACROSS OUR PRODUCT PORTFOLIO

Despite market challenges, we pursued selective opportunities in the domestic and export markets, which enabled us to grow volumes across all our business segments. While we achieved brownfield expansions in Basic Chemicals and Fine & Speciality Chemicals, the Performance Products segment has turned around and became profitable. Today, all our established business segments continue to benefit from a positive demand environment, firm realisations and increasing market opportunities.

BASIC CHEMICALS

BROWNFIELD EXPANSION AND IMPROVED PRODUCT MIX LED TO STRONG REALISATION

- **Quick Facts:**
  Basic Chemicals find application in dyes and pigments, agrochemicals and fuel additives.
- **Performance Highlights:**
  We attained cost leadership in these products of high volume and higher realisation. The segment reported sustained growth momentum as we enhanced capacities of key products.
- **Key Focus Area:**
  Through full integration capabilities, we developed an extensive network of global clientele, earning a significant competitive advantage.

FINE & SPECIALITY CHEMICALS

ENCOURAGING TRACTION FROM KEY PRODUCTS DUE TO A POSITIVE DEMAND SCENARIO HELPED DRIVE GROWTH

- **Quick Facts:**
  The segment produces specialised and niche molecules from various processes and requires technical skills and technological competencies in handling potentially hazardous reactions. These chemical intermediates find application in agrochemicals, pigments, pharmaceuticals and personal care segments.
- **Performance Highlights:**
  Our key value differentiation has been our long-term strategic relationships with customers and stringent monitoring of quality and timely supply. The segment witnessed volume growth with capacity expansion and backward integration initiatives. There was firm realisation in select products, which led to a strong growth in topline. Brownfield expansion to enhance capacities of major products will further aid growth momentum, apart from introduction of new products soon.
- **Key Focus Area:**
  We continue to emphasise on better quality, stickiness of relationships, sustainable operations and global best practices for suppliers and customers. We are also focussed on improving the product basket and leveraging domestic and international demand.



PERFORMANCE PRODUCTS

OUR CONTINUED FOCUS ON MARGIN-DRIVEN GROWTH AND CUSTOMER ACCEPTANCE DELIVERED ENHANCED PROFITABILITY

- **Quick Facts:**
  The segment finds application in textiles, paper and detergents with its key value in the characteristic of the main product. It needs globally recognised certifications and customer approvals.

- **Performance Highlights:**
  The Performance Products segment has been completely turned around due to careful planning and reorientation of focus towards customers and end-user industries that have been exhibiting steady growth and value high-quality and differentiated products.

  With robust demand from local customers and with benefits arising out of supply disruptions in China, we are poised to climb the next frontier of growth.

- **Key Focus Area:**
  The strategy to differentiate product, price and market is yielding positive results. In addition, favourable demand-supply trend is expected to result in improved realisations and solid performance.

PHENOLICS

LARGEST STATE-OF-THE-ART AND MOST EFFICIENT INDIAN PHENOL AND ACETONE PLANT

- **Quick Facts:**
  Local availability of Phenol and Acetone is expected to boost the production of derivatives and downstream products, which will expand the overall market in the country.

- **Performance Highlights:**
  Within a short span of time, the plant stabilised and touched 100% capacity utilisation. Within a few months of commissioning, it reported positive EBITDA and PBT and enabled the creation of a robust supply chain infrastructure and logistics.

- **Key Focus Area:**
  We are currently fulfilling India's growing demand for Phenol and Acetone. We are also evaluating the possibilities to develop facilities for downstream integration. Together, we can boost production of derivatives and downstream products to give an impetus to the expansion of the Indian chemical industry.

Delivering our Promise of...

Reducing Import Dependence

We delivered the global-scale Phenol and Acetone plant within costs. The plant, commissioned during the year, is aligned with India's journey to become self-reliant in chemical intermediates and reduce import dependence. With this, we not only delivered our promise of enabling India address its current demand for Phenol and Acetone, we also enabled the country earn long-term savings on imports



We achieved a significant milestone as we kick-started commercial production at our mega Greenfield plant for Phenol and Acetone – within stipulated time and cost.
Spread across an area of around 60 acres, the plant has been set up by its wholly-owned subsidiary Deepak Phenolics Limited. The plant is squarely aligned with the Government's "Make in India" initiative. Local availability of Phenol and Acetone will boost production of derivatives and downstream intermediates, thus expanding the overall market size. The plant will also pave the way to enter various derivatives business, supported by its ability to manufacture cumene for captive consumption.

Delivering our Promises

- Making India self-reliant in production of Phenol and Acetone
- Reducing India's import dependence on chemical intermediates
- Taking care of India's demand-supply gap in Phenol and Acetone
- At full capacity, plant is projected to result in import savings of around USD 400 Million
- Driving our goal of being the fastest-growing Indian chemical intermediates manufacturer

Delivering our Promises to Stakeholders

- Plant commissioned within cost and time
- Plant stabilised and touched 100% capacity utilisation within a short span of time
- Reported positive EBITDA and Profit Before Tax within few months of commissioning
- Created robust supply chain infrastructure and logistics

Capacities at State-of-the-Art Facility

2,00,000 MTPA
Phenol

IoT-enabled and environment-friendly plant

120,000 MTPA
Co-product Acetone

Harnessing the power of technology and data

260,000 MT
Cumene

Amongst the most modern plants in the industry

Delivering our Promise of...

Leveraging our Strategy for Stable Growth

During the year, we reinforced our market position and expanded our presence by adding more customers and geographies through a diversified portfolio and market credibility. We are further delivering on our promise of improving productivity through clear-cut strategies on tapping new markets and expanding capacities and cost optimisation



Going Forward...

As we move ahead, we will be building on our market share gains by further adding on capacities, customers, geographies and new products, heading onto a stable growth path. Today, we are well placed to leverage the growing opportunities in India's chemicals industry. The established business segments continue to benefit from a positive demand environment and firm realisations. We are confident of continuing the growth momentum backed by our growth strategy.

We are delivering on our promises by...



DOING MORE OF THE SAME

We enhanced the capacities in Basic Chemicals and Fine & Speciality Chemicals to help us deliver our promise of improved performance.



INCULCATING COST EFFICIENCIES

A clear strategy of being cost-efficient helped us deliver our promise of improved EBITDA and earn the benefits of operating leverage, contributing to enhanced profitability.



ADDING MORE PRODUCTS

We delivered our promise of building more product lines. The Phenol and Acetone plant at Dahej enables us to manufacture value-added import substitutes.



EXPLORING NEW GEOGRAPHIES

We delivered our promise of adding more markets by leveraging the increasing international opportunity and becoming a favoured supply chain partner.

Delivering our Promise of...

Strengthening our Segmental Performance

We delivered our promise of turning around Performance Products segment by reorienting our geographical focus, efficient plant utilisation and product-wise change. The segment also benefited from improved demand and pricing trends in local and export markets. We also strengthened Basic Chemicals and Fine & Speciality Chemicals through brownfield expansion, full capacity utilisation and backward integration



Strategic Initiatives that led us to deliver growth

- Better pricing and cost management
- Pursuing selective opportunities in domestic and export markets
- Capacity enhancement and improved utilisation of key products
- Expansion in key building blocks enabled catering to higher demand from end-user industries
- Being a fully integrated supplier of OBA led to capitalising on shifts in the industry landscape and evolving market opportunities

Moving from Promises to Achievements:

Basic Chemicals

- Brownfield capacity expansion in major products
- Rising demand in local and export markets
- Improved product mix leading to strong realisation gains

Fine & Speciality Chemicals

- Brownfield capacity expansion in major products
- Backward integration
- Firm realisation in select products
- Cost leadership initiatives

Performance Products

- Reorientation of focus on customers and end-user together
- Efficient utilisation of plant, improved product mix and other operating efficiencies
- Differentiated products, price and market
- Widening of customer base and new geographies
- Full integration of value chain

Deepak Phenolics Limited

- Setup facility to locally manufacture 2,00,000 MTPA of Phenol and 1,20,000 MTPA of Acetone
- Achieved ramp-up of capacity utilisation; contributed to significant forex savings

Delivering our Promise of...

Generating New Platforms for Sustainable Growth

Besides captive utilisation of existing capacities, the mega greenfield plant to manufacture Phenol and Acetone will help boost production of derivatives and downstream intermediates. This is helping the Company realise pockets of new opportunities and gear up to fully capitalise on them





The Greenfield plant is serving as a springboard for downstream products, which are by themselves value-added import substitutes. Besides captive utilisation of capacities, this will expand the market size with penetration into Phenol derivatives.

How are we Delivering on our Promise?

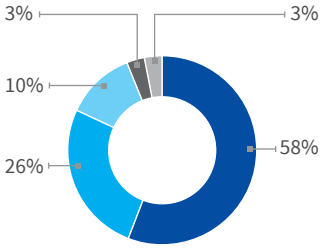
- The Company is expected to benefit out of the fast ramp-up and full capacity utilisation. It is also expected to benefit out of forward integration of its products into value-added downstream products
- With Phenol derivatives being import dependent, opening new growth verticals
- Securing market for Acetone with product quality meeting pharma standards
- Driving growth by addressing the domestic demand for Phenol
- Capturing domestic market of Phenol and addressing robust growth being currently witnessed in the country

Our Performance Scorecard - Standalone

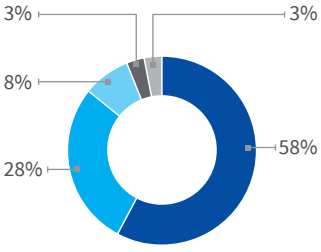
WE ARE NOT ONLY HOLDING ONTO OUR GAINS, WE ARE ALSO BUILDING ON THEM BY IMPROVING OUR MARKET SHARE POSITIONS. STRONG GROWTH IN THE BASE BUSINESS AND COMMENCEMENT OF THE PHENOL-ACETONE PLANT RESULTED IN BETTER ROCE AND FREE CASH FLOWS IN THE MEDIUM-TERM

Application-wise Sales

FY 2018-19



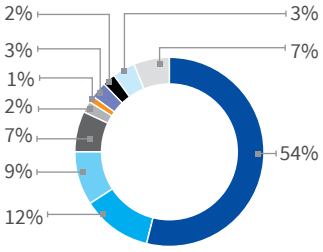
FY 2017-18



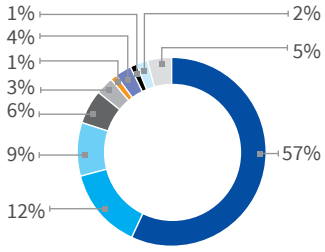
Colour Agro Fuel Pharma Others

Funds Outflow

FY 2018-19



FY 2017-18

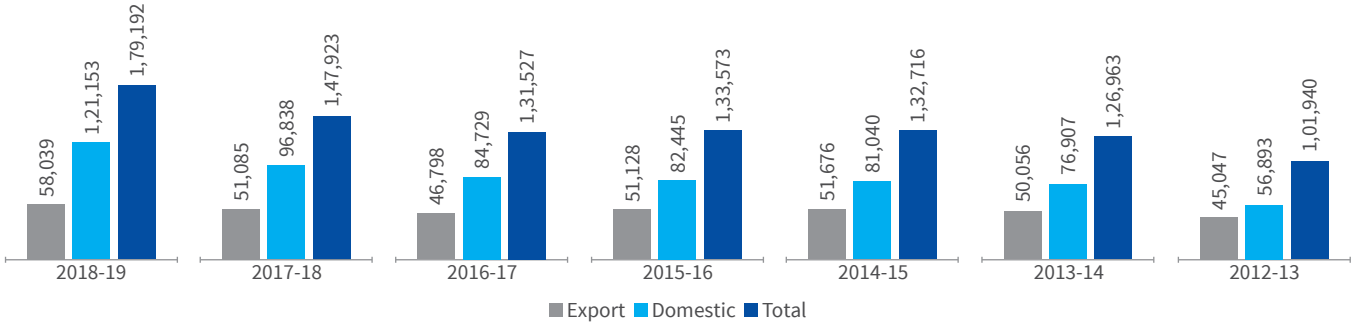


Cost of Materials Operational Expenses
Employee Benefits Expenses Selling & Admin Expenses
Finance Costs Research & Development Expenses
Depreciation Dividend & Dividend Tax Income Tax Retained Earning*

**Proposed dividend shall be accounted as and when declared by the Company*

Revenue

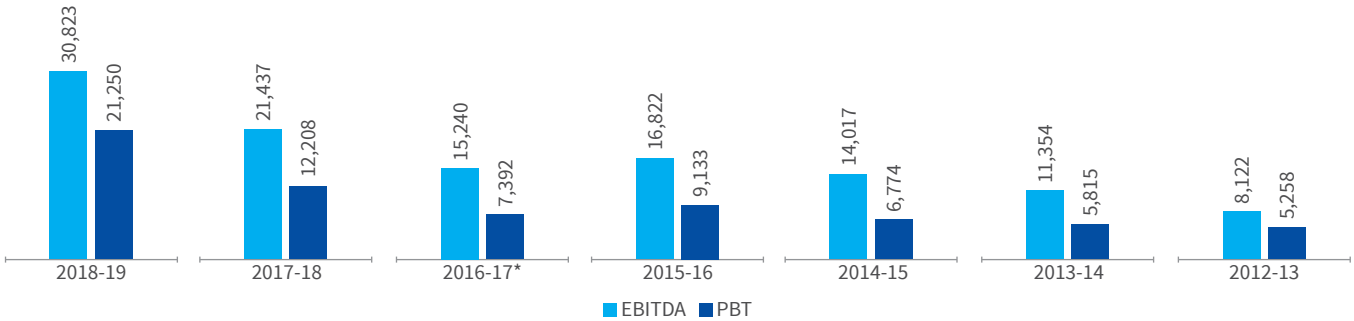
(₹ in Lakhs)



Export Domestic Total

EBITDA / PBT

(₹ in Lakhs)



EBITDA PBT

**Excludes exceptional income*

Financial Highlights for the last Ten Years

Sr. No.	Particulars	UOM*	Ind-AS		Indian GAAP								
			Consolidated	Standalone	Standalone								
			2018-19		2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
1	Total Income	₹ in Lakhs	**271504**	179451	1,49,077	1,32,442	1,33,727	1,32,922	1,27,140	1,03,010	79,273	67,742	54,646
	YoY Growth	%	***60.80***	*20.38*	*12.56*	*(0.96)*	*0.61*	*4.55*	*23.42*	*29.94*	*17.02*	*23.97*	*(6.25)*
2	EBITDA	₹ in Lakhs	**42902**	30823	21,437	15,240#	16,822	14,017	11,354	8,122	5,811	6,217	5,449
3	Profit / (Loss) Before Taxation	₹ in Lakhs	**26798**	21250	12,208	7,392#	9,133	6,774	5,815	5,258	3,159	3,696	3,032
	Percentage to Total Income	%	***9.87***	*11.84*	*8.19*	*5.58*	*6.83*	*5.10*	*4.57*	*5.10*	*3.98*	*5.46*	*5.55*
4	Profit / (Loss) After Taxation	₹ in Lakhs	**17366**	13804	8,346	5,194#	6,515	5,344	3,833	3,782	2,308	2,580	2,001
	Percentage to Total Income	%	***6.40***	*7.69*	*5.60*	*3.92*	*4.87*	*4.02*	*3.01*	*3.67*	*2.91*	*3.81*	*3.66*
5	Equity	₹ in Lakhs	**2728**	2728	2,728	2,614	2,326	2,091	1,045	1,045	1,045	1,045	1,045
6	Net Worth	₹ in Lakhs	**107158**	105785	94,384	73,213	47,589	34,683	30,752	28,060	25,278	23,791	21,944
7	Debt	₹ in Lakhs	**118652**	32761	46,153	57,355	49,520	54,451	50,504	33,546	17,096	5,958	9,256
8	Dividend on Equity Capital	₹ in Lakhs	**2728##**	2728##	1,773	1,569	1,395	1,045	1,045	837	628	628	523
	Percentage	%	***100##***	*100##*	*65*	*60*	*60*	*50*	*100*	*80*	*60*	*60*	*50*
9	EPS	₹	**12.73**	10.12	6.34	4.43	6.07	5.11	36.63	36.15	22.06	24.65	21.82
10	Book Value**	₹	**79**	78	72	62	44	34	294	268	242	235	210
11	Net Debt/ Equity Ratio	%	***110.73***	*30.97*	*48.90*	*78.34*	*104.06*	*157.00*	*164.23*	*119.55*	*67.63*	*25.04*	*30.33*

*UOM: Units of Measurement

** In FY 2014-15, the Company has split its Equity share 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

Excludes Exceptional Income

Proposed dividend shall be accounted as and when declared by the Company

Being Recognised Across the World



Shri Maulik Mehta, Whole Time Director of Deepak Nitrite Limited receiving award from Shri Nitin Patel, Hon. Deputy Chief Minister, Gujarat

Star of Baroda Award

Bhaskar Group, a well-known media house in the country, awarded Deepak Nitrite Limited, the Star of Baroda Award for being the most Responsible Chemical Company in the country.

Deepak Nitrite Limited makes to Fortune 500 exclusive club of Fortune India Magazine

Shri Maulik Mehta, Whole Time Director, DNL received felicitation of top 25 wealth creator under mid-size category on behalf of the comany from Shri Jayant Sinha, Hon. Union Minister of State for Civil Aviation and Shri Chaudhary Birendra Singh, Hon. Union Minister of Steel at Fortune 500 award ceremony





NATIONAL BEST EMPLOYER BRANDS 2018 received by (Second from left to right) Shri Rajesh Palkar, Dr Prashant Rao and Shri Mahesh Phadke

National Best Employer Brands 2018

At an event held at Taj Lands End, Mumbai, the Global Employer Branding Institute and World HRD Congress conferred Deepak Nitrite Limited with National Best Employer Brands 2018.

Gujarat Brand Leadership Awards 2018

Deepak Foundation was felicitated with NGO Leadership Award at Gujarat Brand Leadership Awards 2018 for its valuable contribution towards the upliftment of the society. The award was conferred in presence of Dr. R.L. Bhatia, Founder of World CSR Day and World Sustainability Day at Radison Blu, Ahmedabad on September 27, 2018.



The Gujarat Brand Leadership Awards 2018 was conferred in presence of Dr. R.L. Bhatia, Founder of World CSR Day and World Sustainability Day



The Government of Gujarat conferred Shri Jaydeep Patel from HAS Plant, Shram Award on February 17, 2019.

Shram Award by Government of Gujarat

Marking Deepak Nitrite's unwavering commitment toward employee health and safety, the Government of Gujarat conferred Shri Jaydeep Patel from HAS Plant, Shram Award on February 17, 2019.

Committed to Safety Quotient

WITH OVER TWO DECADES OF EXPERIENCE IN THE CHEMICALS INDUSTRY, WE ARE COGNISANT OF HOW IMPORTANT SAFETY IS AT OUR MANUFACTURING PLANTS AND TO MAINTAIN THAT TREND, OUR ORGANISED CONTINGENCY SAFETY PRECAUTIONS AND INTENSIVE TRAINING PROGRAMMES HAVE THE CAPABILITY TO ADDRESS ANY UNFORESEEN ACCIDENTS THAT MAY OCCUR DURING THE MANUFACTURING PROCESS

Environmental Sustainability

We see environmental sustainability as a creative opportunity to fundamentally strengthen our business, while contributing to the society and creating a social, environmental and economic impact.



Winning Accolades:

- Shram Award by Government of Gujarat – Won by Jaydeep Patel of HAS Plant

Various Safety Activities:

- National Fire Service Week
  - o Flag Hoisting
  - o Fire Martyrs Homage
  - o Safety Quiz HSE Training
- Road Safety Week 2019
  - o Road Safety Rally
  - o Road Safety Training to Drivers
  - o Road Safety Quiz
- 30th National Road Safety Week
- Training to Contract Workers
  - o Training to Contract Supervisor
  - o External and Internal Training to DPL
  - o Training to Contract Workers
  - o Safety Talk with Workers
- Safety Activities
  - o Certified First Aiders Training by Red Cross
  - o Safety Committee Meetings
  - o Safety Promotional Activity
- Fire Training to Contract Workers
- Product Safety



Committed to Make a Difference

AT DEEPAK NITRITE LIMITED, WE ARE ADVANCING OUR POLICIES ON CORPORATE ACTIVITIES IN SOCIAL, ENVIRONMENTAL AND ETHICAL ASPECTS. WE UNDERSTAND OUR SOCIAL RESPONSIBILITY TO DEVELOP ASSETS THAT CO-EXIST IN HARMONY WITH THE ENVIRONMENT AND WITH THE COMMUNITIES. WE ARE CONTRIBUTING TO THE LOCAL SOCIETY, WORKING WITH COMMUNITIES AND PRODUCING WAYS OF LIVING FOR THE FUTURE

While we are committed to make a difference in the lives of people around the world, we are also committed to being responsive towards our key stakeholders – the communities. We aim to especially support those from the socially and economically backward groups – the underprivileged and marginalised sections. We have identified the CSR priorities where we are confident of making the greatest impact. We continue to carry out activities based on our chosen pillars for Corporate Social Responsibility.

OUR KEY CSR PILLARS

1. Comprehensive Emergency Obstetric & New Born Care

This public-private partnership has been set up with the objective of serving as a comprehensive emergency medical unit for maternal and newborn care for over 1 Lakh tribal population. This initiative is spread across 5 tribal blocks of Chota Udepur district in Gujarat. It seeks to increase the number of beneficiaries receiving free-of-cost services in order to reduce their out-of-pocket expenses on health services.

Key Aim:

- To link health facility with tertiary care facility to provide immediate and timely referral of complicated cases
- Link facility with 3 Mobile Health Units to reach out to beneficiaries in remote areas



- To promote facility as teaching facility for maternal and child health courses, such as CPS and DNB

2. Mobile Health Units

The project aims to provide primary healthcare services to people residing in remote and tribal areas at Dahej in Gujarat and Roha in Maharashtra through Universal Health Coverage.

Key Objectives:

- To reduce out-of-pocket expenses on treatment by beneficiaries
- To reach out to at least 50% of the households in the catchment through mobile health services
- To ensure that 80% of those needing referral are linked to tertiary care facilities
- To develop the location as Demographic Surveillance Site to assess the impact
- To link services with Government health facility for promotion of immunisation and family planning services



Beneficiary Coverage

	Dahej	Roha	Total
OPD Patients	18,258	16,021	34,279
Health Awareness Beneficiaries	3,304	8,480	11,784
Health Camp	4	4	8
Average OPD/Month	1,521	1,335	2,857
Average OPD/Day	73	63	137

3. Skills Building Course

The Home Health Aide project has been implemented at Vadodara and Hyderabad, which aims to increase the employability of over 330 youths per annum. It aims to achieve this by providing skill development trainings to gain wage employment opportunities.

289
Candidates registered in FY 2019

10
No. of Batches Completed

Key Objectives:

- 100% internship to all registered beneficiaries to provide them hands-on training in healthcare services
- At least 80% of trained youth secure certification from National Skill Development Corporation at the completion of course
- At least 80% of certified trainees secure wage employment as per the Minimum Wages Act



4. Mobile Library Services

Mobile library service has been provided as a part of our initiative for improving education of young children, their reading and comprehension skills by 50%. The programme aims to move at least 50% students in Grade 1 and 2 to Grade 4 on the basis of cognitive assessment rubric in a year's time. This included story telling sessions, children's presentations and community events, and lending and borrowing services. This initiative has resulted in an improvement in reading, narration, imagination and creative skills and confidence among children. As part of the environment sustainability, the Tree Plantation Drive was undertaken by planting 200 plants in 4 schools to enable environment protection.



Key Activities:

- To provide access to age appropriate story books in regional language to children
- To assess literacy level of children out-of-school within specific age groups
- To increase regularity in attendance amongst school-going children
- To impart skills amongst local youths in the art of story telling

Locations under Focus

	Nandesari, Gujarat	Roha, Maharashtra	Hyderabad, Andhra Pradesh
Children availing mobile library services	1,209 children across 11 schools	1,824 children across 25 villages	1,141 children across 11 schools
Children attending sessions	46.5%	60.71%	87.3%
Conducting Story Telling Sessions	663	1,732	364
Events promoting cognitive development	39	41	15

5. De-Addiction and Rehabilitation Centre

A de-addiction and Rehabilitation Centre has been set up at Hyderabad with the aim of generating awareness on ill-effects on alcohol consumption. The Programme also aims at educating households on the consequences of alcohol addiction and methods of prevention to lead a healthy and meaningful life.



547
No. of Addicts Identified

143
Undergoing Rehabilitation

20
Fully Rehabilitated

Key Objectives:

- To create awareness and educate around 25,000 people annually on ill-effects of alcoholism on the individual, family and society at large
- To evolve culture-specific models for prevention of alcoholism and substance, and treatment and rehabilitation of addicts
- To establish appropriate linkages between State interventions and voluntary efforts in the field of alcoholism and substance abuse prevention
- To increase community participation and public cooperation in reduction of demand for dependence-producing substances

Notice

NOTICE is hereby given that the Forty Eighth Annual General Meeting of Members of DEEPAK NITRITE LIMITED will be held at Grand Mercure Vadodara Surya Palace, Opposite Parsi Agiyari, Sayajigunj, Vadodara – 390 020 on **Friday, June 28, 2019** at **10:30** a.m. to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider, approve and adopt the Standalone and Consolidated Audited Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Changes in Equity for the Financial Year ended March 31, 2019, together with the Directors' Report and the Auditor's Report thereon.

2) To consider declaration of Dividend on Equity Shares for the Financial Year ended March 31, 2019.

3) To appoint a Director in place of Shri Sanjay Upadhyay (DIN: 01776546), 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.

SPECIAL BUSINESS:

4) Re-appointment of Shri Deepak C. Mehta (DIN: 00028377) as Chairman & Managing Director of the Company.

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 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 (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 Chairman & Managing Director of the Company, for further period of five (5) years with effect from December 14, 2018, 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 in accordance with the provisions of the Act including remuneration within the overall limits prescribed under Section 197 read with Schedule V to the Act, 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 profit are inadequate, the Company shall continue to pay to Shri Deepak C. Mehta, the remuneration as set out in the Explanatory Statement, by way of salary, perquisites, incentives and other allowances, as a "minimum remuneration" subject to the limits and condition specified in Schedule V of the Companies Act, 2013 and rules made thereunder or such other limits as may be prescribed by the Central Government and approval of Members and/or Central Government required, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized 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 the re-appointment of Shri Deepak C. Mehta as Chairman and Managing Director of the Company as mentioned above."

5) Re-appointment of Shri Sudhin Choksey (DIN: 00036085) as an Independent Director of the Company for a second term of 3 consecutive years.

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 Qualification of Directors) Rules, 2014 and those contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Sudhin Choksey (DIN: 00036085), Independent Non-Executive 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 re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of three (3) consecutive years with effect from August 8, 2019 till August 7, 2022.

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."

6) **Re-appointment of Shri Sudhir Mankad (DIN: 00086077) as an Independent Director of the Company for a second term of 3 consecutive years.**

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 Qualification of Directors) Rules, 2014 and Regulation 17(1A) and other applicable of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sudhir Mankad (DIN: 00086077), Independent Non-Executive 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 re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of three (3) consecutive years with effect from August 8, 2019 till August 7, 2022 as well as to continue to hold the position of Independent Non-Executive Director 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."

7) **Re-appointment of Shri Sandesh Kumar Anand (DIN: 00001792) as an Independent Director of the Company for a second term of 3 consecutive years.**

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 Qualification of Directors) Rules, 2014 and Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), 2015, ("Listing Regulations") as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sandesh Kumar Anand (DIN: 00001792), Independent Non-Executive 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 re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of three (3) consecutive years with effect from August 8, 2019 till August 7, 2022 as well as to continue to hold the position of Independent Non-Executive Director 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."

8) **Re-appointment of Dr. Swaminathan Sivaram (DIN: 00009900) as an Independent Director of the Company for a second term of 3 consecutive years.**

To consider and if thought fit, to pass, 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 Qualification of Directors) Rules, 2014 and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Swaminathan Sivaram (DIN: 00009900), Independent Non-Executive 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 re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of three (3) consecutive years with effect from August 8, 2019 till August 7, 2022 as well as to continue to hold the position of Independent Non-Executive Director 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) **Re-appointment of Dr. Richard H. Rupp (DIN: 02205790) as an Independent Director of the Company for a second term of 3 consecutive years.**

To consider and if thought fit, to pass, the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the 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 Qualification of Directors) Rules, 2014 and those contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Richard H. Rupp (DIN: 02205790), Independent Non-Executive 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 re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of three (3) consecutive years with effect from August 8, 2019 till August 7, 2022.

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."

10) Appointment of Shri Sanjay Asher (DIN: 00008221) as an Independent Director of the Company.

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 149, 152 of the Companies Act, 2013 ("Act") read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sanjay Asher (DIN: 00008221), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from May 3, 2019 in terms of Section 161 (1) of the Act and Articles of Association of the Company and 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 in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of three (3) consecutive years upto June 27, 2022.

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."

11) Appointment of Smt. Purvi Sheth (DIN: 06449636) as an Independent Director of the Company.

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 149, 152 of the Companies Act, 2013 ("Act") read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Purvi Sheth (DIN: 06449636), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from May 3, 2019 in terms of Section 161 (1) of the Act and Articles of Association of the Company and who has submitted a declaration under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations that she meets the criteria for independence as provided in the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of three (3) consecutive years upto June 27, 2022

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."

12) Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013.

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members at the 44th Annual General Meeting of the Company held on August 7, 2015 and pursuant to the second proviso to Sub-Section (1) of Section 197 of the Companies Act, 2013 ("the Act") as amended vide Companies (Amendment) Act, 2017 effective from September 12, 2018 and

all other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded for payment of managerial remuneration for the Financial Year 2019-20 and all subsequent Financial Years, in excess of the limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act as under:

(a) exceeding five per cent (5%) of net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profits") to any one Managing Director or Whole Time Director or Manager;

(b) where there is more than one Managing Director or Whole Time Director, exceeding ten per cent (10%) of the Net Profits of the Company to all such Directors and Manager; and

(c) exceeding one percent (1%) of Net Profits of the Company to all Directors who are neither Managing Director nor Whole Time Director of the Company.

RESOLVED FURTHER THAT the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole-time Director, in respect of any Financial Year shall not exceed eleven per cent (11%) of the net profits of the Company for that Financial Year computed in the manner laid down in Section 198 of the Act except as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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."

13) Payment of remuneration to Non- Executive Directors.

To consider and if thought fit, to pass, 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 the applicable provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Non-Executive Directors of the Company (i.e. Directors other than Managing Director(s) and/or the Whole-time Director), be paid remuneration by way of commission, in addition to the sitting fees and re-imbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, every year for a period of five (5) years with effect from April 1, 2019, as the Board of Directors may from time to time determine, 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, in accordance with the provisions of the Act and/or approval of Members, to be divided amongst them in such manner as the Board may, from time to time, determine.

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."

14) 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 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.

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 commenced from April 1, 2019 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 authorized 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 the above Resolution."

15) Ratification of remuneration of the Cost Auditor for the Financial Year 2019-20.

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 payable to M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219), 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, 2020 amounting to ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and approved."

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713
Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara - 390 021

Place: Vadodara
Date : May 3, 2019

Registered Office:
Aaditya-I, Chhani Road
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200, 396 0200
Fax: +91-265-2765344
Email: investor@godeepak.com
Website: www.godeepak.com
CIN: L24110GJ1970PLC001735

NOTES:

1. A statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 48TH ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing the Proxy, in order to be valid and effective, should be lodged / deposited with the Company at its Registered Office not less than 48 (forty eight) hours before the commencement of the Annual General Meeting ("the Meeting").

   A person can act as a Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or Member.

3. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

4. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.

5. The relevant documents referred to in this Notice requiring approval by the Members at the Meeting shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours, up to the date of the Meeting. This Notice and the Annual Report will also be available on the Company's website www.godeepak.com for download.

6. The Register of Members of the Company will be closed from Friday, June 21, 2019 to Friday, June 28, 2019 (both days inclusive).

7. The Dividend as recommended by the Board of Directors, if approved at the Meeting, will be paid within statutory time limit of 30 days, as under:

   (a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on June 20, 2019.

(b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on June 20, 2019.

8. 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.

9. Members holding shares in physical form 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, etc. to the Company's Registrar & Share Transfer Agent, quoting their Registered Folio Number. The Bank Account particulars of the Members will be printed on the Dividend Warrant.

10. Members holding shares in physical form are requested to consider converting their shareholding in dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Company's Registrar & Share Transfer Agent for assistance in this regard.

11. Members seeking any information with regard to the Annual Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.

12. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) 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 the Financial Year 2011-12 is due for transfer to the said Fund in August, 2019. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2011-12 onwards, are requested to lodge their claims with the Company for the same.

    Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 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 to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said 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.

13. The Notice of the Annual General Meeting along with the Annual Report for the Financial Year 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

    The route map showing directions to reach the venue of the Meeting is provided in the Notice after the Explanatory Statement.

14. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar & Share Transfer Agent/ their respective Depository Participants. Members whose email ids are already registered may update the changes therein, if any. 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.

15. 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 Registrar & Share Transfer Agent.

16. The information on Directors seeking appointment/re-appointment/variation in terms of appointment at the Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard 2 on General Meetings is provided in Annexure - I to this Notice.

17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR' or 'Listing

Regulations'), the Company is pleased to provide the facility to Members, to exercise their right to vote on Resolutions proposed to be considered at the Meeting by electronic means and the business may be transacted through such voting.

18. Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, June 21, 2019 ("Cut-off Date") are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

19. The Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating remote e-Voting for the Meeting. The Members may cast their votes on electronic voting system to be provided by CDSL from place other than the venue of the Meeting ("remote e-Voting"). The remote e-Voting will commence on **Tuesday, June 25, 2019 (9:00 a.m.)** and will end on **Thursday, June 27, 2019 (5:00 p.m.)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the Member, he/she shall not be allowed to change it subsequently. The Members desiring to vote through remote e-Voting are requested to refer to the detailed procedure given herein in the Notice.

20. In addition, the facility for voting through Polling Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the Meeting through Polling Paper.

21. Members who have cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

22. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

23. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date.

24. The Company has appointed Shri Dinesh Joshi, Practising Company Secretary (Membership No.: FCS-3752), Designated Partner, M/s. KANJ & Co. LLP, Company Secretaries, Pune, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

PROCEDURE FOR REMOTE E-VOTING

I. The instructions for shareholders voting electronically are as under:

i. The Members should log on to the e-voting website www.evotingindia.com.

ii. Click on Shareholders.

iii. Now Enter your User ID :

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Address Sticker.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository Participate or Company, please enter the Member ID/ Folio Number in the Dividend Bank Details filed as mentioned in instruction (iii).

After entering these details appropriately, click on "SUBMIT" tab.

vii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential

viii. For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

ix. Click on the EVSN for "Deepak Nitrite Limited" on which you choose to vote.

x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xii. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvi. Shareholders can also cast their vote using Mobile app - "m - Voting". Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).

xvii. Note for Non – Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration form bearing stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www. evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Members can cast their vote online from June 25, 2019 (9:00 a.m.) till June 27, 2019 (5:00 p.m.). Remote e-Voting shall not be allowed beyond the said period.

IV. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the Cut-off Date i.e. June 21, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or at vadodara@linkintime.co.in. However, if he/she is already registered with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evotingindia.com or contact CDSL at the Toll Free No.: 1800-22-5533.

V. A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the Depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through Polling Paper.

VI. The result of voting at the Meeting including remote e-Voting shall be declared after the Meeting but not later than Forty Eight Hours of the conclusion of the Meeting.

VII. The result declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.godeepak.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.: 4

The Board of Directors of the Company at their meeting held on October 26, 2018 approved the re-appointment of Shri Deepak C. Mehta as the Chairman & Managing Director of the Company for further period from December 14, 2018 to December 13, 2023, subject to approval of Members of the Company, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

The Nomination and Remuneration Committee, at their meeting held on May 3, 2019, reviewed the remuneration payable to Shri Deepak C. Mehta as the Chairman & Managing Director of the Company and recommended the revision in remuneration payable to Shri Deepak C. Mehta effective from April 1, 2019.

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) Salary and Perquisites

Shri Deepak C. Mehta shall be paid fixed amount of ₹ 323 Lakhs (Rupees Three Hundred Twenty Three Lakhs only) per annum, with effect from December 14, 2018 till March 31, 2019, proportionately and ₹ 650 Lakhs (Rupees Six Hundred Fifty Lakhs only) per annum from April 1, 2019, by way of salary, house rent allowance, other allowances, and retirement benefits including but not limited to Company's contribution to provident fund, superannuation fund or annuity fund, gratuity or such remuneration as may be determined by the Board or Committee thereof from time to time.

(B) The perquisites, allowances and other benefits shall include but not be limited to the following:

1) Rent free furnished residential accommodation in lieu of House Rent Allowance as may be agreed between the Company and Shri Deepak C. Mehta.
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.

(C) In addition to the remuneration as stated 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 shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

(G) 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.

(H) Shri Deepak C. Mehta shall not be liable to retire by rotation as a Director of the Company.

The details of Shri Deepak C. Mehta 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 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.

A copy of the Agreement entered into between the Company and Shri Deepak C. Mehta is open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Shri Deepak C. Mehta and his relatives Shri Ajay C. Mehta and Shri Maulik Mehta are interested in the Ordinary Resolution set out at Item No. 4 of the Notice, which pertains to the re-appointment and remuneration payable to Shri Deepak C. Mehta.

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 this Ordinary Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO.: 5

Shri Sudhin Choksey (DIN: 00036085) is an Independent Non-Executive Director of the Company. He is also the Chairman of the Audit Committee and a member of the Nomination & Remuneration Committee of the Board of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Shri Sudhin Choksey was appointed as an Independent Director at the 43rd Annual General Meeting of the Company held on August 8, 2014 for a term of five (5) consecutive years upto August 7, 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company 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.

In the opinion of the Board of Directors of the Company, Shri Sudhin Choksey fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

The Board of Directors at its meeting held on May 3, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Shri Sudhin Choksey would be beneficial to the Company and it is desirable to re-appoint Shri Sudhin Choksey as an Independent Director for another term of three (3) consecutive years with effect from August 8, 2019.

Copy of the draft letter of appointment of Shri Sudhin Choksey setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company.

The details of Shri Sudhin Choksey 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 Sudhin Choksey does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Sudhin Choksey has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sudhin Choksey are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO.: 6

Shri Sudhir Mankad (DIN: 00086077) is an Independent Non-Executive Director of the Company. He is also the Chairman of the Nomination & Remuneration Committee and member of the Audit Committee and Corporate Social Responsibility Committee of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Shri Sudhir Mankad was appointed as an Independent Director at the 43rd Annual General Meeting of the Company held on August 8, 2014 for a term of five (5) consecutive years upto August 7, 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company 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.

In the opinion of the Board of Directors of the Company, Shri Sudhir Mankad fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

The Board of Directors at its meeting held on May 3, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Shri Sudhir Mankad would be beneficial to the Company and it is desirable to re-appoint Shri Sudhir Mankad as an Independent Director for another term of three (3) consecutive years with effect from August 8, 2019.

Further, as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 1, 2019, a person who has attained the age of 75 years, can continue the directorship in a company with the approval of Members by way of Special Resolution. Since Shri Sudhir Mankad is approaching the age of 72 years and in order to continue his directorship upon his attaining the age of 75 years, during the second term of his appointment, the Board also recommends the continuation of directorship of Shri Sudhir Mankad beyond the age of 75 years, for approval by the Members of the Company.

Copy of the draft letter of appointment of Shri Sudhir Mankad setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company.

The details of Shri Sudhir Mankad 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 Sudhir Mankad does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Sudhir Mankad has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sudhir Mankad are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO.: 7

Shri Sandesh Kumar Anand (DIN: 00001792) is an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee and Stakeholders' Relationship & Investors Grievance Committee of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Shri Sandesh Kumar Anand was appointed as an Independent Director at the 43rd Annual General Meeting of the Company held on August 8, 2014 for a consecutive term of five (5) consecutive years upto August 7, 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company 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.

The Board of Directors at its meeting held on May 3, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Shri Sandesh Kumar Anand would be beneficial to the Company and it is desirable to re-appoint Shri Sandesh Kumar Anand as an Independent Director for another term of three (3) consecutive years with effect from August 8, 2019.

Shri Sandesh Kumar Anand does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Anand has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board of Directors of the Company, Shri Sandesh Kumar Anand fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

Further, as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 1, 2019, a person who has attained the age of 75 years, can be appointed or continue the directorship in a company with the approval of Members by way of Special Resolution. Since Shri Sandesh Kumar Anand has attained the age of 75 years, the Board also recommends the approval for the appointment of Shri Sandesh Kumar Anand, who has attained the age of 75 years, by the Members of the Company.

Copy of the draft letter of appointment of Shri Sandesh Kumar Anand setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company.

The details of Shri Sandesh Kumar Anand 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.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sandesh Kumar Anand are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

ITEM NO.: 8

Dr. Swaminathan Sivaram (DIN: 00009900) is an Independent Non-Executive Director of the Company. He is also a member of the Corporate Social Responsibility Committee and Risk Management Committee of the Board of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Dr. Swaminathan Sivaram was appointed as an Independent Director at the 43rd Annual General Meeting of the Company held on August 8, 2014 for a term of five (5) consecutive years upto August 7, 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company 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.

The Board of Directors at its meeting held on May 3, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Dr. Swaminathan Sivaram would be beneficial to the Company and it is desirable to re-appoint Dr. Swaminathan Sivaram as an Independent Director for another term of three (3) consecutive years with effect from August 8, 2019.

Dr. Sivaram does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Dr. Sivaram has given a declaration that 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, Dr. Swaminathan Sivaram fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

Further, as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 1, 2019, a person who has attained the age of 75 years, can continue the directorship in a company with the approval of Members by way of Special Resolution. Since Dr. Swaminathan Sivaram is approaching the age of 72 years and in order to continue his directorship upon his attaining the age of 75 years, during the second term of his appointment, the Board also recommends the continuation of directorship of Dr. Swaminathan Sivaram beyond the age of 75 years, for approval by the Members of the Company.

Copy of the draft letter of appointment of Dr. Swaminathan Sivaram setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company.

The details of Dr. Swaminathan Sivaram 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.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. Swaminathan Sivaram are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

ITEM NO.: 9

Dr. Richard H. Rupp (DIN: 02205790) is an Independent Non-Executive Director of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Dr. Richard H. Rupp was appointed as an Independent Director at the 43rd Annual General Meeting of the Company held on August 8, 2014 for a term of five (5) consecutive years upto August 7, 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term upto five (5) consecutive years on the Board of a Company 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.

The Board of Directors at its meeting held on May 3, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Dr. Richard H. Rupp would be beneficial to the Company and it is desirable to re-appoint Dr. Richard H. Rupp as an Independent Director for another term of three (3) consecutive years with effect from August 8, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Dr. Rupp has given a declaration that 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, Dr. Richard H. Rupp fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

Copy of the draft letter of appointment of Dr. Richard H. Rupp setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company.

The details of Dr. Richard H. Rupp 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.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. Richard H. Rupp are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

ITEM NO.: 10

Shri Sanjay Asher (DIN: 00008221) has been appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. May 3, 2019. As per the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds office as an Additional Director upto the ensuing Annual General Meeting of the Company.

The Company has received a notice under Section 160 of the Act together with a deposit of ₹ 1,00,000/- from a Member proposing his candidature as an Independent Non-Executive Director of the Company. In accordance with the provisions of the Act, it is proposed to appoint Shri Sanjay Asher as an Independent Non-Executive Independent Director of the Company for a term of three (3) consecutive years upto June 27, 2022.

Shri Sanjay Asher has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Shri Sanjay Asher fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Sanjay Asher as an Independent Director.

The details of Shri Sanjay Asher 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.

A copy of the draft Letter of Appointment of Shri Sanjay Asher as an Independent Director will be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sanjay Asher are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Members.

ITEM NO.: 11

Smt. Purvi Sheth (DIN: 06449636) has been appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. May 3, 2019. As per the provisions of Section 161 of the Companies Act, 2013 ("the Act"), she holds office as an Additional Director upto the ensuing Annual General Meeting.

The Company has received a notice under Section 160 of the Act together with a deposit of ₹ 1,00,000/- from a Member proposing her candidature as an Independent Non-Executive Director of the Company. In accordance with the provisions of the Act, it is proposed to appoint Smt. Purvi Sheth as an Independent Non-Executive Director for a term of three (3) consecutive years upto June 27, 2022.

Smt. Purvi Sheth has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Smt. Purvi Sheth fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Smt. Purvi Sheth as an Independent Director.

The details of Smt. Purvi Sheth 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.

A copy of the draft Letter of Appointment of Smt. Purvi Sheth as an Independent Director will be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Smt. Purvi Sheth 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 the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the Members.

ITEM NO.: 12

As per the provisions of Section 197 of the Companies Act, 2013 ("the Act") the overall managerial remuneration to Directors shall not exceed 11 per cent (11%) of the net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profit") and should be within the sub-limits as prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act.

Prior to the amendments brought in by Companies (Amendment) Act, 2017 in Section 197, the Company may, with the approval of the Members at the general meeting, pay remuneration to the Managing Director, Whole Time Director or Manager, in excess of 5 per cent (5%) of the Net Profit for a particular financial year and where there is more than one such Directors, in excess of 10 per cent (10%) of the Net Profit to all of them together and to the Non-Executive Directors in excess of 1 per cent (1%) of the Net Profit of the Company. Accordingly, the Company had obtained the approval of Members of the Company by way of Ordinary Resolution at the 44th Annual General Meeting of the Company held on August 7, 2015 for payment of managerial remuneration in excess of the sub-limits prescribed under the erstwhile second proviso to Sub-Section (1) of Section 197 of the Act.

However, as per the amendments made by the Companies (Amendment) Act, 2017 in the second proviso to Sub-Section (1) of Section 197 of the Act, which were made effective from September 12, 2018, the said approval of the Members of the Company has to be obtained by way of Special Resolution.

Accordingly, approval of the Members is being sought for the Special Resolution as set out under Item No. 12 of the Notice for payment of remuneration to Directors in excess of sub-limits prescribed under the provisions of Section 197 of the Act for the Financial Year 2019-20 and subsequent years.

Further, the total managerial remuneration to all the Directors shall be within the limit of 11% of the Net Profit as prescribed under Section 197 of the Companies Act, 2013, except as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

None of the Key Managerial Personnel of the Company / their relatives, other than the Directors to the extent of remuneration which may be paid to them in accordance with the provisions of Section 197 of the Companies Act, 2013, are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 12 of the Notice for approval by the Members.

ITEM NO.: 13

The Members had, at the 43rd Annual General Meeting of the Company held on August 8, 2014, approved the payment of remuneration by way of commission to Non-Executive Directors of the Company, for a period of five (5) years commencing with Financial Year 2014-15, not exceeding 1% (one per cent) of the net profits of the Company as determined in accordance with

the provisions of Section 197, 198 of the Companies Act, 2013. Accordingly, the remuneration to the Non-Executive Directors as above can be paid till the Financial Year 2018-19.

Further, as per the provisions of Regulation 17 (6) of the Listing Regulations, all fees / compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of shareholders in general meeting.

In view of the above, approval of Members is being sought for payment of commission to Non-Executive Directors as set out in the Ordinary Resolution at Item No. 13 of this Notice.

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. 13 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 13 for approval by the Members.

ITEM NO.: 14:

As required under Regulation 17 (6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ('Listing Regulations'), inserted by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group of the listed entity, shall be subject to the approval of the shareholders by special resolution in general meeting, if –

(i) Annual remuneration payable to such executive director exceeds ₹ 5 Crore 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 Director(s) 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 2019-20 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 and Shri Maulik Mehta are deemed to be concerned or interested in the Special Resolution as set out under Item No. 14 of the Notice.

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 set out at Item No. 14 of the Notice.

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for approval by the Members.

ITEM NO.: 15

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. 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 2019-20.

Upon recommendation of the Audit Committee, the remuneration of the Cost Auditors was fixed by the Board of Directors at ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable tax and out of pocket expenses for performing the audit as mentioned above.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, approval of the Members is sought for the Ordinary Resolution as set out at Item No. 15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

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. 15 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 15 of the Notice for approval by the Members.

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: FCS-6713
Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara-390021

Place: Vadodara
Date : May 3, 2019

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

Name of the Director	Shri Deepak C. Mehta		Shri Sanjay Upadhyay	
Date of Birth	December 12, 1956		July 20, 1961	
Age	62 Years		57 Years	
Director Identification Number	00028377		01776546	
Qualifications	Bachelor of Science from University of Bombay.		Associate Member of the Institute of Cost Accountants of India and Fellow Member of the Institute of Company Secretaries of India. Advanced Management Programme from Wharton, USA.	
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	As detailed in the Explanatory Statement of Item No. 4.		As per Ordinary Resolution passed at the 46th Annual General Meeting of the Company held on June 26, 2017	
Remuneration paid / payable for the Financial Year 2018-19	₹ 906.60 Lakhs		₹ 294.40 Lakhs	
Expertise in specific functional areas	Management & Leadership		Finance, Taxation & Management	
Date of first appointment on the Board	June 14, 1978		April 28, 2017	
Shareholdings in the Company as on March 31, 2019	2,12,16,331 Equity Shares		Nil	
Disclosure of relationships between directors inter-se.	Father of Shri Maulik D. Mehta and Brother of Shri Ajay C. Mehta		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2018-19	**No. of Board Meetings held**	**Board Meetings Attended**	**No. of Board Meetings held**	**Board Meetings Attended**
	4	4	4	4
Directorship in other Companies as on March 31, 2019	**Listed Companies**		**Listed Companies**	
	Nil		Nil	
	Non- Listed Companies		**Non- Listed Companies**	
	Deepak Novochem Technologies Limited Deepak Phenolics Limited Lakaki Works Private Limited Forex Leafin Private Limited Pranawa Leafin Private Limited Greypoint Investments Private Limited Hardik Leafin Private Limited Sundown Finvest Private Limited Stigma Credits and Capital Private Limited Checkpoint Credit and Capital Private Limited Skyrose Finvest Private Limited Stepup Credits and Capital Private Limited Stiffen Credits and Capital Private Limited Deepak Cybit Private Limited Sofotel Infra Private Limited BAIF Institute for Sustainable Livelihoods and Development Deepak Research and Development Foundation Kawant Development Corporation		Deepak Novochem Technologies Limited Deepak Phenolics Limited	
Chairmanship/Membership of Committees of other Board	**Audit Committee** Deepak Phenolics Limited- Member Deepak Novochem Technologies Limited - Member **Nomination & Remuneration Committee** Deepak Phenolics Limited- Member Deepak Novochem Technologies Limited - Member **Corporate Social Responsibility Committee** Deepak Novochem Technologies Limited - Member		**Audit Committee** Deepak Novochem Technologies Limited - Chairman **Nomination & Remuneration Committee** Deepak Phenolics Limited - Member Deepak Novochem Technologies Limited - Chairman **Corporate Social Responsibility Committee** Deepak Novochem Technologies Limited - Member Deepak Phenolics Limited - Member	

Name of the Director	Dr. Richard H. Rupp		Shri S. K. Anand	
Date of Birth	June 27, 1947		December 10, 1942	
Age	71 Years		76 Years	
Director Identification Number	02205790		00001792	
Qualifications	Ph.D. in Chemistry from University of Karlsruhe, Germany. Executive Development from IMD at Lausanne, Switzerland.		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.	
Terms and Conditions of appointment or 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.		As per draft letter of appointment available for inspection by the Members at the Registered Office of the Company.	
Remuneration paid / payable for the Financial Year 2018-19	Sitting Fees	₹ 1,20,000	Sitting Fees	₹ 3,60,000
	Commission	₹ 10,00,000	Commission	₹ 25,00,000
	Total	₹ 11,20,000	Total	₹ 28,60,000
Expertise in specific functional areas	Scientific, technical as well as managerial expertise. He is well-acquainted with the USA, European, Asian and Indian sub-continent markets.		Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management, Strategic Planning in petrochemicals.	
Date of first appointment on the Board	May 27, 2008.		November 4, 2011	
Shareholdings in the Company as on March 31, 2019	Nil		Nil	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2018-19	**No. of Board Meetings held**	**Board Meetings Attended**	**No. of Board Meetings held**	**Board Meetings Attended**
	4	2	4	4
Directorship in other Companies as on March 31, 2019	**Listed Companies**		**Listed Companies**	
	Nil		Nil	
	Non- Listed Companies		**Non- Listed Companies**	
	Nil		Deepak Phenolics Limited Sunrise Industries (India) Limited Optimum Diagnostics and Research Private Limited	
Chairmanship/Membership of Committees of other Board	Nil		**Audit Committee** Deepak Phenolics Limited – Chairman Sunrise Industries (India) Limited – Chairman **Corporate Social Responsibility Committee** Deepak Phenolics Limited - Member **Nomination & Remuneration Committee** Deepak Phenolics Limited – Chairman	

Name of the Director	Shri Sudhin Choksey		Shri Sudhir Mankad	
Date of Birth	January 31, 1954		August 5, 1947	
Age	65 Years		71 Years	
Director Identification Number	00036085		00086077	
Qualifications	Fellow Member of the Institute of Chartered Accountants of India.		Master's degree in History from the University of Delhi.	
Terms and Conditions of appointment or 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.		As per draft letter of appointment available for inspection by the Members at the Registered Office of the Company.	
Remuneration paid / payable for the Financial Year 2018-19	Sitting Fees	₹ 2,70,000	Sitting Fees	₹ 2,85,000
	Commission	₹ 10,00,000	Commission	₹ 10,00,000
	Total	₹ 12,70,000	Total	₹ 12,85,000
Expertise in specific functional areas	Shri Sudhin Choksey has extensive experience in functional areas like finance, commerce and general management, both in India and abroad.		Strategy, Management & Leadership	
Date of first appointment on the Board	March 30, 2005		May 13, 2009	
Shareholdings in the Company as on March 31, 2019	Nil		Nil	

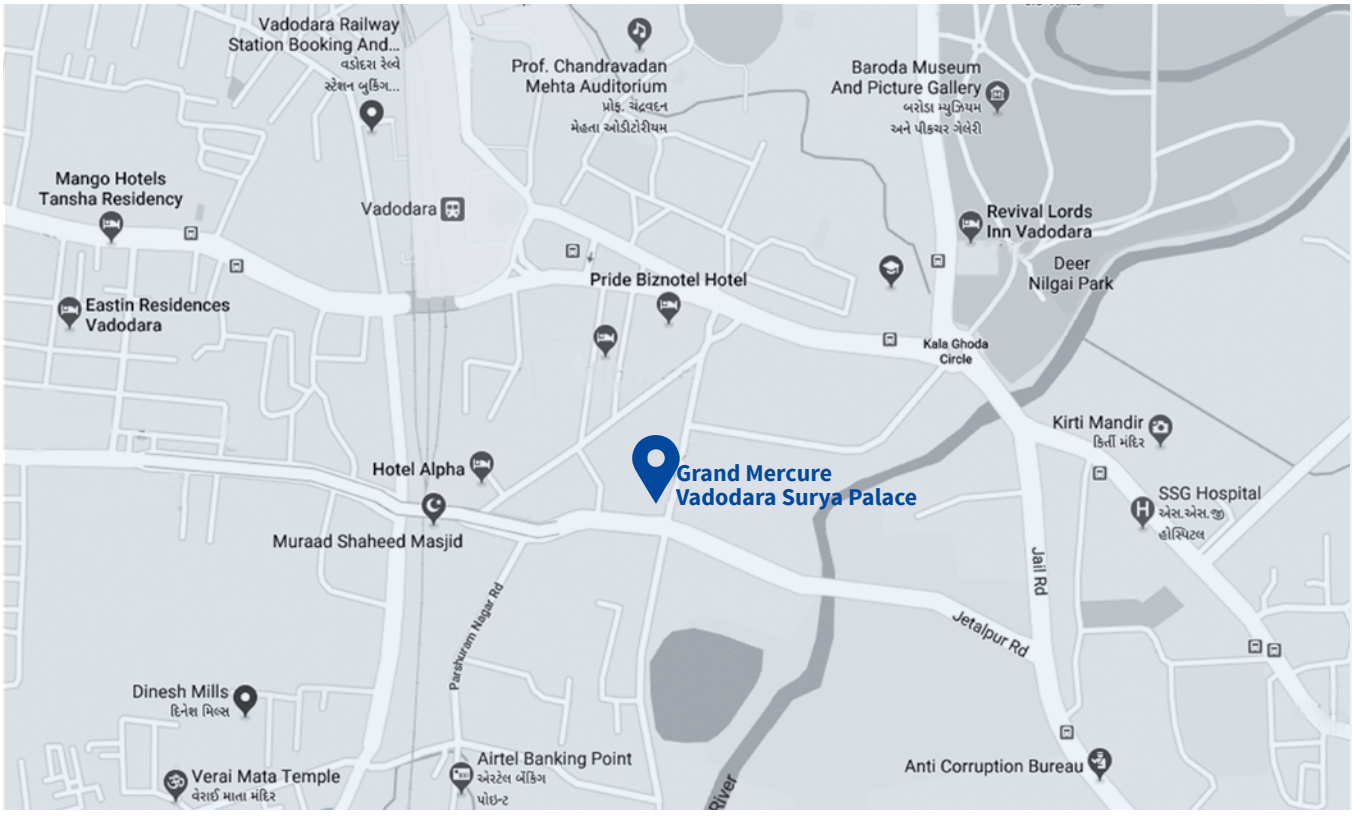
Name of the Director	Shri Sudhin Choksey		Shri Sudhir Mankad	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2018-19	**No. of Board Meetings held**	**Board Meetings Attended**	**No. of Board Meetings held**	**Board Meetings Attended**
	4	3	4	3
Directorship in other Companies as on March 31, 2019	**Listed Companies**		**Listed Companies**	
	Gujarat Ambuja Exports Limited GRUH Finance Limited		Navin Fluorine International Limited Swaraj Engines Limited GRUH Finance Limited	
	Non- Listed Companies		**Non- Listed Companies**	
	Light Microfinance Private Limited HDFC Credila Financial Services Private Limited		Gujarat International Finance Tec-City Company Limited Mahindra Intertrade Limited GIFT SEZ Limited	
Chairmanship/Membership of Committees of other Board	**Audit Committee** Gujarat Ambuja Exports Limited – Chairman **Corporate Social Responsibility Committee** GRUH Finance Limited - Member		**Audit Committee** Mahindra Intertrade Limited - Chairman Swaraj Engines Limited - Member **Stakeholder Relationship Committee** GRUH Finance Limited- Member **Nomination & Remuneration Committee** GRUH Finance Limited - Chairman Swaraj Engines Limited - Member **Corporate Social Responsibility Committee** Mahindra Intertrade Limited - Member Swaraj Engines Limited - Chairman GRUH Finance Limited - Member Navin Fluorine International Limited - Chairman	

Name of the Director	Dr. Swaminathan Sivaram		Shri Sanjay Asher	
Date of Birth	November 4, 1946		November 26, 1963	
Age	72 Years		55 Years	
Director Identification Number	00009900		00008221	
Qualifications	Ph.D in Chemistry and DSc (h.c) from Purdue University, W. Lafayatte, Indiana, USA		Bachelor's Degree in Commerce and in Law from the University of Bombay. He is also a qualified Chartered Accountant and a Solicitor	
Terms and Conditions of appointment or 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.		As per draft letter of appointment available for inspection by the Members at the Registered Office of the Company.	
Remuneration paid / payable for the Financial Year 2018-19	Sitting Fees	₹ 1,80,000	Sitting Fees	NA
	Commission	₹ 8,00,000	Commission	
	Total	₹ 9,80,000	Total	
Expertise in specific functional areas	Basic research, process/product R&D and S&T management, both in industry and academia		Over twenty nine years of experience in the field of law and corporate matters. He is presently a senior partner at M/s. Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.	
Date of first appointment on the Board	May 9, 2013		May 3, 2019	
Shareholdings in the Company as on March 31, 2019	Nil		Nil	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.		Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2018-19	**No. of Board Meetings held**	**Board Meetings Attended**	NA	
	4	4		
Directorship in other Companies as on March 31, 2019	**Listed Companies**		**Listed Companies**	
	Supreme Petrochem Limited Asian Paints Limited GMM Pfaudler Limited Apcotex Industries Limited		Sudarshan Chemical Industries Limited Tribhovandas Bhimji Zaveri Limited Ashok Leyland Limited Finolex Industries Limited Balkrishna Industries Limited	

Name of the Director	Dr. Swaminathan Sivaram	Shri Sanjay Asher
Directorship in other companies as on March 31, 2019	**Non- Listed Companies** Gharda Chemicals Limited Vyome Therapeutics Limited Aic Iiser Pune Seed Foundation	**Non- Listed Companies** Lonza India Private Limited Kineco Kaman Composites- India Private Limited Siporex India Private Limited Finolex Plasson Industries private Limited SK Restaurants Private Limited Auxilo Finserve Private Limited Bajaj Allianz General Insurance Company Limited Bajaj Allianz Life Insurance Company Limited N V Advisory Services Private Limited Arch Protection Chemicals Private limited Orbit Electricals Private Limited Sahyadri Hospitals Limited
Chairmanship/Membership of Committees of other Board	**Audit Committee** GMM Pfaudler Limited- Chairman **Stakeholder Relationship Committee** GMM Pfaudler Limited- Chairman **Nomination & Remuneration Committee** GMM Pfaudler Limited- Chairman Apcotex Industries Limited - Member	**Audit Committee** Ashok Leyland Limited-Chairman Sudarshan Chemical Industries Limited-Member Bajaj Allianz Life Insurance Company Limited- Member Bajaj Allianz General Insurance Company Limited- Member **Stakeholder Relationship Committee** Ashok Leyland Limited-Chairman Sudarshan Chemical Industries Limited- Chairman **Nomination & Remuneration Committee** Tribhovandas Bhimji Zaveri Limited-Member Balkrishna Industries Limited-Member Sudarshan Chemical Industries Limited- Member Finolex Industries Limited- Member Bajaj Allianz Life Insurance Company Limited- Member Bajaj Allianz General Insurance Company Limited- Member

Name of the Director	Smt. Purvi Sheth	
Date of Birth	May 31, 1972	
Age	46 Years	
Director Identification Number	06449636	
Qualifications	Bachelor'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	
Terms and Conditions of appointment or 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.	
Remuneration paid / payable for the Financial Year 2018-19	Sitting Fees	NA
	Commission	
	Total	
Expertise in specific functional areas	Strategic HR Management. Talent management through advanced leadership processes and implementation.	
Date of first appointment on the Board	May 3, 2019	
Shareholdings in the Company as on March 31, 2019	Nil	
Disclosure of relationships between directors inter-se.	Not related to any of the Directors or Key Managerial Personnel of the Company.	
The number of Meetings of the Board attended during the F.Y. 2018-19	NA	
Directorship in other Companies as on March 31, 2019	**Listed Companies**	
	Nil	
	Non- Listed Companies	
	Nirigyan Information Consulting and Services Private Limited	
Chairmanship/Membership of Committees of other Board	Nil	

ROUTE MAP - 48TH ANNUAL GENERAL MEETING OF DEEPAK NITRITE LIMITED



Grand Mercure Vadodara Surya Palace,
Opposite Parsi Agiyari, Sayajigunj,
Vadodara – 390 020
Gujarat.

Landmark: Parsi Agiyari Ground

Management Discussion & Analysis

GLOBAL ECONOMIC SCENARIO

The Financial Year 2018-19 was characterised by fears of sharp slowing down of global economic growth due to an increasing degree of deglobalisation. World economic growth is projected to moderate from 3% in 2018 to 2.9% in 2019 on an annualised basis, as consumer and business spending weakened, advanced-economy growth decelerated, and recovery in major commodity-exporting emerging market and developing economies levelled off. This deceleration is due to a combination of tariff wars, quantitative barriers impeding the free movement of people, products and services, and geo-political protectionism, such as Brexit, and its associated impact.

Even as the U.S. economy has demonstrated an uptick recently it is believed the trade war with China will lead to slower growth. The growth in the Eurozone slipped to a 4 year low in the second half of Calendar Year 2018 and a forecast by the European Commission has revised the estimate downward to 1.3% in 2019 owing to softening exports and slowing external demand.

Economic Growth in 2019

The International Monetary Fund (IMF) has predicted that over the next decade, reverse globalisation will make the playing field of global economies uneven, resulting in reduced ability to leverage existing competitive advantages. The consequences of escalating trade actions are undeniable: higher prices in China and the U.S., less purchasing power for consumers in these countries, higher input costs, heightened financial market volatility, and possibly higher interest rates. These effects are likely to spill over from these countries into integrated markets. There are considerable downside risks which includes the possibility of disorderly financial market volatility and rising vulnerability of some emerging markets and developing economies to such disruption. There are also signs of a deteriorated risk appetite among investors and a potential slowdown in China.

Moreover, with no let-up in the US-China trade war, growth forecast point to more pain ahead, not just for the developed economies, but for the emerging market economies too. Trade tensions, including the imposition of tariffs by large economies, have resulted in a material impact on global commodity markets, leading to trade diversion and widening price differentials among countries.

Asia to drive Global Economic Growth

Asia is seen driving the global economy in 2019, with high-growth economies such as India, Indonesia, Malaysia, China, Philippines, and Turkey leading the way. India is expected to be one of the fastest growing economies in the world, with structural reforms and higher investments driving economic activity. Growth in Emerging Markets and Developing Economies, is projected to mature during the latter part of 2019.

China is projected to run a current account deficit in 2019, which will be after decades of witnessing a surplus situation. Also, it has changed its forecast to a range of 6-6.5% and further targeted to go down to 5.5%, the slowest since 2009. Its erstwhile robust economic growth engine seems to have slowed down as it faces pressures such as the trade war with the U.S., a global economic slowdown and a decline in domestic consumption. A modest weakening of China's industrial sector is likely owing to softening of export growth and a crackdown on the polluting industry. The structural slowdown is expected to be offset partly by a moderate pick-up in other large economies, including India.

INDIAN ECONOMIC SCENARIO

The Central Statistics Office revised the growth rate for India in Fiscal 2018-19 from 7.2% to 7%. While the first half witnessed strong growth trends, growth in the second half was impacted by a liquidity crisis in the BFSI sector as well as global macro-economic events. Even as growth moderated, India remained the fastest growing large economy in the world. Further, growth has been quite broad-based and domestic macro-economic indicators have remained largely stable.

Domestic demand has strengthened as the benefits of structural reforms such as the Goods & Services Tax harmonisation, improvement in governance in PSU banks and their recapitalisation take effect. Growth remained healthy despite multiple external challenges including volatile oil prices and rupee volatility which served to place pressures on demand, inflation, current account, and public finances. However, business investment and exports remained fairly robust.

According to US-based rating agency Moody's report "Global Macro Outlook for 2019 and 2020", India is less exposed to a slowdown in global manufacturing trade growth if compared with other major Asian economies and the emerging markets, and it is poised to grow at a relatively stable pace over the next two years. Announcement of the direct cash transfer program for farmers and the middle-class tax relief measures will also contribute to the fiscal stimulus. With the on-going reforms beginning to impact the economy now positively, there is renewed optimism about India's growth prospects in the upcoming years. It's believed that improvement in the governance of public banks will help avoid a new wave of non-performing loans and support the investment recovery.

Private consumption is projected to remain firm, and investment growth is also expected to continue as the benefits of recent policy reforms begin to materialise and credit rebounds. Strong domestic demand and resumption of investment cycle will boost demand for crude, metals, materials and other imports which may widen India's current account deficit. Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's (RBI) target range of 2% to 6%, mainly owing to energy and food prices. Economic growth

is seen moderately accelerating on the back of steady government expenditure, largely stable rural incomes, faster private consumption, and investment growth.

Economic growth in India is expected to accelerate moderately to 7.5% in FY 2019-20, according to a World Bank forecast, attributing it to an upswing in consumption and investment pick-up. India will continue to retain its tag as the world's fastest-growing large economy.

INDUSTRY OUTLOOK AND TRENDS

The calendar Year 2018 represents the 6th year of an extended upcycle in the global chemical markets, characterised by robust demand, tight supply, and strong profitability. This extended period of profitability caused a surge in reinvestment planning activities in North America, the Middle East, China, and other Asian locations. At the same time, many risks represent potential drags on global growth, including rising crude oil prices, domestic fiscal policy and currency fluctuations, geopolitical tensions, and realignment of trade barriers.

Additionally, trade barriers and imposition of tariffs announced by the US on imported Chinese products are likely to have spill-over effects, several customers are keen to de-risk the supply chain reliance on the Chinese market and are seeking alternative suppliers, which is favorable for India. Innovation and elevation of product suites will be an important factor as many companies will consider this as their key competitive advantage. Depreciation of INR vs USD will be an added advantage for Indian enterprises who are seeking to replace China's market share in global trade due to these tariffs.

Domestic Chemical Industry

The domestic chemical industry is forecasted to grow at a CAGR of 9% to touch US$ 304 Billion by FY 2024-25 from US$ 163 Billion in FY 2017-18, according to the India Chem Strategy Report by FICCI. Growth is likely to be driven by rising demand in end-use segments for specialty chemicals and petrochemicals. India's chemical industry is one of the fastest growing in the world, currently ranked the 3rd largest in Asia and 6th largest globally concerning output, after US, China, Germany, Japan and Korea, stated the Report. The domestic chemical industry is said to have attracted FDI investment of US$ 1.3 Billion during FY 2017-18, about 3% of the total FDI inflows into India.

The chemical sector continued to maintain its strong performance trajectory, driven by the increasing competency of Indian players across the globe as disruption in China's chemical market continues to persist. The basic chemical players stand to benefit from high demand volumes and strong commodity chemical prices globally, aiding them to sustain higher margins and higher volumes.

Increasing Capacities

The domestic chemical companies are set to invest the highest ever on capacity expansions to cater to rising demand from domestic and overseas markets, following plant shutdowns in China, currently the world's largest producer and exporter. The decline in supply from China offers opportunities for Indian players to ramp up their supply to the world market and explore new markets for sustained exports. Meanwhile, competitive cost of labour and accommodative government policies are also set to help the chemical sector in India. Besides, most large chemical companies maintain adherence to strict pollution norms, especially in Gujarat and Maharashtra.

Key Growth Enablers

The chemical industry is expected to be the key contributor and a catalyst in achieving the target of US$ 1 Trillion manufacturing economy by 2028, from the current US$ 380 Billion.

The country's consumption growth story largely drives the chemical industry in India. The per capita consumption of chemicals in India is 1/10th of the world average with India being a low consumption country even among the developing nations. With nearly US$ 15 Trillion of Chinese exports in chemicals and plastics subject to US tariffs, India is set to gain market share in the global chemical industry, estimated to be around US$ 4.7 Trillion. Significant opportunities lie ahead for Indian chemical companies arising out of emerging possibilities in US-China trade war as well as shutting down of capacities in China. The domestic industry is also tapping the intermediates opportunity and exploiting meaningful demand. Given the mature market conditions of China, India is expected to be the next engine of growth rendering opportunities to players engaged in the chemical value chain – extending from agrochemicals, dyes, pigments, and specialty chemicals, which sees the strongest tailwinds along with petrochemicals at the same time.

Further, Indian chemical companies are enhancing capabilities and investing greater amounts in R&D to elevate their offerings. India continues to gain traction from major countries and is likely to grow multifold in the coming decade. Specialty chemical companies have witnessed a sharp increase in demand for their products over the last few years. In the Specialty Chemicals segment, production picked up by 3.7% in 2018 and is expected to witness another 2.2% rise in 2019. Gains led by an improvement in oilfield chemicals, electronic chemicals, coatings, adhesives, cosmetic chemicals, and flavors and fragrances. In the years ahead, the demand for Specialty Chemicals is expected to grow in line with gains in the industrial and construction sectors. Specialty chemical players, with presence across the value chain, have observed significant improvement in their operating margins.

Future Industry Outlook

The Government has announced plans to ensure robust market size for Indian players through the implementation of a new policy in the Indian chemical space to strengthen domestic production and curb imports. A complete revamp of the current Petroleum, Chemicals & Petrochemicals Investment Regions (PCPIRs) policy will encourage effective and long-term investments in the sector and boost margins for Indian chemical players. The industry will also see some global companies investing in the Indian chemicals space.

Reducing Dependence on Chemical Imports

India continues to be a net importer of chemicals. Organic, inorganic and agrochemicals account for almost US$ 33 Billion of India's imports. Despite India's rising stature in the global chemical industry, domestic manufacturing of certain intermediates and value added chemicals is significantly below the volumes required by the consuming industries. With demand increasing steadily both due to local market absorption and capturing of global market share, leading chemical companies have recognised the growth opportunities and are focused on undertaking high-level investments, addressing challenges in the supply value chain and incorporating better and advanced technology to elevate their competencies and reducing India's import dependence.

PERFORMANCE OF YOUR COMPANY

During the year, your Company continued its investments in fortifying its diversified portfolio and also strengthening its infrastructure and processes to drive greater efficiencies, supported by its financial strength. Your Company is strategically preparing itself for the next phase of growth through value-added capabilities, new capacities, continuous perseverance, and inventiveness. It is taking on new opportunities which are bottom line accretive and margin accretive. The expansion strategies have been devised keeping in mind its risk-mitigating approach towards incurring capex and making continuous investments into the productive assets to become "future ready" and deliver on our promises.

In FY 2018-19, your Company reported solid performance driven by growth across all the Strategic Business Units (SBUs). Revenue including other income grew to ₹ 1,795 Crore, higher by 20% from FY 2017-18. The EBITDA stood at ₹ 308 Crore, up by 44% from the previous year translating into EBITDA margins of 17.2%, higher by 280 basis points (bps). Margin expansion was a result of product-mix adjustments, better realisation, and cost leadership initiatives. Profit Before Tax (PBT) was ₹ 212 Crore, an improvement of 74% from last year. Profit After Tax (PAT) stood at ₹ 138 Crore, representing an improvement of 65% compared to the previous year.

Domestic Revenues constitute a major part of your Company's turnover at 68%, while export revenues represented 32%. Domestic topline witnessed a year-on-year growth of 25% owing to robust demand from agrochemicals and pigment applications, amongst others. On the other hand, exports grew by 14% on account of encouraging demand trajectory for our key products in the global markets.

Overall, the performance in FY 2018-19 was largely driven by a combination of volume growth and higher realisations for some key products across all the Strategic Business Units (SBUs). These factors will attribute to an encouraging demand in end-user industries and several initiatives undertaken by the key management to enhance product throughput, drive operating efficiencies and increase capacities of select products. More importantly, given your Company's agile nature, it was swiftly able to move its manufacturing towards products enjoying a better demand scenario. The above, along with supply disruptions in China, led to your Company further strengthening its market position in some of the key products in its portfolio.

On a consolidated basis, too, your Company performed and progressed well, mainly supported by commencement of production of the Phenol and Acetone facility at the domestic area of Petroleum, Chemicals & Petrochemicals Investment Region (PCPIR) at Dahej in Gujarat. The plant can produce 200,000 MTPA of phenol and 120,000 MTPA for co-product acetone, supported by the capacity to manufacture 260,000 MT of cumene for captive consumption.

In a key achievement, the plant was not only stabilised in the first quarter of its operations, but its capacity utilisation was also ramped up to touch 100% during Q4 of FY 2018-19, apart from constantly operating more than 80% during the last quarter of FY 2018-19, thereby resulting in consolidated revenues of ₹ 2,715 Crore. Additionally, the facility manufacturing delivered positive EBITDA and PBT in the first few months of its operations.

During the year under review, your Company entailed a capital expenditure of around ₹ 67 Crore towards brownfield expansions in Basic Chemicals and Fine & Specialty Chemicals segments, to enhance the capacities of major products and also towards increasing operational efficiencies.

Your Company continues to reward its shareholders well. Given improved performance, your Company declared a Dividend of ₹ 2 per Equity Share in FY 2018-19, on a face value of ₹ 2, amounting to 100%. The Dividend rate has increased from ₹ 1.30 per Equity Share in FY 2017-18 on an expanded capital base.

OVER-DELIVERING ON OUR PROMISES

Your Company not only delivered on all its promises, but by going beyond stated targets and achieving some targets ahead of time it has actually over-delivered by accomplishing the commissioning of its large greenfield project. The project, which is India's largest phenol-acetone plant, has been completed within the stipulated time and project cost. More importantly, complex logistics and material management has been undertaken in a seamless manner. All requisite tests, dry runs, process evaluation and safety audits have been undertaken in a comprehensive manner. Commissioning of this plant is also significant from the viewpoint of positioning India as a global power in chemical intermediates. The plant is expected to reduce India's import dependence for phenol and take care of the demand-supply gap and make the country self-reliant in the production of phenol and acetone.

Lower logistics, better inventory management and quality advantage over imports will be some key incentives for import substitution. Local availability of phenol and acetone will also boost the production of intermediates, thus diversifying the applications for these products and further expanding India's overall market reducing even imports of these downstream intermediates. With this, your Company is not only encouraging value-added specialty

chemicals but also making available the intermediates to the downstream units. Thus, in addition to its own efforts of saving precious foreign exchange resources for the country it will also act as an enabler for other enterprises to do so.

PERFORMANCE OF BUSINESS UNITS

Deepak Nitrite is a multi-product company that manufactures a diversified product portfolio of Basic Chemicals (BC), Fine and Specialty Chemicals (FSC), and Performance Products (PP), while its manufacturing facilities located at Nandesari and Dahej in Gujarat; Roha and Taloja in Maharashtra; and Hyderabad in Telengana.

Your Company is the market leader in almost all the products it manufactures. Even as the operations are now predominantly domestic, it enjoys significant footprint offshore, especially into Europe, USA, Japan, Latin America, South East, and Far-East Asia - an export network spanning over 30 countries. Your Company is focused on expanding its footprint in high-value intermediates. Multiple levers and strategic initiatives are fueling the steep and sustainable growth trajectory.

1. Basic Chemicals

Under Basic Chemicals, your Company manufactures Nitrites, Nitro Toluidines, Fuel Additives. Cost leadership is the foremost competitive advantage required here to drive growth and profitability as these chemicals are high-margin high-volume products with greater price sensitivity. These chemicals are manufactured as per standard specifications and are dependent on raw material availability and pricing.

User Industries for Basic Chemicals:

- Colorants
- Rubber chemicals
- Explosives
- Dyes
- Pigments
- Food colors
- Pharmaceuticals
- Petrol & diesel blending
- Agrochemicals

In FY 2018-19, Basic Chemicals reported sales of ₹ 893 Crore, an increase of 17% YoY owing to improved product-mix as well as higher realisations. The performance of Basic Chemicals has to be seen in light of heightened volatility in both crude oil prices and related petrochemical intermediates and also disruption caused in Chinese Chemical Industry . The EBIT increased by 36% during the year.

2. Fine & Speciality Chemicals

The Fine & Specialty Chemicals segment consists of specialised and niche products created from various processes and requiring technical skills and expertise. Under this segment, your Company manufactures Specialty Chemicals such as Xylidines, Oximes, Cumidines etc amongst others. Products in the respective, segment are customised as per requirements of the client and typically manufactured in low volumes, as they enjoy higher value. Emphasis is on quality, the stickiness of relationships, sustainable operations as well as global best practices for suppliers and customers.

User Industries for Fine & Specialty Chemicals:

- Agro-chemicals
- Colorants
- Pigment
- Pharmaceuticals and personal wellness

Your Company's revenues from this segment in FY 2018-19 stood at ₹ 536 Crore, higher by 16% year-on-year, while EBIT improved by 10%. This segment reported steady performance during the year on the back of firm realisation gains in select products as well as positive demand scenario. This was further aided by benefits accruing from backward integration initiatives and capacity expansion for established products. FSC segment is on track to demonstrate strong performance in the ensuing years as your Company has expanded its product offerings and also enhanced certain capacities which will allow it to expand its basket of products and cater to the robust demand environment.

3. Performance Products

Performance Products are application chemicals, it consists of two products - Optical Brightening Agent (OBA) and its pre-cursor, DASDA. Your Company is the world's only fully-integrated manufacturer of OBA, with vertical integration from Toluene to PNT and further into DASDA and OBA. These products have stringent requirements in terms of performance and technical specifications. Your Company has developed an extensive network of global clientele and undertaken meticulous efforts to position its products into right geographies, cater to high-value end-users and elevate operational efficiencies.

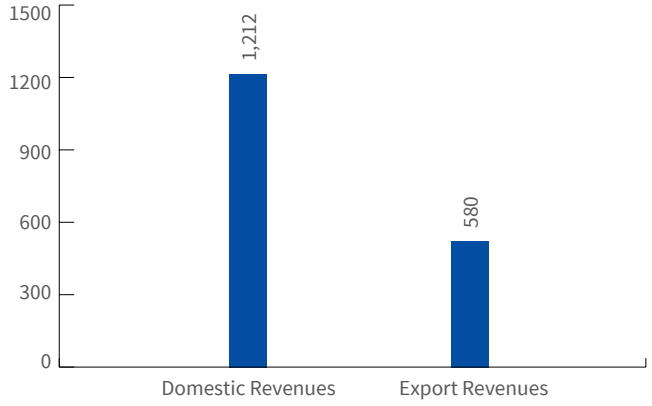
User Industries for Performance Products:

- Paper
- Detergents
- Textiles

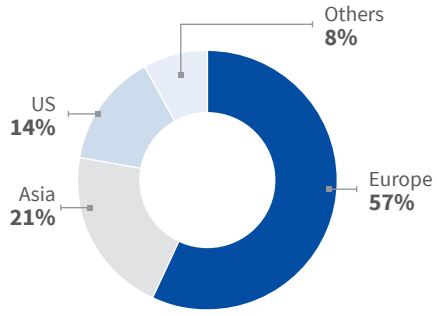
The Performance Products segment demonstrated excellent performance in FY 2018-19 with revenues of ₹ 403 Crore, recording 35% growth YoY with positive EBIT of ₹ 83 Crore. Performance of this segment is driven by a combination of factors such as focused re-orientation of customer industries and geographies by the Company, shutdown of capacities in China and enhanced operational performance. Our position as a fully integrated supplier of OBA have enabled us to capitalise on shifts in the industry landscape resulting in the elevation of performance. This segment now contributes 22% to the Company's total revenues.

GEOGRAPHICAL PERFORMANCE

Domestic Revenues for FY 2018-19 stood at ₹ 1,212 Crore, as compared to ₹ 968 Crore in FY 2017-18. Export revenues amounted to ₹ 580 Crore, as compared to ₹ 511 Crore in the previous year.



As compared to the previous year, your Company's exports have grown at 14% in FY 2018-19. Shifts in global supply chain, performance enhancement in key geographies and deeper customer engagement enabled better performance. This momentum was further supported by Company's efforts of running plants at optimum capacities with streamlined processes. In FY 2018-19, Europe contributed 57%, as compared to 46% in the previous financial year. Asia also showed an improvement during the year and contributed 21%, while the US contributed 14%.



SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Key Financial Ratios	FY 2018-19	FY 2017-18	Change (%)	Reason
Debtors Turnover Ratio	5.21	4.04	29	Faster realisation
Inventory Turnover Ratio	7.72	7.92	(3)	-
Interest Coverage Ratio	5.96	4.03	48	Higher profitability & reduction in borrowings
Current Ratio	1.79	1.78	-	-
Debt Equity Ratio	0.31	0.49	(37)	Higher profitability & reduction in overall borrowings
Return on Net Worth (%)	13.05	8.84	48	Improved profitability*
Operating Profit Margin (%) (EBIT)	14.20	10.90	31	Improved profitability due to better sales realisation
Net Profit Margin (%) (PBT)	11.80	8.20	45	Improved profitability due to better sales realisation

*However, Net Worth included ₹ 560 Crores provided as equity to Deepak Phenolics Limited, return of which for full year is to come in FY 2019-20.

COMMENCEMENT OF PHENOL & ACETONE GREENFIELD PLANT

Deepak Phenolics Limited (DPL), a wholly-owned subsidiary of Deepak Nitrite Limited, commenced commercial production at its mega Greenfield facility of Phenol and Acetone plant at Dahej in Gujarat in November 2018. The facility has an installed capacity to manufacture 200,000 MTPA of Phenol and 120,000 MTPA of Acetone. Further, it has also facility to manufacture 260,000 MTPA of Cumene for captive consumption. The facility makes your Company a market leader and highly competitive in terms of logistics and inventory management, operating efficiencies and favorably positions it to capture opportunities emerging from production of downstream products.

The foremost objective of venturing into phenol and acetone is to tap the growing domestic demand and hence substitute imports, as India imported almost 80% of its phenol-acetone requirements. We are proud to share that the Company not only managed to successfully stabilise the plant during the 5 months of operation during FY 2018-19 but also successfully ramped up its capacity utilisation above 80% of the total utilisation. During the fourth quarter, the plant touched 100% utilisation indicating its readiness to scale up further towards optimum utilisation.

During the year, the Company achieved a key milestone by replacing the bulk of imports of Phenol and Acetone in the local market and at present it has a market share of around 55% in the country. It has been a forerunner in tapping the import substitution opportunity in India, which will go towards creating long-term benefits for the country. Additionally, your Company has also been successful in producing and selling pharma grade acetone.

Your Company proudly states that its robust supply chain management has resulted in smooth and seamless working of the facility and is expecting it to become further efficient so to yield better saving. This is commendable on two counts. Firstly, this has been achieved within few months of commissioning, hence the rapid ramp-up indicates a high level of preparedness. Secondly, the transportation of the raw materials and finished goods involve complexities which are appropriately and efficiently managed. These efforts also paved the way to achieving a positive EBITDA and PBT during its maiden months of operation post commissioning of

the plant. Your Company has demonstrated its leadership position in this space and will now explore opportunities in downstream derivatives to further elevate its performance.

Phenol is a versatile industrial organic chemical and it is used to produce a wide variety of chemical intermediates including bis-phenol-A, phenolic resins, cyclohexanone etc. It is consumed in a large range of end-use segments such as laminates, automobile, foundry, paints, rubber, surfactants, pharma, and agro-chemicals, among others. On the other hand, Acetone is predominantly used in the production of pharmaceuticals apart from its significant applications in paints, adhesives, and thinners among others. Acetone, as we know, is a co-product of the phenol manufacturing process.

Considering the cross-country movement of over 6 Lakhs MT of explosive/hazardous materials, DPL is committed towards improving the safety standards for road transportation. DPL has interfaced with Loss Control Services (LCS) for 'First Respondents' services with an aim to minimise the environmental and social impact of in-transit incidents. LCS has a strong network of First Respondents stationed every 120 kms between the facility and DPL's sources/destinations. LCS's teams possess adequate know-how and experience in handling materials and are equipped with a 24-hour central control room.

ON A SOLID AND SUSTAINABLE GROWTH PATH

With a rich legacy, history of manufacturing excellence, diversified product portfolio, loyal customer base, experienced leadership and a robust financial position, your Company has the key ingredients in place for sustained growth. Commissioning of the new plant for manufacturing Phenol and Acetone, launch of new products, small capacity expansions and debottlenecking in Basic Chemicals and Fine & Specialty Chemicals are seen driving earnings, going forward. This will be supported by the improving performance trajectory of the Performance Products segment. With a strong platform in place, capacities offering headroom for growth, a roadmap for further value addition, your Company is favorably positioned for capturing the rising opportunities in the global chemicals & specialty chemicals space.

THE 5 Ms OF EFFICIENCY

Your Company enjoys the strategic advantage of attaining sustainability across the 5 Ms of efficiency – Man, Material, Machines, Methods, and Money – resulting in lean manufacturing operations and performing with high efficiency. Also, it is investing in environmental sustainability throughout its business operations by optimising resource use and appropriate treatment of effluents. In addition, it has undertaken steps to process joint products and by products in its operations to derive further value

Your Company has high potential for business scalability with limited incremental capital intensity. Its steady shift to value-added products enables enriched margins. It remains poised to reap the benefits from increasing capacity utilisation that will lead to an increase in operating leverage, higher operating margins, and better return ratios.

SWOT ANALYSIS

Strengths

Extensive Product Portfolio with Application Diversity: Over the years, your Company has widened its product offerings to have a diversified product portfolio and insulate itself from any slowdown in a particular product or category to de-risk itself. Its diversified product portfolio caters to multiple end-user industries such as agrochemicals, rubber, pharmaceuticals, colorants, and textiles, amongst others. Additionally, superior infrastructure at various locations and balanced contribution from domestic and export markets have resulted in steady growth for your Company. Further, most of the products are contracted with pass through clauses enabling the company to be remunerated for its value addition while minimising adverse impact from raw material fluctuation.

Expanding Global Footprint and Long-term Customers: Your Company has an emerging presence across the key export geographies e.g. the US, Europe and China, among others. Today, it exports to more than 30 countries across 6 continents and is further expanding its wings. Moreover, your Company's customer-centric approach has led to a long-standing association with most large customers across the globe. Customer stickiness, as well as a diversified portfolio, ensures that it is not dependent on a single application to drive growth.

Driving Sustainability across Value Chain: Your Company works relentlessly towards reducing its carbon footprint through socially responsible initiatives. Being the accredited members of 'Responsible Care' and 'Together for Sustainability,' your Company has successfully created a benchmark for other chemical companies through its sustainability initiatives and innovative spirit.

Strong Supply Chain Capability: Your Company's strong supply chain can offer quality servicing and in-market execution by creating stronger ties with its suppliers and customers. This is enabling your Company to get closer to a diverse set of consumers and suppliers across geographies.

Strong Technical Skills: Your Company possesses high levels of technical expertise in the areas of Nitration, Hydrogenation, Oxidation, and Diazotisation. An experienced team keenly focuses on managing these skills efficiently and in a manner that results in higher plant utilisation.

Your Company's presence in the chemical industry for several decades has facilitated it to develop multiple technical capabilities and provide niche chemistries to its customers. As a practice, it continues to work on complex and hazardous chemical processes by leveraging its expertise in indigenous development and also its capability in developing, managing, storing and handling various types of chemicals in quantities ranging from few kilos to several tons. Technical expertise is a strong competitive advantage of your

Company, as it provides comfort to its customers that the processes will be undertaken safely and in a cost-competitive manner while adhering to the highest standards of quality.

Proficient Management Team: Your Company has a proficient management team which understands industry dynamics and trends and also possesses sound domain knowledge. It has an established track record in the industry and is largely instrumental in developing the key strategies to accelerate the growth momentum. Your Company's management team contributes significantly to its success while adhering to the Code of 'Responsible Care' and ethical values.

Weaknesses

Volatility in Raw Material Prices: The entire chemical industry is impacted by volatility in prices of raw materials, as this is directly linked to the prices of end-products and comprises of a major component in the chemical process. This is a way of life in the chemical intermediates industry and your Company ensures that a majority of the products are contracted with pass through clauses thereby minimising adverse impact from raw material fluctuation.

Lack of Alternative Energy Sources: A manufacturing company is constantly in need of a significant amount of power and electricity in its processes of manufacturing and waste management. As non-conventional energy is presently unfeasible and alternative fuels have several limitations, your Company makes use of conventional fuels such as coal and furnace oil for power generation. Additionally, as an economy, India is still familiarising itself with these "energy efficient" sources. However, being a 'Responsible Care' Company, your Company in the process of adopting several strategies to widen its scope of green endeavors.

Currency Fluctuations: Fluctuation in exchange rates is a regular operating risk. However, in recent years the degree of volatility has sharpened and the Company has to guard itself against sudden, adverse movements. As your Company exports a wide range of products to various geographies, there is a perennial currency risk that is pro-actively managed by hedging of exposure. Further, being a net exported your Company can benefit from depreciation in the rupee.

Opportunities

Substitute for Imports: Your Company takes pride in the fact that it's Make In India-aligned Phenol and Acetone plant, which commenced commercial production during the year, has created a new benchmark for chemical companies in terms of import substitution. Making these chemicals locally available offers significant advantages to India as it not only facilitates the ease of performing operations but also reduce the time-lag with zero import costs. Your Company will continue to explore further opportunities in downstream derivatives to elevate its growth momentum.

Collaborative Measures through "Make In India": The Government initiatives through "Make in India," with a strong focus on manufacturing, has proved significantly beneficial to chemical players in gaining easy regulatory clearances, besides opening up huge opportunities for foreign collaboration. Your Company has always been at the forefront in supporting the Government and is also confident in exploring more such investment and manufacturing opportunities with time.

Encouragement to Indian Exporters: India's international trade has significantly improved over the past few years, facilitating your Company in gaining key market insights and identifying additional scope for new business avenues. An impetus towards this, has been the shutdown of China's chemical factories, which has provided an opportunity to Indian exporters to open up new channels of trade and create a whole new market, which bodes well for the future growth of your Company.

Favorable Government Initiatives: The year under review has been an impressive one for India's chemical sector in terms of growth and productivity. The key initiatives of the Government such as 100% Foreign Direct Investment (FDI_ under the automatic approval route and the Draft National Chemical Policy proves to be beneficial for chemical companies, such as yours, and has resulted in an enhanced focus on R&D initiatives and technological advances.

Threats

Obsolescence of Products and processes: With the advent of new technologies and new materials, there are risks to established products. Further, the discovery of newer, more efficient processes to manufacture chemical compounds can threaten the viability of some of your Company's product lines. Further, the obsolescence of products owing to lack of demand or import substitution also affects the Company's business model. However, your Company has a diversified portfolio of products which helps it mitigate these risks by shifting its manufacturing resources towards alternate products. Further, your company constantly upgrades its processes through technical improvements brought in by its in-house R&D team.

Lack of Talent Pool: Efficient and hard-working human capital is a rare and valuable resource today. India lacks widespread and abundant availability of technically skilled laborers. Your Company has initiated several measures to develop talent and undertakes comprehensive training for skill development, understand business complexities and adherence to global best practices. In addition, DNL has various initiatives in place to encourage high quality talent to shift to Vadodara which is gradually becoming a hub for chemical companies that have invested in the Dahej PCPIR.

MANAGEMENT OUTLOOK

Your Company has been a prominent player in India's chemical industry and is poised to reap the benefits of shifts in the global industry landscape. In addition to this, the Government's support

and key initiatives for the benefit of the industry has created multiple growth opportunities for domestic chemical companies, such as yours.

Your Company remains well positioned to harness new opportunities from our comprehensive domain knowledge, decades of experience, and continuous innovation that have enabled us to deliver a consistent performance. The Company intends to keep driving growth by repeatedly winning in the chosen geographies and markets and creating enhanced value for all the stakeholders. With an enhanced focus on development, it is confident of continuing on its promising growth trajectory in the times to come.

Basic Chemicals to Maintain Growth Momentum

In the fiscal year of FY 2019-20, Basic Chemicals is projected to continue the positive growth momentum, backed by stable demand visibility across key end-user industries. The underlying strategy for the segment is to focus on cost leadership. As a result, it is well placed to capitalise on the supply disruption in China and subsequent de-risking by customers which is creating further growth opportunities. This, along with benefits reaped from Brownfield expansions, will drive your Company's growth and enable it to improve profitability in a sustainable manner.

Improving Penetration and Backward Integration of FSCs to drive growth and profitability

Your Company's strong in-house R&D team has successfully developed several various products and optimise processes enabling your Company to enjoy a clear leadership position in the market. Today, these products are widely used as chemical intermediaries across industries such as agrochemicals, pharmaceuticals and personal care, among others. The Fine & Specialty Chemcials segment will always focus on a constant supply of new high value molecules to cater to newer opportunities. The segment has demonstrated its nimbleness in the past and will continue to demonstrate this strength.

Performance Products – Sustaining the momentum in Performance

The vertical of Performance Products, which derives most of its demand from paper, detergents and textile products, is projected to witness a marked improvement in scale. As informed earlier, your Company's various strategies like change in product mix, modifying new geographical reach, changing customer blend, increasing operational efficiencies - have worked favourably for the company. Improvised customer relationships and sustainable supply of high quality product have steered DNL into becoming a preferred partner and this has been supported by re-orientation of product portfolio and target markets all of which have resulted in better performance.

Phenol and Acetone

Your Company's foray into the "Phenol-Acetone" market is resonant with its core expansion strategy of entering products that are import dependent, scalable and aligned with its existing product portfolio. With a global scale plant, key capabilities to replace the import-dependent market, coupled with a strong demand environment, your Company is expected to be a leader in these as well as downstream products.

RISK MANAGEMENT

Being a diversified and prudent enterprise, your Company continues to focus on a system-based approach to manage risks. Its risk management and mitigation processes are embedded in its key corporate strategies of developing a portfolio of world-class products matching organisational capabilities, with ample market opportunities.

Your Company remains focused on building distributed leadership and succession planning processes and is coming up with ways to enhance organisational capabilities. Accordingly, risk management has always been an integral part of your Company. Backed by strong internal control systems, existing Risk Management Framework and policies have laid down the roles and responsibilities of various business segments regarding the managing of risks, covering a range of responsibilities, right from strategic to operational. These responsibilities today offer a strong foundation for appropriate risk management procedures, their effective implementation as well as the independent monitoring and reporting handled by Internal Audit and the top management team.

Your Company has set appropriate structures to monitor and manage inherent business risks proactively. A strong and independent Internal Audit function at the corporate level carries out risk-focused audits across all the product segments and points out identified and constantly strengthened. Accordingly, raw material pricing risks, commodity risks and currency fluctuation risk effectively managed by its proficient and capable team. It also has appropriate checks and balances in place and aims to minimise the adverse impact of these risks on its operations.

INTERNAL CONTROL FRAMEWORK

Your Company's Corporate Governance policy guides its conduct of affairs, while its management team remains committed to the financial and accounting policies, as well as systems and processes. Your Company's Planning & Review Processes and the Risk Management Framework provide the requisite foundation for internal financial controls concerning its Financial Statements. The preparation is based on significant accounting policies that are carefully selected by the Management and approved by the Audit Committee and the Board. These policies are reviewed and updated from time to time. The key Management reviews these

systems, Standard Operating Procedures, and controls and audited by an Internal Audit Team, whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation.

Your Company has in place adequate internal financial controls concerning the financial statements. Such controls have been assessed during the year, taking into consideration the essential components of internal controls. Based on the results of such an assessment carried out by the key Management, no reportable material weakness or significant deficiencies or operation of internal financial controls, observed. Your Company ensures that regular audit and review processes reinforce the systems on an on-going basis.

HUMAN RESOURCE DEVELOPMENT

Your Company's Human Resource Development practices are broadly guided by the key principles of relevance, consistency and fairness. Several initiatives are being implemented across segments to strengthen the processes of talent management, capability development, and performance. Considered together, all these have been significantly making a positive impact on talent attraction, retention, and commitment.

Your Company's HR function continues to align its strategic interventions and processes with its long-term vision in creating and also growing value for the Indian chemical industry and the stakeholders. These are one of the key drivers of improved business performance of your Company.

Your Company's talent management promise continues to play a key role in attracting and retaining the "best-in-class" talent. Performance management also serves to align individual and team performance with the larger strategic goals of the organisation. As on March 31, 2019, your Company had 1,362 permanent employees.

DISCLAIMER: This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate,' 'belief,' 'estimate,' 'expect,' 'intend,' 'will' and other similar expressions as they relate to the Company and its Businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes to it.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Eighth Annual Report together with the Audited Statement of Accounts for the Financial Year (FY) ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(₹ In Crores)

Particulars	STANDALONE RESULTS		CONSOLIDATED RESULTS	
	2018-19	2017-18	2018-19	2017-18
Total Revenue (Gross)	**1794.52**	**1,490.77**	**2715.04**	**1,688.47**
Less : Excise Duty on sale of Goods	-	24.25	-	24.73
Total Revenue (Net of Excise Duty)	1794.52	1,466.52	2715.04	1,663.74
Operating Profit Before Depreciation, Finance Cost, Exceptional Item and Tax	**308.23**	**214.37**	**429.02**	**208.60**
Less : Depreciation and Amortization expenses	52.88	51.95	77.79	52.60
Less : Finance Costs	42.85	40.34	83.25	45.15
Profit before Tax	**212.50**	**122.08**	**267.98**	**110.85**
Less : Tax expenses	74.46	38.62	94.32	31.83
Net Profit for the Year	**138.04**	**83.46**	**173.66**	**79.02**
Other Comprehensive Income	(2.67)	0.86	(2.84)	0.86
Total Comprehensive income for the Year	**135.37**	**84.32**	**170.82**	**79.88**
Surplus brought forward from previous year	402.32	342.02	380.61	324.76
Balance available for Appropriation	**537.64**	**426.20**	**548.16**	**404.49**

PERFORMANCE REVIEW

Standalone

In FY 2018-19, Total Revenue including Other Income stood at ₹ 1794.52 Crores as against ₹ 1490.77 Crores in FY 2017-18.

EBITDA came in at ₹ 308.23 Crores in FY 2018-19, higher by 44% as compared to ₹ 214.37 Crores in FY 2017-18. Raw material costs stood at ₹ 976.17 Crores as against ₹ 843.82 Crores in FY 2017-18, up by 16%.

Profit Before Tax (PBT) excluding Exceptional Items stood at ₹ 212.50 Crores as compared to ₹ 122.08 Crores in FY 2017-18. The Profit After Tax (PAT) excluding Exceptional Items came in at ₹ 138.04 Crores as compared to ₹ 83.46 Crores in FY 2017-18. Favourable shift in product mix, strategic modifications in geography, end-user based better customer selection, various cost leadership initiatives across business segments led to better PAT performance. The Depreciation and Finance Costs during the year stood at ₹ 52.88 Crores and ₹ 42.85 Crores respectively.

Domestic Revenues stood at ₹ 1,211.53 Crores from ₹ 968.38 Crores in FY 2017-18, representing a growth of 25% owing to strong demand trends from local customers. Your Company, apart from reasons explained above, has also been benefitted due to production and supply disruption in China. The Revenue from exports stood at ₹ 580.39 Crores compared to ₹ 510.85 Crores last year.

The Chemical Industry in India is witnessing an unprecedented growth opportunity largely due to International events. For a company like Deepak Nitrite, which is into chemical intermediates, the opportunity stands accentuated as its products support a wide range of industries. In the current scenario, Chemical Intermediates are witnessing a big jump in demand both due to growing demand from domestic end user industries and reduced availability of intermediates from China. Your Company expects the situation to remain conducive in the foreseeable future.

At this backdrop, Your Company was able to ensure peak performance amidst fluctuating pricing of Raw Materials and volatility in Foreign Exchange.

Consolidated

In FY 2018-19, Total Revenue including Other Income stood at ₹ 2,715.04 Crores as against ₹ 1,688.47 Crores in FY 2017-18.

EBITDA came in at ₹ 429.02 Crores in FY 2018-19, higher by 106% as compared to ₹ 208.60 Crores in FY 2017-18. Raw material costs stood at ₹ 1,646.70 Crores as against ₹ 1,038.79 Crores in FY 2017-18, up by 59%.

Profit Before Tax excluding Exceptional Items stood at ₹ 267.98 Crores as compared to ₹ 110.85 Crores in FY 2017-18. The Profit After Tax excluding Exceptional Items came in at ₹ 173.66 Crores as compared to ₹ 79.02 Crores in FY 2017-18. Apart from reasons cited above for better performance, the newly commissioned Phenol-Acetone manufacturing facility performed well and contributed to PBT, PAT sizably within a very short time of its operation exhibiting sustainability of this business. The depreciation and finance costs during the year stood at ₹ 77.79 Crores and ₹ 83.25 Crores respectively.

The Domestic Revenues stood at ₹ 2,106.55 Crores from ₹ 1,164.22 Crores in FY 2017-18, representing a growth of 81% owing to strong demand trends from local customers and also due to commencement of operation of Phenol - Acetone plant which are sold in domestic market, being import substitutes. The Revenue from Exports stood at ₹ 593.38 Crores compared to ₹ 511.96 Crores last year.

DIVIDEND

Based on your Company's Performance, the Board of Directors of your Company is pleased to recommend a Dividend of ₹ 2/- (Rupees Two only) per Equity Share for the year ended March 31, 2019 on 13,63,93,041 Equity Shares of ₹ 2/- each, as against ₹ 1.30 (Rupee One and Paisa Thirty only) per Equity Share in the previous year.

The total amount of Dividend, if declared by the Members, including Dividend Tax, will be ₹ 32.89 Crores (Previous Year ₹ 21.83 Crores).

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires top 500 listed entities, based on market capitalization calculated as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Report and on their websites.

Accordingly, the Board of Directors of your 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 - A and is also available on the website of your Company at www.godeepak.com.

SHARE CAPITAL

The Paid-up Equity Share Capital of your Company as on March 31, 2019 was ₹ 27.27 Crores comprising of 13,63,93,041 Equity Shares of ₹ 2/- each. Your Company has not issued any Equity shares during the Financial Year 2018-19.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 5 Crores to the General Reserves out of the amount available for appropriation.

UPDATE ON PHENOL AND ACETONE PROJECT

The Members are aware that your Company, through its wholly owned subsidiary, Deepak Phenolics Limited ('DPL'), commenced commercial production at a state-of-the-art plant at Dahej to manufacture 200,000 MTPA of Phenol and 120,000 MTPA of its co-product Acetone on November 1, 2018. This is supported by manufacturing facility of 260,000 MT of Cumene, which is a feedstock for manufacturing Phenol and Acetone.

With this, your Company addresses the opportunity offered by the supply deficit in the domestic market which is majorly being met by imports. In addition to being cost competitiveness as a domestic supplier to domestic end users, your Company started leveraging on the latest manufacturing technologies in its state-of-the art plant which is efficient in every aspect.

The plant is expected to save approx. USD 350 – 400 mn of Foreign Exchange every year by way of value addition of petrochemicals which otherwise was being converted to low value LPG or was being exported.

With an objective of developing working relationships with major clients across India as well as establishing strong marketing and distribution channels, DPL had worked on seed marketing of Phenol to understand and penetrate in the market. The seed marketing activity helped DPL to leverage its relationship to sell large manufacturing quantities. DPL has appointed distributors across India for selling and distributing Phenol and Acetone. It also has well tied up transportation and other logistics requirements which is one of the key requirements for handling such large volume of moving inbound and outbound materials.

FINANCE

Your Company tries to strike a balance in its capital structure on a consolidated level while efficiently managing its working capital, thereby maintaining debt at a reasonable level. During the year under review, the total debt of your Company decreased due to scheduled repayments and improved working capital management. However, as your Company commissions its expansion projects, on a consolidated level, the consolidated debt level has gone up. This level is expected to normalise as the Phenol-Acetone project has started generating revenue and it shall operate for the whole year from FY 2019-20 onwards. Your Company has already provided entire committed equity to its Phenol-Acetone project. On a consolidated basis, Debt Equity Ratio of your Company is at 1.11 which is reasonably comfortable given the size of its Phenol-Acetone project and associated debt.

Interest costs increased marginally during the year due to repayment of low cost Foreign Currency debt, increase in the LIBOR and increase in market rate in Rupee borrowing. Depreciation increased due to regular growth and maintenance Capex. Your Company has an active team to manage its Foreign Exchange exposures to minimise risk arising out of imports and exports. Due to prudent fund management, your Company has been able to effectively

manage its cash flows. There is always an effort to reduce the overall interest costs. On a standalone basis, Debt/Equity as on March 31, 2019 is reduced to 0.31 compared to 0.49 as on March 31, 2018, while on a consolidated level, Debt/Equity ratio stood at 1.11 times, as mentioned above.

ICRA Limited re-affirmed the long-term rating of [ICRA] A+ and Short Term rating of [ICRA] A1+ assigned to the fund based limits and non-fund based limits of your Company. ICRA also re-affirmed the short-term rating of [ICRA] A1+ assigned to the Commercial Paper programme. The outlook on the long-term rating has been revised from Stable to Positive.

Further, CRISIL Limited has assigned the Long-Term rating as CRISIL AA- Stable and Short term rating as CRISIL A1+ to your Company.

DIRECTORS

During the year under review, following are the changes in the composition of Directors:

Shri Umesh Asaikar (DIN: 06595059) was re-appointed as a Whole-time Director designated as the Executive Director & CEO of your Company for a period from May 9, 2018 to May 31, 2020. The said re-appointment was approved by the Members at the 47th Annual General Meeting of your Company held on August 3, 2018.

Shri Deepak C. Mehta (DIN: 00028377) was re-appointed as the Chairman & Managing Director of your Company w.e.f. December 14, 2018 for a period of five (5) years, subject to the approval by the Members.

Pursuant to Provision of Section 152 of the Companies Act, 2013, Shri Sanjay Upadhyay (DIN: 01776546), Director-Finance & Chief Financial Officer, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for approval by the Members.

The Board of Directors of your Company appointed Shri Sanjay Asher (DIN: 00008221) and Smt. Purvi Sheth (DIN: 06449636) as Additional Directors at their meeting held on May 3, 2019, As per provisions of the Companies Act, 2013, Shri Sanjay Asher and Smt. Purvi Sheth hold office as Additional Director upto the ensuing Annual General Meeting.

Your Company has received notice from a Member proposing candidature for the appointment of Shri Sanjay Asher and Smt. Purvi Sheth as Independent Directors for a period of three (3) consecutive years alongwith requisite fees. The Resolution(s) for the appointment of Shri Sanjay Asher and Smt. Purvi Sheth as Independent Directors are given in the Notice for approval by the Members.

Shri Sudhin Choksey, Shri Sudhir Mankad, Shri Sandesh Kumar Anand, Dr. Swaminathan Sivaram and Dr. Richard H. Rupp, Independent Directors have consented to act as Independent Directors for the second term, subject to approval of shareholders by way of Special Resolution. Accordingly, Special Resolutions for the re-appointment of Shri Sudhin Choksey, Shri Sudhir Mankad, Shri Sandesh Kumar Anand, Dr. Swaminathan Sivaram and Dr. Richard H. Rupp as Independent Directors of your Company for second term of three (3) consecutive years are given in the Notice for approval by the Members.

Shri Nimesh Kampani and Prof. Indira Parikh, Independent Directors of the Company have expressed their desire not to be re-appointed as Independent Directors of the Company for second term. Accordingly, the Board of Directors do not recommend their re-appointment as Independent Directors of the Company for second term. The first term of appointment of Shri Nimesh Kampani and Prof. Indira Parikh is upto August 7, 2019 and August 8, 2019, respectively.

KEY MANAGERIAL PERSONNEL

As required under Section 203 of Companies Act, 2013 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are the Key Managerial Personnel of the Company:

1. Shri Deepak. C. Mehta, Chairman & Managing Director
2. Shri Umesh Asaikar, Executive Director & CEO
3. Shri Sanjay Upadhyay, Director-Finance & CFO
4. Shri Maulik Mehta, Whole-time Director
5. Shri Arvind Bajpai, Company Secretary

MEETINGS OF THE BOARD

During FY 2018-19, Four (4) Board Meetings were held. The details of Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance, which forms part of this Report.

INDEPENDENT DIRECTORS

The Independent Directors of your Company have furnished the declaration that they meet the criteria of independence as provided in Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of your Company confirms that the Independent Directors fulfill the conditions specified in Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors have carried out annual evaluation of its own performance, Board Committees and individual Directors.

The performance of the Board / Committee was evaluated after seeking inputs from all the Directors / Committee members on the

basis of the defined criteria including composition and structure, effectiveness of meetings, information and functioning.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- Relevant Knowledge, Expertise and Experience.
- Devotion of time and attention to your Company's long term strategic issues.
- Addressing the most relevant issues for your Company.
- Discussing and endorsing your Company's strategy
- Professional Conduct, Ethics and Integrity.
- Understanding of Duties, Roles and Function as Independent Director.

Your Directors have expressed their satisfaction to the evaluation process.

AUDIT COMMITTEE

The Audit Committee consists of all Independent Directors with Shri Sudhin Choksey as the Chairman of the Committee. The other members of the Audit Committee are Shri Sudhir Mankad and Shri S. K. Anand. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are set out in the Report on Corporate Governance, which forms part of this Report.

STATUTORY AUDITOR'S REPORT

The observations made in the Auditor's Report of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, 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.

REPORTING OF FRAUD BY AUDITORS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and the rules made thereunder.

SECRETARIAL AUDITOR'S REPORT

The Secretarial Audit Report of M/s. KANJ & Co. LLP, Company Secretaries, Pune, for the Financial Year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors.

The Secretarial Audit Report in Form MR-3 is annexed as Annexure - B, which forms part of this Report.

AUDITORS

(A) Statutory Auditors

The Statutory Auditor of your Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018), were appointed for a period of five (5) years at the 46th Annual General Meeting held on June 26, 2017.

The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of Statutory Auditor by the shareholders at every Annual General Meeting. Hence, the ratification of appointment of Statutory Auditors by your Company is not required. Accordingly, the Statutory Auditor will continue to hold office till the conclusion of the 51st Annual General Meeting of the Company approved by the Members at the 46th Annual General Meeting of the Company.

(B) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2019 was carried out by the Secretarial Auditors, M/s. KANJ & Co. LLP, Company Secretaries, Pune. The Board of Directors of your Company has appointed M/s. KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2019-20.

(C) Cost Auditors

The Board of Directors of your Company has appointed M/s. B. M. Sharma & Co., Cost Accountants, to conduct audit of your Company's cost records for FY 2019-20 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus applicable tax, travelling and other out of pocket expenses in connection with the said Audit. As required under the provisions of Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting.

The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year.

(D) Internal Auditors

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants, as Internal Auditors of your Company to conduct the Internal Audit for FY 2019-20.

FIXED DEPOSITS

During FY 2018-19, your Company has not accepted or renewed any Fixed Deposits.

As on March 31, 2019, 37 warrants aggregating to ₹ 7,43,507 issued by your Company to the respective deposit holders towards compulsory repayment of deposits and interest thereon in accordance with the provisions of Section 74 of the Companies Act, 2013, remained uncleared. 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, 2019.

VIGIL MECHANISM

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 your Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. 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 website of your Company at https://www.godeepak.com/investor-compliances/

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. There were no materially significant Related Party Transactions entered into by your Company during the year that would have required shareholders' approval under the Listing Regulations or the Act.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the name of the Related Party, nature and value of the transactions.

In line with the requirements of the Act and Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available on your Company's website at www. godeepak.com.

Details of transactions with Related Parties are provided in the accompanying Financial Statements. There were no transactions with Related Parties during the year which would require to be reported in Form AOC-2.

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.

The Consolidated Financial Statements of your 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 your Company.

The annual Financial Statements of the subsidiaries and related detailed information will be kept at the Registered Office of your Company, as also at the Registered Offices of the respective Subsidiary Companies and will be available to investors seeking information at any time. They are also available on the website of your Company. The Consolidated Financial results reflect the operations of subsidiary Companies, Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on your Company's website.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Deepak Phenolics Ltd. (DPL), a wholly-owned subsidiary of your Company commenced commercial production at its Mega-Plant for manufacturing Phenol & Acetone on November 1, 2018.

DPL has reported Revenue from Operations of ₹ 913.50 Crores for the period ended March 31, 2019 and Net Profit for the period was ₹ 35.88 Crores.

(b) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary company incorporated in the United States of America to cater to the marketing requirements of your Company in North and South American region. DNC actively does market research and scouts for market and potential customers for your Company's products in the North and South American region. DNC also provides warehousing, distribution and customer relationship management services.

During FY 2018-19 the Total Revenue of DNC was USD 1,78,347 and the Net Income for the period was USD 4,888.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of your Company's subsidiaries in Form AOC-1 is attached to the Financial Statements.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Particulars of Loans granted and Investments made by your Company have been disclosed in the Financial Statements, forming part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS

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, 2019 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

(b) they have selected 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 your Company at the end of the Financial Year and of the profit of your Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your 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 your Company and that such internal financial controls are adequate and are operating effectively;

(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

A separate report on Corporate Governance is provided together with a Certificate from Shri Dinesh Joshi, a Practising Company Secretary, M/s. KANJ & Co. LLP, Company Secretaries, Pune regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report on your Company's business as required by Regulation 34(2) of the Listing Regulations, initiatives on environmental, social and governance aspects forming part of this Report is annexed as Annexure - C.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities of your Company are being implemented through Deepak Foundation, the group's charitable trust encompassing social interventions in various developmental domains such as Health, Education, Livelihood, etc.

During FY 2018-19, your Company has spent ₹ 250 Lakhs on CSR activities, against the requirement of ₹ 213 Lakhs, being 2% of average of the net profits for the preceding three years.

Your Company has a policy on Corporate Social Responsibility and the same has been posted on the website of the Company at www.godeepak.com. The Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure - D, which forms part of this Report.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management employees pursuant to the requirement of Section 178 of the Companies Act, 2013 and Listing Regulations.

The Nomination and Remuneration Policy of your Company is annexed as Annexure - E.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed form i.e. Form MGT-9 is annexed herewith as Annexure – F, which forms part of this Report.

ANNUAL RETURN

Pursuant to provisions of Section 92 (3) of the Companies Act, read with Rule 8A (1) of the Companies (Accounts) Rules, 2014 as amended from time to time, your Company has uploaded draft Annual Return for the Financial Year ended March 31, 2019 on the website of your Company at https://www.godeepak.com/investor-compliances/.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as Annexure - G.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of your Company during working hours, 21 days before the 48th Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's Website www.godeepak.com.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are provided in Annexure - H of 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

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2018-19 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

SECRETARIAL STANDARDS OF ICSI

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 and approved by the Central Government.

INTERNAL CONTROL SYSTEMS

Your Company has in place adequate Internal Control Systems, including Internal Financial Controls. The Internal Control System is exercised through documented policies, guidelines and procedures to ensure compliance with various policies, practices and statutes, and that all assets are safeguarded and protected against loss from unauthorised use or disposition and that those transactions are authorised, recorded and reported correctly.

The Internal Auditor carries out extensive audits throughout the year across all locations and across all functional areas.

The audit observations and corrective actions taken thereon are periodically reviewed by the Audit Committee to ensure effectiveness of the Internal Control System. The Internal Control system is designed to ensure that the financial and other records are reliable for preparing Financial Statements and other data, and for maintaining accountability of persons.

RISK MANAGEMENT

Your Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across your Company. The Risk Management Policy, pursuant to Section 134 of the Companies Act, 2013 has been adopted based on this framework. The Risk Management Policy provides for creation of a Risk Register, identification of risks and formulating mitigation plans. The enterprise risks for your Company are identified by the respective Risk Managers and presented to the Board for review. Your Company has duly constituted Risk Management Committee. The Committee reviews your Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect your Company's overall risk exposure and reviews the Risk Management Policy and structure.

The Board of Directors reviews the risk assessment and minimization procedures regularly. The Risk Register gets updated periodically, to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment.

RESEARCH & DEVELOPMENT

Your Company has a Research & Development (R&D) facility at Nandesari, Gujarat with pilot plants at Roha, Maharashtra and Nandesari, Gujarat. The Department of Scientific and Industrial Research (DSIR), New Delhi, on behalf of Government of India vide letter August 10, 2017 has recognized your Company's in-house R&D facilities for further period of 3 years i.e. upto March 31, 2020.

Your Company continues to invest in a comprehensive Research & Development programme leveraging its world-class infrastructure, benchmarked processes, state-of-the-art technology and a business-focused R&D strategy.

Your Company's R&D center at Vadodara focuses on innovation of new compounds in order to substitute imports of pharmaceutical and agrochemical intermediates, innovation and development of specality chemicals and personal care intermediates and value added products from by-products.

Your Company continues to focus its R&D efforts on process improvement of its existing products, recovery of products from effluents. The R&D departments also helps in troubleshooting in manufacturing departments.

Your Company is a knowledge led entity and has spruced up its R&D facility for innovation and to collaborate with its customers to understand consumer preference and develop new product applications to cater to the needs of its customers. Your Company focuses its R&D efforts to develop cost effective, cleaner technologies to improve profitability. Through its R&D capabilities, your Company has been successful in developing and enhancing its portfolio of cutting edge products. Your Company believes that its ability to develop new product applications and ability to customize products to suit customer needs have helped in expanding its customer base, thereby enabling it to establish leadership position.

SAFETY, HEALTH & ENVIRONMENT

Your Company believes in responsible chemistry for sustainable future through its commitment to the principles of Responsible Care. The continual improvement of safety, health, environment protection, energy and resources efficiency and social responsibility is inbuilt in the strategy of your Company.

Your Company has laid down policies, principles and standards which are mandatory for all its manufacturing units for adherence. It aims to achieve excellence in environment protection, health management and safety across its businesses. Your Company's Environment, Health and Safety (EHS) Policy also specifies the EHS requirements to be observed by its suppliers, contractors & others.

Your Company has adopted global principles of sustainable development, Responsible Care and management system standards. It has undertaken several environmental initiatives in the areas of reduction in greenhouse gases and energy efficiency programs.

Your Company has system to ensure compliance to the requirements of applicable laws and regulations. Manufacturing locations of your Company has facilities for the proper treatment of effluents. Your Company's emissions, effluents and wastes are within the permissible limits.

Employees' health and safety is accepted as a core business value at your Company. The top management of your Company continuously works towards establishing, sustaining and improving the safety culture.

All manufacturing plants and corporate office of your Company has Quality, Environment & Occupational Health & Safety Management Systems as per revised standards for ISO 9001, ISO 14001 & OHSAS 18001.

Your Company has Process Safety Management (PSM) system at all manufacturing locations. It has carried out Safety Integrity Level (SIL) based HAZOP studies and Layer of Protection Analysis (LOPA) study for existing and new processes and products. The outcomes of these studies are being used to enhance Process Automation in all the Units, which in turn improves process safety at the sites.

Your Company had zero lost time incidents during the year. Good engineering practices, preventive checking systems, safety awareness and training has helped your Company in maintaining its operations and workplace free from incidents.

Your Company regularly monitors the occupational health of employees working in designated hazardous areas with respect to exposure to hazardous chemicals and processes. It also monitors employees for any indications of lifestyle or work-style related diseases and provides counseling. Well-equipped Occupational Health Centers are in place at all manufacturing locations to monitor health of employees on regular basis.

Your Company has accepted and implemented the principles of Together for Sustainability (TfS) and has fetched the prestigious 75% score in Together for Sustainability (TfS) Audit by Intertek.

Your Company is founder member of Nicer Globe initiative. It takes utmost care during transportation and ensures compliance with all checks and measures for a safe and secured delivery. All raw materials and products within supply chain framework of your Company are transported in a secure manner, for the safety of its customers, carriers, suppliers, distributors and contractors.

Your Company proactively fulfills the environmental requirements of customers by delivering products that match international standards.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. Your Company's constant endeavour is to invest in people and processes to improve human capital for the organisation and service delivery to its customers. Attracting, developing and retaining the right talent will continue to be a key strategic initiative and the organisation continues to be focussed on building up the capabilities of its people. Given growth plans of your Company, an important strategic focus of your Company is to continue not only to nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future. Your Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of productivity, efficiency and customer delight. Your Company always believes in maintaining mutually beneficial industrial relations with the Union, which are of paramount importance for success of any organisation and hence the industrial relations have always been smooth, cordial and trusting.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an Anti-Discrimination and Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. No complaint was received from any employee during FY 2018-19 and hence no complaint is outstanding as on March 31, 2019 for redressal.

ACKNOWLEGDEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also places on record its appreciation for the continued cooperation and support received by your Company during the year from investors, bankers, financial institutions, customers, business partners, all regulatory and government authorities and other stakeholders.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Vadodara
Date : May 3, 2019

Annexure - A

Dividend Distribution Policy

1. INTRODUCTION

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

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

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

2. OBJECTIVES AND SCOPE

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

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

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to those 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 providing 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 3, 2019

Annexure - B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DEEPAK NITRITE LIMITED,
Aaditya-I, Chhani Road,
Vadodara 390 024,
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the 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 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, 2019, 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, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;

(iv) The Depositories Act, 2018, and the Regulations and Bye-laws framed thereunder;

(v) 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.

(vi) 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 Requirements) Regulations, 2018: There were no events occurred during the period which attracts provisions of these Regulations, hence not applicable.

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: There were no events occurred during the period which attracts provisions of these Regulations, hence not applicable.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There were no events occurred during the period which attracts 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: There were no events occurred during the period which attracts provisions of these Regulations, hence not applicable.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There were no events occurred during the period which attracts provisions of these Regulations, hence not applicable; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : There were no events occurred during the period which attracts provisions of these Regulations, hence not applicable.

(vii) 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 the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the 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, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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 decision in the Board meetings were carried through by majority while there were no dissenting members' views and hence not captured and recorded as part of the Minutes.

We further report that:

There are 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 has any events having a major bearing on it's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

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

Dinesh Joshi
Designated Partner
Membership No: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune

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

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. 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.

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 the 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: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune

Annexure - C

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L24110GJ1970PLC001735
2	Name of the Company	:	DEEPAK NITRITE LIMITED
3	Registered Address	:	Aaditya-I, Chhani Road, Vadodara -390 024, Gujarat, India
4	Website	:	www.godeepak.com
5	E-mail -Id	:	investor@godeepak.com
6	Financial Year reported	:	April 1, 2018 to March 31, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Commodity Chemicals NIC Code: 24121
8	List of three key products/services that the Company manufactures/provides (as per Balance sheet)	:	1) Sodium Nitrite 2) Ethyl Hexyl Nitrate (EHN) 3) Optical Brightening Agent
9	Total number of locations where business activity is undertaken by the Company	:	(a) Number of International Locations - 01# (b) Number of National Locations - 09 #through wholly-owned subsidiary
10	Markets served by the Company	:	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 2,727.86 Lakhs
2	Total Turnover (INR)	:	₹ 1,79,191.87 Lakhs
3	Profit After Tax (INR)	:	₹ 13,804.21 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Company's total spending on CSR for the Financial Year 2018-19 is ₹ 250 Lakhs which is 1.81% of PAT.
5	List of activities in which expenditure in 4 above has been incurred:-		
	A. Health Care		
	• Comprehensive Emergency Obstetric Newborn Care (CEmONC) • Mobile Health Unit • Help Desk Project • Integrated Child Development Scheme • De-addiction and Rehabilitation Center		
	B. Skill Development/ Education		
	• English & Maths Education at Nandesari School • Home Health Aide Course • Mobile Library • Samaj Suraksha Sankul - Vocational Training • Enterprenual Activities through SHG		

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has 2 wholly owned subsidiaries.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	The subsidiary companies participate in the BR initiates of the Company by following the basic principles and practices of the Parent Company, to the extent applicable.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	:	The Company encourages its Business Associates to support Company's BR initiatives, to the extent feasible.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a	Details of the Director/Directors responsible for implementation of the BR policy/policies	a	DIN Number	:	06595059
		b	Name	:	Shri Umesh Asaikar
		c	Designation	:	Executive Director & CEO
b	Details of the BR head	a	DIN Number	:	06595059
		b	Name	:	Shri Umesh Asaikar
		c	Designation	:	Executive Director & CEO
		d	Telephone Number	:	0265-3960200
		e	Email ID	:	umesh@godeeepak.com

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility (BR) Policy/policies

At Deepak Nitrite Limited, Business Responsibility is guided by "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, which articulates nine principles as below:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote Human Rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliances

S. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify?	Most of the policies are aligned to various standards such as Responsible care principles, Together for Sustainability System, ISO 9001, ISO 14001 & OHSAS 18001 system.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are approved by the Board and other policies are approved by the Executive Director & Chief Executive Officer of the Company and signed by the Executive Director & Chief Executive Officer of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Audit Committee, Corporate Social Responsibility Committee to oversee implementation of respective policies. For other policies, the Functional Heads are authorized to oversee the implementation thereof.								
6	Indicate the link for the policy to be viewed online?	The policies which are mandatorily required to be placed on the website of the Company can be viewed on https://www.godeepak.com/investor-compliances/. All other policies are available on the Company's internal network.								

S. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	All the policies have been communicated to all relevant internal and external stakeholders of the Company. The policies for all relevant internal stakeholders are available on the internal network and for external stakeholders, the policies are available on Company's website www.godeepak.com								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company provides the redressal mechanism for all kinds of grievances.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policy relating to Environment, Health and Safety are evaluated by internal as well as external ISO audit agencies. Other policies are evaluated internally or by respective Committee.								

3. Governance related to BR

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
	The Chairman & Managing Director, the Executive Director & CEO, the Director - Finance & CFO, the Whole-time Director review the Business Responsibility performance of the Company during the monthly review meetings. The action points that emerge from the discussions at these meetings are recorded, implemented wherever necessary and reviewed in the subsequent meetings. Besides, the CSR Committee of the Board reviews the social performance of the Company on yearly basis.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
	The Business Responsibility Report forms part of the Directors' Report. The Report can be viewed on the website of the Company at www.godeepak.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	The Company strives to adhere to the highest standards of integrity and behavior and ensure compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has also adopted a Code of Conduct ('Çode') which applies to the Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the Senior Management employees every year.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2018-19.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Sodium Nitrite Optical Brightening Agent Ethyl Hexyl Nitrate
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company is in process to establish the procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by Responsible Care, ISO 9001 and ISO 14001 Standard.
	a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	
	b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Company is in process to implement system for sustainable sourcing. Environmental concerns are being assessed while Supplier evaluation.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to the manufacturers and service providers located near-by. The Company provides feedback to them to improve their quality in compliance to its requirement, enhance capacity and capability particularly in the areas of manufacturing and fabrication and safety, health and environment.
5.	Does the Company have a mechanism to recycle products and waste?	Yes. Mechanism is in place to ensure sale /reuse/recycle waste material, wherever feasible.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1,362 permanent employees as on March 31, 2019.
2.	Total number of employees hired on temporary/contractual/ casual basis	There were 1,760 employees hired on temporary/contract/casual basis as on March 31, 2019.
3.	Number of permanent women employees.	There were 32 permanent women employees as on March 31, 2019.
4.	Number of permanent employees with disabilities	There were 10 permanent employees with disabilities as on March 31, 2019.
5.	Do you have an employee association that is recognized by management	Yes, The Company has recongnised unions in Nandesari, Roha, Taloja and Hyderabad.
6.	What percentage of your permanent employees is members of this recognized employee association?	20% of the total permanent employees are members of recongnised union.
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as at the end of the Financial Year.	

S. No.	Category	No. of Complaints filed during the Financial Year	No of Complaints pending as at the end of Financial Year
1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?

S. No.	Employees Category	Employees imparted safety training	Employees imparted skill up-gradation training
a.	Permanent Employees	91.92%	70.48%
b.	Permanent Women Employees	96.50%	100.00%
C.	Casual/Temporary/Contractual Employees	93.63%	49.63%
d.	Employees with Disabilities	87.50%	100.00%

Principle 4 :Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1.	Has the Company mapped its internal and external stakeholders?	The Company has mapped its internal and external stakeholders. They are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has identified poor, tribals, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company has undertaken various programmes under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
3.	Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders	The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure – D of the Directors' Report.

Principle 5: Businesses should respect and promote human rights

1.	Does the policy of the Company on Human Rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company, its Subsidiary and Contractors.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints in the Financial Year 2018-19 related to Human Rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy related to Principle 6 covers the Company, its Subsidiaries, Joint Ventures, Suppliers, Contractors and NGOs.
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company practices global principles of sustainable development and principles of Responsible Care. It includes global environmental issues such as climate change, global warming etc.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company identifies and assess potential environmental risk relating to its business, if any.
4.	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	Company adopts clean development mechanism wherever feasible. However, such projects was not undertaken during the year.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	The Company is continuously improving its environmental performance for its existing products and do thorough analysis for new products.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes. The effluents, emissions and wastes generated by the manufacturing facilities of the Company are within the permissible limits given by SPCB.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	There are no show cause / legal notices received from Central and State Pollution Control Boards which are pending as at the end of Financial Year 2018-19.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is the Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	As on March 31, 2019, your Company is a member of the following trade associations: a. FICCI: The Federation of Indian Chambers of Commerce and Industry b. FGI: Federation of Gujarat Industries c. GEO: Gujarat Employees Orgranisation d. ICC: Indian Chemical Council
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company supports the initiatives taken by above associations in their endeavor for the advancement or improvement of public good.

Principle 8 : Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8?	The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified programme and initiatives undertaken during the Financial Year 2018-19 in pursuit of the CSR Policy has been given in Annexure - D to the Directors' Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The programmes/projects are undertaken through Implementing Agency, Deepak Foundation and Deepak Medical Foundation.
3.	Have you done any impact assessment of your initiative?	The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programmes.
4.	What is your Company's direct contribution to community development projects.	During the Financial Year 2018-19, the Company spent ₹ 250 Lakhs on various CSR initiatives, detailed in Annexure - D to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Implementation of the CSR programmes/projects is ensured through site visits, obtaining periodic progress reports from Implementing Agency.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.	There were no customer complaints / consumer cases pending as at the end of Financial Year 2018-19.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and as at the end of Financial Year 2018-19.
4.	Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for feedback, betterment of the products and improving delivering mechanism.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 3, 2019

Annexure - D

Report On Corporate Social Responsibility

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

   Outline of Company's CSR Policy:

   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.

   Overview of Projects or programs undertaken:

   Various projects and programs are being undertaken as per the CSR policy of the Company. The major Programs are CEmONC, Mobile Health Unit, Help Desk Project, ICDS, De-addiction and Rehabilitation Centre in the field of Healthcare and Skill Development Educations. The details of these programs undertaken by the Company during the Financial Year 2018-19 are provided as under.

   Weblink to the CSR Policy of the Company:

   https://www.godeepak.com/investor-compliances/

2. The Composition of CSR Committee: The CSR Committee comprises of Shri Sudhir Mankad as Chairman and Dr. S. Sivaram, Shri Deepak C. Mehta and Shri Umesh Asaikar as members.

3. Average Net Profit of the Company for the last three Financial Years: ₹ 10,648 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 213 Lakhs.

5. Details of CSR Spent during the Financial Year

   (a) Total amount to be spent for the Financial Year: ₹ 213 Lakhs

   (b) Amount unspent, if any: NIL

   (c) Manner in which the amount was spent during the Financial Year is detailed below:

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads**	**Cumulative expenditure up to the reporting period**	**Amount Spent: Direct or through Implementing Agency**
1	CEmONC[1]	Health care	Jabugam Dist.: Vadodara State: Gujarat	39.00	50.14 0.00 **50.14**	138.63 (88.49)	Implementing Agency
2	English & Maths Education at Nandesari School	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	3.00	2.31 0.10 **2.41**	3.43 (1.02)	Implementing Agency
3	Mobile Health Unit	Health Care	Dahej Dist: Bharuch State: Gujarat	26.51	25.00 1.59 **26.59**	128.13 (101.54)	Implementing Agency
4	Help Desk Project	Health Care	Vadodara Dist: Vadodara State: Gujarat	15.00	12.38 1.26 **13.64**	50.03 (36.39)	Implementing Agency
5	Mobile Health Unit	Health Care	Roha Dist: Raigad State: Maharashtra	22.70	20.44 2.01 **22.45**	84.13 (61.68)	Implementing Agency

(₹ In Lakhs)

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount Spent: Direct or through Implementing Agency
6	ICDS[2]	Health Care	Nandesari Dist: Vadodara State: Gujarat	29.00	26.78 1.87 **28.65**	110.44 (81.79)	Implementing Agency
7	DOHC[3]	Health Care	Nandesari Dist: Vadodara State: Gujarat	-	-	74.15 (74.15)	Implementing Agency
8	Home Health Aide Course	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat Hyderabad Dist: Hyderabad State: Telangana	40.00	33.24 2.15 **35.39**	112.53 (77.14)	Implementing Agency
9	Mobile Library	Skill Development/ Education	Roha Dist: Raigad State: Maharashtra	15.00	12.28 1.08 **13.36**	37.63 (24.27)	Implementing Agency
10	De-addiction and Rehabilitation Center	Health Care	Hyderabad Dist: Hyderabad State: Telangana	17.70	15.73 1.38 **17.12**	46.88 (29.77)	Implementing Agency
11	Mobile Library	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	10.36	11.21 0.94 **12.15**	12.15 -	Implementing Agency
12	Mobile Library	Skill Development/ Education	Hyderabad Dist: Hyderabad State: Telangana	11.63	8.00 0.48 **8.48**	8.49 -	Implementing Agency
13	Entrepreneurial Activities through SHG	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	5.70	4.62 0.60 **5.22**	5.22 -	Implementing Agency
14	Samaj Suraksha Sankul	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat	2.50	2.50 - **2.50**	2.50 -	Implementing Agency
15	Management Cost	-	NA	11.90	11.90	44.72 (32.82)	Implementing Agency
	TOTAL			**250.00**	**250.00**		

1. Comprehensive Emergency Obstetric Newborn Care.
2. Integrated Child Development Scheme
3. Deepak Occupational Health Centre
4. Figures in Brackets are of previous Financial Year i.e. 2017-18.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Sudhir Mankad
Chairman of CSR Committee
(DIN: 00086077)

Place : Vadodara
Date : May 3, 2019

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, positive 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 Regulations" 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 officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below Chief Executive Officer / Managing Director / Whole-time Director including Chief Executive Officer and shall specifically include Chief Financial Officer and Company Secretary.

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

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 Senior Management employees.

(c) Formulating the criteria for evaluation of Independent Directors and the Board.

(d) Devising a policy on Board diversity.

(e) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

(f) 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.

(g) 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.

(h) 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 half 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) Membership 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.

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 their 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 field. 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 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 or Listing Regulations.

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.

8.1.6. 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 20% of cost to the Company, which will be entirely based on the individual's performance and Company's performance as per policy of the Company.

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.

8.4.2. Commission on the Net Profits

Apart from receiving the Sitting Fees and reimbursement of expenses for attending meetings of Board or Committees thereof, 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 prescribed under the Act or approved by shareholders in accordance with the 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. The Committee may authorize the Managing Director / Executive Director to determine from time to time the remuneration payable to KMP and Senior Management employee including their increments. The powers of the Committee in this regard may be delegated to the Managing Director / Executive Director.

8.6.3. Remuneration of a KMP 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.

8.6.4. 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.

8.6.5. 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.

8.6.6. Hardship Allowance and Loyalty Bonus

In addition to the above, KMP and Senior Management employees shall also be entitled for the Hardship Allowance, as may be applicable 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.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 3, 2019

Annexure - F

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24110GJ1970PLC001735
ii)	Registration Date	:	June 6, 1970
iii)	Name of the Company	:	Deepak Nitrite Limited
iv)	Category/Sub-Category of the Company	:	Public Company/Limited by Shares
v)	Address of the Registered Office and Contact Details	:	Aaditya-I, Chhani Road, Vadodara- 390 024, Gujarat, India Tel: 91-265-276 5200/ 396 0200 Fax No. : 91-265- 276 5344
vi)	Whether listed Company	:	Yes
vii)	Name, Address and Contact Details of Registrar and Share Transfer Agent	:	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: 022 - 2594 6970 Toll free number: 1800 1020 878 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

Business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Sodium Nitrite	24121	17%
2.	Optical Brightening Agent	24121	13%
3.	Ethyl Hexyl Nitrate	24121	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Deepak Phenolics Limited First Floor, Aaditya-II, Chhani Road, Vadodara - 390024, Gujarat, India	U24100GJ2011PLC064669	Subsidiary	100%	2(87)(ii)
2.	Deepak Nitrite Corporation Inc. 10801, Johnston Road, Suit 204, Charlotte, NC 28226, USA	NA	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY):

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the Financial Year 2018-19				No. of Shares held at the End of the Financial Year 2018-19				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters[1] Indian									
Individuals/ H.U.F	22867361	-	22867361	16.77	22847361	-	22847361	16.75	(0.02)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
Bodies Corporate	38031106	-	38031106	27.88	38325107	-	38325107	28.10	0.22
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**60898467**	**-**	**60898467**	**44.65**	**61172468**	**-**	**61172468**	**44.85**	**0.20**
Foreign									
Non Resident Individuals/ Foreign Nationals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total holding of Promoter (A)=(A)(1)+(A)(2)	**60898467**	**-**	**60898467**	**44.65**	**61172468**	**-**	**61172468**	**44.85**	**0.20**
B. Public Shareholding									
Non Institutions									
Mutual Fund/UTI	17051856	9000	17060856	12.51	20384369	9000	20393369	14.95	2.44
Financial Institutions/ Banks	731449	1100	732549	0.54	701224	1100	702324	0.52	(0.02)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	905651	-	905651	0.66	86600	-	86600	0.06	(0.60)
Insurance Companies	132575	-	132575	0.10	-	-	-	-	(0.10)
Foreign Portfolio Investor	15199212	-	15199212	11.14	14023615	-	14023615	10.28	(0.86)
Foreign Venture Cap. Inv	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)									
Foreign Banks	1350	-	1350	0.00	1350	-	1350	0.00	-
Sub-Total (B)(1)	**34022093**	**10100**	**34032193**	**24.95**	**35197158**	**10100**	**35207258**	**25.81**	**0.86**
Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	225040	-	225040	0.16	225040	-	225040	0.16	-
Sub Total (B)(2)	**225040**	**-**	**225040**	**0.16**	**225040**	**-**	**225040**	**0.16**	**-**
Non Institutions									
Bodies Corporate	13184875	-	13184875	9.67	9272433	-	9272433	6.80	(2.87)
Individuals									
i) Holding nominal Share Capital upto ₹ 1 Lakh	19236371	1439780	20676151	15.16	20415467	1210495	21625962	15.86	0.70
ii) Holding nominal Share Capital in excess of ₹ 1 Lakh	4732438	158540	4890978	3.59	5944459	108170	6052629	4.44	0.85
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other(specify)									
Trusts	1292	-	1292	0.00	8186	-	8186	0.01	0.01
Hindu Undivided Family	1458508	-	1458508	1.07	1504262	-	1504262	1.10	0.03
Individual NRI- Rep.- Non Rep.	759718	6050	765768	0.56	1049315	6050	1055365	0.77	0.21
Clearing Member	259769	-	259769	0.19	208355	-	208355	0.16	(0.03)
NBFC registered with RBI	-	-	-	-	61083	-	61083	0.04	0.04
Sub-Total (B)(3)	**39632971**	**1604370**	**41237341**	**30.24**	**38463560**	**1324715**	**39788275**	**29.18**	**(1.06)**
Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**73880104**	**1614470**	**75494574**	**55.35**	**73885758**	**1334815**	**75220573**	**55.15**	**(0.20)**
TOTAL = (A)+(B)	**134778571**	**1614470**	**136393041**	**100.00**	**135058226**	**1334815**	**136393041**	**100.00**	**-**
C. Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL = (A)+(B)+(C)	**134778571**	**1614470**	**136393041**	**100.00**	**135058226**	**1334815**	**136393041**	**100.00**	**-**

1: Includes Shareholding of Promoter Group.

(ii) Shareholding of Promoters

A. Details of Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Financial Year 2018-19			Shareholding at the end of the Financial Year 2018-19			% Change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1.	Chimanlal K. Mehta*	86430*	0.07	-	86430*	0.07	-	-
2.	Deepak C. Mehta	21236331	15.57	-	21216331	15.56	-	(0.01)
3.	Ajay C. Mehta	-	-	-	-	-	-	-
4.	Kantaben C. Mehta	970000	0.71	-	970000	0.71	-	-
5.	Ila D. Mehta	396010	0.29	-	396010	0.29	-	-
6.	Maulik D. Mehta	131300	0.10	-	131300	0.10	-	-
7.	Meghav D. Mehta	47290	0.03	-	47290	0.03	-	-
8.	Checkpoint Credits and Capital Private Limited	7206050	5.28	-	7206050	5.28	-	-
9.	Stepup Credits and Capital Private Limited	6915580	5.07	-	6915580	5.07	-	-
10.	Stigma Credits and Capital Private Limited	6178100	4.53	-	6178100	4.53	-	-
11.	Skyrose Finvest Private Limited	3777356	2.77	-	3802357	2.79	-	0.02
12.	Pranawa Leafin Private Limited	2246000	1.65	-	2304000	1.69	-	0.04
13.	Forex Leafin Private Limited	2169780	1.59	-	2169780	1.59	-	-
14.	Stiffen Credits and Capital Private Limited	8379940	6.14	-	8379940	6.14	-	-
15.	Sundown Finvest Private Limited	812300	0.60	-	833300	0.61	-	0.01
16.	Storewell Credits and Capital Private Limited	-	-	-	190000	0.14	-	0.14
17.	Hardik Leafin Private Limited	346000	0.25	-	346000	0.25	-	-
	Total	**60898467**	**44.65**	**-**	**61172468**	**44.85**	**-**	**0.20**

** Includes 8040 shares held as the Karta of HUF.*

(iii) Change in Promoter's Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No. of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No. of Shares held	% of Total Shares of the Company
1	**Deepak C. Mehta**	**21236331**	**15.57**				
	Transfer by way of Gift			12-Apr-2018	(20000)	21216331	15.56
	At the end of the Year					**21216331**	**15.56**
2	**Skyrose Finvest Private Limited**	**3777356**	**2.77**				
	Market Purchase			29-Sep-2018	1	3777357	2.77
	Market Purchase			25-Feb-2019	21000	3798357	2.78
	Market Purchase			26-Feb-2019	4000	3802357	2.79
	At the end of the Year					**3802357**	**2.79**
3	**Pranawa Leafin Private Limited**	**2246000**	**1.65**				
	Market Purchase			25-Feb-2019	28000	2274000	1.67
	Market Purchase			26-Feb-2019	22000	2296000	1.68
	Market Purchase			01-Mar-2019	8000	2304000	1.69
	At the end of the Year					**2304000**	**1.69**
4	**Sundown Finvest Private Limited**	**812300**	**0.60**				
	Market Purchase			27-Feb-2019	21000	833300	0.61
	At the end of the Year					**833300**	**0.61**
5	**Storewell Credits and Capital Private Limited**	**-**	**-**				
	Market Purchase			27-Feb-2019	43000	43000	0.03
	Market Purchase			28-Feb-2019	100000	143000	0.10
	Market Purchase			01-Mar-2019	47000	190000	0.14
	At the end of the Year					**190000**	**0.14**

(iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Name & Reason of Increase/ Decrease	Shareholding at the Beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No of Shares held	% of Total Shares of the Company
1	**Reliance Capital Trustee Co. Limited - A/C Reliance Small Cap Fund**	**6421199**	**4.71**			**6421199**	**4.71**
	Market Purchase			13-Jul-2018	40282	6461481	4.74
	Market Purchase			21-Sep-2018	10000	6471481	4.74
	Market Purchase			12-Oct -2018	7853	6479334	4.75
	Market Purchase			26-Oct-2018	7000	6486334	4.76
	Market Purchase			02-Nov-2018	50000	6536334	4.79
	Market Purchase			09 Nov 2018	715200	7251534	5.32
	Market Purchase			30-Nov-2018	30000	7281534	5.34
	Market Purchase			08-Feb-2019	16419	7297953	5.35
	Market Purchase			15-Feb-2019	200000	7497953	5.50
	At the end of Year					**7497953**	**5.50**
2	**Aditya Birla Sun Life Trustee Private Limited***	**4088798**	**3.00**			**4088798**	**3.00**
	Market Purchase			27-Apr-2018	111000	4199798	3.08
	Market Purchase			04-May-2018	130000	4329798	3.17
	Market Purchase			25-May-2018	30000	4359798	3.20
	Market Purchase			08-Jun-2018	16600	4376398	3.21
	Market Purchase			15-Jun-2018	4500	4380898	3.21
	Market Purchase			13-Jul-2018	24000	4404898	3.23
	Market Purchase			10-Aug-2018	36300	4441198	3.26
	Market Purchase			07-Sep-2018	100000	4541198	3.33
	Market Purchase			14-Sep-2018	212000	4753198	3.48
	Market Purchase			21-Sep-2018	500000	5253198	3.85
	Market Purchase			29-Sep-2018	290000	5543198	4.06
	Market Purchase			05-Oct-2018	200000	5743198	4.21
	Market Purchase			12-Oct-2018	212000	5955198	4.37
	Market Purchase			26-Oct-2018	190000	6145198	4.51
	Market Purchase			30-Nov-2018	35000	6180198	4.53
	Market Purchase			14-Dec-2018	5000	6185198	4.53
	Market Purchase			21-Dec-2018	10000	6195198	4.54
	Market Purchase			28-Dec -2018	18000	6213198	4.56
	Market Purchase			04-Jan-2019	100000	6313198	4.63
	Market Purchase			25-Jan-2019	454035	6767233	4.96
	Market Purchase			01-Feb-2019	105000	6872233	5.04
	Market Purchase			08-Feb-2019	97200	6969433	5.11
	Market Purchase			15-Feb-2019	165800	7135233	5.23
	Market Purchase			22-Feb-2019	27500	7162733	5.25
	Market Purchase			22-Mar-2019	180000	7342733	5.38
	Market Purchase			29-Mar-2019	16000	7358733	5.40
	At the end of the Year					**7358733**	**5.40**
3	**Franklin India Smaller Companies Fund**	**5622951**	**4.12**			**5622951**	**4.12**
	Market Sale			05-Oct-2018	(44700)	5578251	4.09
	Market Purchase			01-Feb-2019	200000	5778251	4.24
	At the end of the Year					**5778251**	**4.24**

* Includes A/c Aditya Birla Sun Life Small Cap Fund and Aditya Birla Sun Life Pure Value Fund

Sr No.	Name & Reason of Increase/ Decrease	Shareholding at the Beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No of Shares held	% of Total Shares of the Company
4	**DCS Infotech Private Limited**	**4648720**	**3.41**			**4648720**	**3.41**
	At the end of the Year					**4648720**	**3.41**
5	**IDFC Sterling Value Fund**	**3227489**	**2.37**			**3227489**	**2.37**
	Market Purchase			13-Apr-2018	28261	3255750	2.39
	Market Purchase			14-Sep-2018	43666	3299416	2.42
	Market Purchase			21-Sep-2018	16334	3315750	2.43
	Market Purchase			12-Oct-2018	40000	3355750	2.46
	Market Purchase			19-Oct-2018	25000	3380750	2.48
	Market Purchase			23-Nov-2018	61204	3441954	2.52
	Market Purchase			30-Nov-2018	63796	3505750	2.57
	Market Purchase			14-Dec-2018	50000	3555750	2.61
	Market Purchase			21-Dec-2018	50000	3605750	2.64
	Market Purchase			28-Dec-2018	125000	3730750	2.74
	Market Purchase			31-Dec-2018	40000	3770750	2.76
	Market Purchase			04-Jan-2019	65000	3835750	2.81
	Market Purchase			11-Jan-2019	30000	3865750	2.83
	Market Purchase			18-Jan-2019	14909	3880659	2.85
	Market Purchase			25-Jan-2019	12510	3893169	2.85
	Market Purchase			01-Feb-2019	112581	4005750	2.94
	Market Purchase			08-Feb-2019	37007	4042757	2.96
	Market Purchase			15-Feb-2019	40000	4082757	2.99
	Market Purchase			22-Feb-2019	39011	4121768	3.02
	Market Purchase			01-Mar-2019	10989	4132757	3.03
	Market Purchase			29-Mar-2019	12000	4144757	3.04
	At the end of the Year					**4144757**	**3.04**
6	**L & T Mutual fund Trustee Limited -L & T India Value Fund**	**5339770**	**3.91**			**5339770**	**3.91**
	Market Purchase			27-Apr-2018	138012	5477782	4.02
	Market Purchase			04-May-2018	61988	5539770	4.06
	Market Purchase			18-May-2018	45135	5584905	4.09
	Market Purchase			25-May-2018	6374	5591279	4.10
	Market Purchase			01-Jun-2018	12629	5603908	4.11
	Market Purchase			08-Jun-2018	61172	5665080	4.15
	Market Purchase			15-Jun-2018	14421	5679501	4.16
	Market Purchase			30-Jun-2018	23973	5703474	4.18
	Market Purchase			06-Jul-2018	10789	5714263	4.19
	Market Purchase			13-Jul-2018	45000	5759263	4.22
	Market Sale			14-Sep-2018	(720169)	5039094	3.69
	Market Sale			21-Sep-2018	(250000)	4789094	3.51
	Market Purchase			05-Oct-2018	175500	4964594	3.64
	Market Purchase			12-Oct-2018	11600	4976194	3.65
	Market Purchase			26-Oct-2018	18998	4995192	3.66
	Market Purchase			02-Nov-2018	5898	5001090	3.67
	Market Sale			16-Nov-2018	(108922)	4892168	3.59
	Market Purchase			23-Nov-2018	296503	5188671	3.80
	Market Purchase			30-Nov-2018	85697	5274368	3.87
	Market Purchase			14-Dec-2018	85104	5359472	3.93
	Market Sale			21-Dec -2018	(91383)	5268089	3.86

Sr No.	Name & Reason of Increase/ Decrease	Shareholding at the Beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No of Shares held	% of Total Shares of the Company
	Market Sale			28-Dec-2018	(441231)	4826858	3.54
	Market Sale			31-Dec-2018	(144760)	4682098	3.43
	Market Sale			04-Jan-2019	(260014)	4422084	3.24
	Market Sale			11-Jan-2019	(61350)	4360734	3.20
	Market Sale			08-Feb-2019	(331000)	4029734	2.95
	Market Sale			08-Mar-2019	(518875)	3510859	2.57
	Market Sale			15-Mar-2019	(113081)	3397778	2.49
	Market Sale			22-Mar-2019	(60708)	3337070	2.45
	At the end of the Year					**3337070**	**2.45**
7	**SBI Magnum Multicap Fund**	**2222994**	**1.63**			**2222994**	**1.63**
	Market Purchase			06-Apr-2018	188687	2411681	1.77
	Market Purchase			13-Apr-2018	475585	2887266	2.12
	Market Purchase			27-Jul-2018	9952	2897218	2.12
	Market Purchase			03-Aug-2018	101367	2998585	2.20
	Market Purchase			10-Aug-2018	58977	3057562	2.24
	Market Purchase			14-Sep-2018	19704	3077266	2.26
	Market Sale			19-Oct-2018	(242296)	2834970	2.08
	Market Sale			26-Oct-2018	(74846)	2760124	2.02
	Market Sale			02-Nov-2018	(250000)	2510124	1.84
	Market Purchase			09-Nov-2018	41588	2551712	1.87
	Market Purchase			16-Nov-2018	151554	2703266	1.98
	Market Purchase			23-Nov-2018	112000	2815266	2.06
	Market Sale			14-Dec-2018	(27000)	2788266	2.04
	Market Sale			01-Feb-2019	(150000)	2638266	1.93
	At the end of the Year					**2638266**	**1.93**
8	**Riddhi Siddhi Gluco Biols Limited**	**743462**	**0.55**			**743462**	**0.55**
	Market Purchase			15-Mar-2019	135704	879166	0.64
	At the end of the Year					**879166**	**0.64**
9	**Edelweiss Custodial Services Limited**	**650123**	**0.48**			**650123**	**0.48**
	Market Sale			06-Apr-2018	(11664)	638459	0.47
	Market Purchase			13-Apr-2018	2136	640595	0.47
	Market Purchase			20-Apr-2018	4565	645160	0.47
	Market Sale			27-Apr-2018	(10712)	634448	0.47
	Market Purchase			04-May-2018	11376	645824	0.47
	Market Purchase			11-May-2018	49027	694851	0.51
	Market Purchase			18-May-2018	6970	701821	0.51
	Market Purchase			25-May-2018	51	701872	0.51
	Market Sale			01-Jun-2018	(12121)	689751	0.51
	Market Purchase			08-Jun-2018	11277	701028	0.51
	Market Purchase			15-Jun-2018	11781	712809	0.52
	Market Purchase			22-Jun-2018	75101	787910	0.58
	Market Sale			30-Jun -2018	(1543)	786367	0.58
	Market Purchase			06-Jul-2018	56755	843122	0.62
	Market Sale			13-Jul -2018	(39712)	803410	0.59
	Market Sale			20-Jul-2018	(4821)	798589	0.59
	Market Purchase			27-Jul-2018	10209	808798	0.59
	Market Sale			03 -Aug -2018	(8375)	800423	0.59

Sr No.	Name & Reason of Increase/ Decrease	Shareholding at the Beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No of Shares held	% of Total Shares of the Company
	Market Purchase			10-Aug-2018	87862	888285	0.65
	Market Sale			17-Aug-2018	(22263)	866022	0.63
	Market Sale			24-Aug-2018	(57307)	808715	0.59
	Market Purchase			31-Aug-2018	70280	878995	0.64
	Market Sale			07-Sep-2018	(11140)	867855	0.64
	Market Purchase			14-Sep-2018	5829	873684	0.64
	Market Purchase			21-Sep-2018	12639	886323	0.65
	Market Sale			29-Sep-2018	(95785)	790538	0.58
	Market Sale			05-Oct-2018	(3321)	787217	0.58
	Market Purchase			12-Oct-2018	35202	822419	0.60
	Market Purchase			19-Oct-2018	9555	831974	0.61
	Market Purchase			26-Oct-2018	20327	852301	0.62
	Market Sale			02-Nov-2018	(6003)	846298	0.62
	Market Sale			09-Nov-2018	(28734)	817564	0.60
	Market Sale			16-Nov-2018	(48833)	768731	0.56
	Market Sale			23-Nov-2018	(50098)	718633	0.53
	Market Purchase			30-Nov-2018	76255	794888	0.58
	Market Purchase			07-Dec-2018	37330	832218	0.61
	Market Purchase			14-Dec-2018	118785	951003	0.70
	Market Purchase			21-Dec-2018	34855	985858	0.72
	Market Purchase			28-Dec-2018	50368	1036226	0.76
	Market Purchase			31-Dec-2018	87780	1124006	0.82
	Market Purchase			04-Jan-2019	63041	1187047	0.87
	Market Purchase			11-Jan-2019	26308	1213355	0.89
	Market Purchase			18-Jan-2019	623	1213978	0.89
	Market Sale			25-Jan-2019	(12424)	1201554	0.88
	Market Purchase			01-Feb-2019	3681	1205235	0.88
	Market Sale			08-Feb-2019	(1302)	1203933	0.88
	Market Purchase			15-Feb-2019	8464	1212397	0.89
	Market Sale			22-Feb-2019	(316709)	895688	0.66
	Market Purchase			01-Mar-2019	246	895934	0.66
	Market Purchase			08-Mar-2019	2134	898068	0.66
	Market Sale			15-Mar-2019	(10073)	887995	0.65
	Market Sale			22-Mar-2019	(46298)	841697	0.62
	Market Sale			29-Mar-2019	(19592)	822105	0.60
	Market Sale			30-Mar-2019	(200)	821905	0.60
	At the end of the Year					**821905**	**0.60**
10	**Ashish Kacholia**	**-**	**-**			**-**	**-**
	Market Purchase			15-Mar-2019	750000	750000	0.55
	At the end of the Year					**750000**	**0.55**
11	**ICICI Lombard General Insurance Company Limited**	**4003030**	**2.93**			**4003030**	**2.93**
	Market Sale			06-Apr-2018	(650000)	3353030	2.46
	Market Sale			20-Apr-2018	(87525)	3265505	2.39
	Market Sale			27-Apr-2018	(35000)	3230505	2.37
	Market Sale			04-May -2018	(192807)	3037698	2.23
	Market Sale			11-May-2018	(29280)	3008418	2.21
	Market Sale			05-Oct-2018	(228722)	2779696	2.04

Sr No.	Name & Reason of Increase/ Decrease	Shareholding at the Beginning of the Financial Year 2018-19		Transactions during the year		Cumulative Shareholding at the end of the Financial Year 2018-19	
		No of Shares held	% of Total Shares of the Company	Date	Increase/ (Decrease)	No of Shares held	% of Total Shares of the Company
	Market Sale			12-Oct-2018	(259269)	2520427	1.85
	Market Sale			19-Oct-2018	(166840)	2353587	1.73
	Market Sale			26-Oct-2018	(97372)	2256215	1.65
	Market Sale			02-Nov-2018	(500000)	1756215	1.29
	Market Sale			09-Nov-2018	(252264)	1503951	1.10
	Market Sale			16-Nov-2018	(206380)	1297571	0.95
	Market Sale			23-Nov-2018	(173019)	1124552	0.82
	Market Sale			30-Nov-2018	(213929)	910623	0.67
	Market Sale			07-Dec-2018	(138433)	772190	0.57
	Market Sale			14-Dec-2018	(215470)	556720	0.41
	Market Sale			21-Dec-2018	(364076)	192644	0.14
	Market Sale			28-Dec-2018	(192644)	-	-
	At the end of the Year					**-**	**-**
12	**Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund**	**1767259**	**1.30**			**1767259**	**1.30**
	Market Sale			06-Apr-2018	(73307)	1693952	1.24
	Market Sale			13-Apr 2018	(42317)	1651635	1.21
	Market Sale			20-Apr-2018	(95314)	1556321	1.14
	Market Sale			27-Apr-2018	(363433)	1192888	0.87
	Market Sale			04-May-2018	(82143)	1110745	0.81
	Market Sale			11-May-2018	(85440)	1025305	0.75
	Market Sale			18-May-2018	(184992)	840313	0.62
	Market Sale			25-May-2018	(53766)	786547	0.58
	Market Sale			01-Jun-2018	(46363)	740184	0.54
	Market Sale			08-Jun-2018	(122034)	618150	0.45
	Market Sale			15-Jun-2018	(46291)	571859	0.42
	Market Sale			22-Jun-2018	(50014)	521845	0.38
	Market Sale			30-Jun-2018	(71114)	450731	0.33
	Market Sale			06-Jul-2018	(62246)	388485	0.28
	Market Sale			13-Jul-2018	(40465)	348020	0.26
	Market Sale			20-Jul-2018	(47130)	300890	0.22
	Market Sale			27-Jul-2018	(169405)	131485	0.10
	Market Sale			03-Aug-2018	(120869)	10616	0.01
	Market Sale			10 -Aug-2018	(10616)	-	-
	At the end of the Year					**-**	**-**
13	**Vantage Equity Fund**	**865000**	**0.63**			**865000**	**0.63**
	Market Purchase			20-Apr-2018	135000	1000000	0.73
	Market Purchase			22-Jun-2018	80000	1080000	0.79
	Market Purchase			30-Jun-2018	104000	1184000	0.87
	Market Sale			24-Aug-2018	(25759)	1158241	0.85
	Market Sale			31-Aug-2018	(108615)	1049626	0.77
	Market Sale			07-Sep-2018	(229650)	819976	0.60
	Market Sale			14-Sep-2018	(409785)	410191	0.30
	Market Sale			21-Sep-2018	(410191)	-	-
	At the end of the Year					**-**	**-**

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors or KMP, except Shri Deepak C. Mehta and Shri Maulik D. Mehta (covered under point (ii) above), hold any Shares of the Company and except as disclosed above, there has not been any change in such holdings during the Financial Year 2018-19.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

Indebtedness at the beginning of the Financial Year 2018-19	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	28,748.21	17,428.56	-	46,176.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.66	78.94	-	184.60
Total (i+ii+iii)	**28,853.87**	**17,507.50**	**-**	**46,361.37**
Change in Indebtedness during the Financial Year 2018-19				
· Addition	6,159.71	98.81	-	6,258.52
· Reduction	5,530.27	14,143.94	-	19,674.21
Net Change	**11,689.98**	**14,242.75**	**-**	**25,932.73**
Indebtedness at the end of the Financial Year 2018-19				
i) Principal Amount	29,377.65	3,383.43	-	32,761.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	71.82	25.47	-	97.29
Total (i+ii+iii)	**29,449.47**	**3,408.90**	**-**	**32,858.36**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Deepak C. Mehta	Shri Umesh Asaikar	Shri Maulik Mehta	Shri Sanjay Upadhyay	
1	**Gross Salary** (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	275.00	533.15	154.16	262.79	1,225.10
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	31.60	55.71	16.90	31.61	135.82
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit	600.00	-	-	-	600.00
	- others	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	**906.60**	**588.86**	**171.06**	**294.40**	**1960.92**

Ceiling as per the Act ₹ 2,647.98 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other Directors:

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Non- Executive Directors								
	Shri Nimesh Kampani	Shri Sudhin Choksey	Shri Sudhir Mankad	Dr. R. H. Rupp	Shri S. K. Anand	Dr. S. Sivaram	Prof. Indira Parikh	Shri Ajay C. Mehta	
Fee for attending Board/Committee Meetings	1.50	2.70	2.85	1.20	3.60	1.80	0.60	1.20	15.45
Commission	8.00	10.00	10.00	10.00	25.00	8.00	4.00	-	75.00
Total (B)	**9.50**	**12.70**	**12.85**	**11.20**	**28.60**	**9.80**	**4.60**	**1.20**	**90.45**
Ceiling as per the Act ₹ 240.73 Lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)									
Total Managerial Remuneration ₹ 2,035.92 Lakhs									
Overall Ceiling as per the Act ₹ 2,647.98 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)									

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	 43.81 0.53 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	 - -
5.	Others, please specify	-
	Total	**44.34**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. Company Penalty Punishment Compounding			NIL		
B. Directors Penalty Punishment Compounding			NIL		
C. Other Officers in default Penalty Punishment Compounding			NIL		

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Vadodara
Date: May 3, 2019

Annexure - G

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, 2019 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, 2019:

Name of the Director / KMP	Remuneration* (₹ In Lakhs)	% Increase in Remuneration* in the FY 2018-19	Ratio to Median Remuneration*
Shri Deepak C. Mehta, Chairman & Managing Director	906.60	79.25	188.88
Shri Umesh Asaikar, Executive Director & CEO	588.86	25.10	122.68
Shri Sanjay Upadhyay, Director-Finance & CFO	294.40	43.14	61.33
Shri Maulik Mehta, Whole-time Director	171.06	66.05	35.64
Shri Ajay C. Mehta, Non-Executive Director#	1.20	-	0.25
Shri Nimesh Kampani, Independent Director	9.50	47.29	1.98
Shri Sudhin Choksey, Independent Director	12.70	27.64	2.65
Shri Sudhir Mankad, Independent Director	12.85	31.12	2.68
Shri S. K. Anand, Independent Director	28.60	171.09	5.96
Dr. R. H. Rupp, Independent Director	11.20	9.80	2.33
Dr. S. Sivaram, Independent Director	9.80	68.97	2.04
Prof. Indira Parikh, Independent Director	4.60	(1.08)	0.96
Shri Arvind Bajpai, Company Secretary	44.34	8.00	NA

* Including sitting fees.

Shri Ajay C. Mehta ceased to be the Managing Director of the Company with effect from December 1, 2017. He remains on the Board as a Non-Executive Director.

1. In the Financial Year 2018-19, there was an increase of 13.74% in the median remuneration of employees.
2. There were 1,362 permanent employees on the rolls of the Company as on March 31, 2019.
3. Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 10% and average percentile increase in remuneration of Managerial Personnel was 52.58%.

   Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company and individual performance as per policy 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 & Remuneration Policy of the Company and 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 derived from the key result area of their superiors / 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 3, 2019

Annexure - H

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:

- Improvements in - Flash stream and condensate recovery, column packings, boiler & chilling units efficiency improvements, air leakage survey in plant.
- Processes improved to reduce utility and improve energy conservation.

(ii) Steps taken for utilizing alternate sources of energy:

- Power generation by using back pressure turbine
- Power trading through open access and bilateral agreements

(iii) Capital Investment on energy conservation equipments: ₹ 272.69 Lakhs

(B) Technology Absorption:

(i) Efforts made towards technology absorption:

- Technology developed for import substituted products
- Developed continuous process of existing batch process .

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Processes developed for import substituted products in the in-house Research & Development
- Continuous chemical processes developed to reduce raw materials consumption norms and by-products formation, also evaluated alternative routes to make cheaper and cleaner technologies.

(iii) Information regarding technology imported, during the last 3 years: Nil

(iv) Expenditure incurred on Research and Development:

(₹ In Lakhs)

Particulars	2018-19	2017-18
a) Capital	192.91	117.90
b) Recurring	810.92	701.80
c) Total	1,003.83	819.70
d) Total R&D expenditure as a percentage to total turnover	0.56%	0.55%

(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 Lakhs)

Particulars	2018-19	2017-18
Total Foreign Exchange Earned	57,907.80	50,902.66
Total Foreign Exchange Outgo	31,810.19	22,374.30

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place : Vadodara
Date : May 3, 2019

Corporate Governance Report

for the year ended March 31, 2019

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your 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.

Your Company firmly believes that for a company to succeed on a sustained basis, 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.

2. BOARD OF DIRECTORS:

(i) Composition and Category of Directors

The Board of Directors of the Company comprises of an optimum combination of executive and non-executive directors, which is in conformity with the requirements of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ('LODR or Listing Regulations'). As of the year ended March 31, 2019, the Board consisted of twelve (12) Directors comprising of four (4) Executive Directors, one (1) Non-Executive Director and seven (7) Independent Directors. The Chairman of the Board is an Executive Director.

The Directors of the Company are highly experienced professionals in their fields and brings in a wide range of skills and experience to the Board.

During the year under review:

(1) Shri Umesh Asaikar (DIN: 06595059) was re-appointed as a Whole-time Director designated as the Executive Director & CEO of the Company for a period from May 9, 2018 to May 31, 2020. The said re-appointment was approved by the Members at the 47th Annual General Meeting of the Company held on August 3, 2018.

(2) Shri Deepak C. Mehta (DIN: 00028377) was re-appointed as the Chairman & Managing Director of the Company w.e.f. December 14, 2018 for a period of five (5) years, subject to the approval of Members of the Company.

The composition of the Board of Directors of the Company as on March 31, 2019 was as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Director	Shri Deepak C. Mehta
II.	Promoter and Non-Executive Director	Shri Ajay C. Mehta
III.	Executive Directors	Shri Umesh Asaikar Shri Maulik D. Mehta Shri Sanjay Upadhyay
IV.	Non-Executive and Independent Directors	Shri Nimesh Kampani Shri Sudhin Choksey Shri Sudhir Mankad Dr. Richard H. Rupp Shri Sandesh Kumar Anand Dr. Swaminathan Sivaram Prof. Indira Parikh

(ii) Board Meetings

During the Financial Year 2018-19, four (4) Board Meetings were held on May 4, 2018, August 2, 2018, October 26, 2018 and February 1, 2019. The maximum time gap between the two Board Meetings was not more than one hundred twenty (120) days as prescribed under the ('Listing Regulations').

The attendance of Directors at the Board Meetings held during the year ended March 31, 2019, and at the last Annual General Meeting and the directorship, chairmanship and membership in committees of the Directors in other companies as on March 31, 2019:

Name of the Director	Director Identification Number (DIN)	No. of Board Meetings held during the year/ tenure of Director	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship Held (including listed entities)	No. of Committee position in other Public Companies [Chairman (C)/ Member (M)]
Shri Deepak C. Mehta	00028377	4	4	YES	2	2(M)
Shri Ajay C. Mehta	00028405	4	4	YES	2	1(C) & 2(M)
Shri Maulik D. Mehta	05227290	4	4	YES	-	-

Name of the Director	Director Identification Number (DIN)	No. of Board Meetings held during the year/ tenure of Director	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship Held (including listed entities)	No. of Committee position in other Public Companies [Chairman (C)/ Member (M)]
Shri Nimesh Kampani	00009071	4	4	YES	7	6(M)
Shri Sudhin Choksey	00036085	4	3	YES	2	1(C)
Shri Sudhir Mankad	00086077	4	3	YES	6	1(C) & 2(M)
Dr. Richard H. Rupp	02205790	4	2	NO	-	-
Shri S. K. Anand	00001792	4	4	YES	2	2(C)
Dr. S. Sivaram	00009900	4	4	YES	6	2(C)
Shri Umesh Asaikar	06595059	4	4	YES	-	-
Prof. Indira Parikh	00143801	4	1	NO	7	4(M)
Shri Sanjay Upadhyay	01776546	4	4	YES	2	1(C)

Note:
(1) Number of other directorships held by Directors as mentioned above excludes directorships in Private Limited Companies, Section 8 companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.
(2) In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Deepak Nitrite Limited) have been considered.

As required under the Listing Regulations as amended w.e.f. April 1, 2019, the names of the listed entities (Including Deepak Nitrite Limited) where the Director of the Company is a director and the category of directorship as on March 31, 2019 is provided hereunder:

Name of Director	Name of Listed Entity	Category of Directorship
Shri Deepak C. Mehta	Deepak Nitrite Limited	Chairman & Managing Director
Shri Ajay C. Mehta	Deepak Nitrite Limited	Non-Executive Director
	Tribhovandas Bhimji Zaveri Limited	Independent Director
Shri Umesh Asaikar	Deepak Nitrite Limited	Executive Director & CEO
Shri Sanjay Upadhyay	Deepak Nitrite Limited	Director -Finance & CFO
Shri Maulik D. Mehta	Deepak Nitrite Limited	Whole-time Director
Shri Nimesh Kampani	Deepak Nitrite Limited	Independent Director
	Britannia Industries Limited	Independent Director
	Chambal Fertilisers and Chemicals Limited	Independent Director
	Apollo Tyres Limited	Independent Director
	JM Financials Limited	Non-Executive Chairman
Shri Sudhin Choksey	Deepak Nitrite Limited	Independent Director
	Gujarat Ambuja Exports Limited	Independent Director
	GRUH Finance Limited	Managing Director
Shri Sudhir Mankad	Deepak Nitrite Limited	Independent Director
	Navin Fluorine International Limited	Independent Director
	Swaraj Engines Limited	Non-Executive Chairman
	GRUH Finance Limited	Independent Director
Dr. Richard H. Rupp	Deepak Nitrite Limited	Independent Director
Shri S. K. Anand	Deepak Nitrite Limited	Independent Director
Dr. S. Sivaram	Deepak Nitrite Limited	Independent Director
	Supreme Petrochem Limited	Independent Director
	Asian Paints Limited	Independent Director
	GMM Pfaudler Limited	Independent Director
	APCOTEX Industries Limited	Independent Director
Prof. Indira Parikh	Deepak Nitrite Limited	Independent Director
	Johnson Controls- Hitachi Air-conditioning India Limited	Independent Director
	Force Motors Limited	Independent Director

(iii) Board Procedure

The Board meets at regular intervals to discuss and decide various business items. The tentative annual calendar of the Board meetings is circulated to the Directors, well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a 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. The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on items in the agenda to enable the Board members to take informed decisions. The Agenda and related information are circulated in electronic form through a highly secured web-based application, which is available to the Board members through iPad/laptop. The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration. The Board also reviews the declarations made by the Chairman & Managing Director, Executive Director & CEO, Director - Finance & CFO and Company Secretary of the Company regarding compliance with all applicable laws, on a quarterly basis.

(iv) Disclosure of relationships between Directors inter-se

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

No other Director of the Company is related to each other.

(v) Independent Directors

The Independent Directors of the Company have been appointed in terms of requirements of the Companies Act, 2013 and Listing Regulations. 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. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.godeepak.com. No Independent Director has resigned during the Financial Year 2018-19.

(vi) Declaration of Independence

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16 (1) (b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2019.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

(vii) Familiarisation program for Independent Directors

The Board members are from time to time provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved.

Web link giving the details of familiarisation program imparted to Independent Directors is https://www.godeepak.com/investor-compliances/

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

The 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 that the said skills are available with the Board Members:

(a) Knowledge on Company's businesses (Chemical Intermediates), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;

(b) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;

(c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;

(d) Financial and Management skills;

(e) Legal expertise

(f) Technical / Professional skills and specialized knowledge in relation to Company's business.

(ix) Performance Evaluation

The Nomination and Remuneration Committee has specified the criteria for performance evaluation of the directors, the Board and its committees. The Board is committed to evaluate its own performance as a Board and also the performance of individual directors, in order to identify strengths and areas in which it may improve functioning.

(x) Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on March 15, 2019 without the presence of other directors or management representatives, to review the performance of Non-Independent Directors, the Board and

the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

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. Minutes of proceedings of committee meetings are circulated to the directors and placed before Board meetings for noting. The Board has currently established the following Committees:

(A) Audit Committee:

(i) Composition of Audit Committee

The Audit Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhin Choksey	Chairman	Independent Director
Shri Sudhir Mankad	Member	Independent Director
Shri S. K. Anand	Member	Independent Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Listing Regulations. All members of the Audit Committee are financially literate and Shri Sudhin Choksey possesses financial / accounting expertise.

The Statutory Auditors, Internal Auditors and other relevant senior management persons are invited to attend the meetings of Audit Committee.

Shri Sudhin Choksey, Chairman of the Audit Committee, was present at the last Annual General Meeting held on August 3, 2018.

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 Companies Act, 2013 and Listing Regulations, the terms of reference for the Audit Committee of Directors are as under:

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 76 be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- 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 and monitoring, 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 utilisation 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) Valuation of undertakings or assets of the listed entity, 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) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision; and

22) Such other terms as may be prescribed under the Companies Act, 2013 or The SEBI (LODR) Regulations, 2015.

(iii) Meetings of Audit Committee and Attendance thereat

Four (4) meetings of the Audit Committee were held during the financial year 2018-19 on May 3, 2018, August 2, 2018, October 25, 2018 and January 28, 2019.

The attendance at the Audit Committee meetings held during financial year 2018-19 was as under:

Name of Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Shri Sudhin Choksey	4	4
Shri Sudhir Mankad	4	4
Shri S. K. Anand	4	4

All the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

(B) Nomination and Remuneration Committee:

(i) Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhir Mankad	Chairman	Independent Director
Shri S. K. Anand	Member	Independent Director
Shri Sudhin Choksey	Member	Independent Director
Prof. Indira Parikh	Member	Independent Director

The Committee's composition meets with the requirement of Section 178 of the Companies Act, 2013 and requirements of the Listing Regulations.

The Company Secretary acts as a Secretary to the Committee.

(ii) Terms of Reference

In accordance with the provisions of the Companies Act, 2013 and 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 and senior management.

2) specify the manner for effective evaluation of performance of Board, its Committee and individual Directors;

3) Devising a policy on diversity of Board of Directors;

4) Identifying persons who are qualified to become Directors and who may be appointed in senior management 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 Director, 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 senior management; and

7) Such other terms as may be required under the Companies Act, 2013 or the Listing Regulations.

(iii) Meetings and Attendance thereat

Two (2) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2018-19 on May 4, 2018 and October 25, 2018.

The attendance at the Nomination and Remuneration Committee meetings held during financial year 2018-19 was as under:

Name of Member	No. of Nomination and Remuneration Committee Meetings held	No. of Nomination and Remuneration Committee Meetings attended
Shri Sudhin Choksey	2	2
Shri Sudhir Mankad	2	2
Shri S. K. Anand	2	2
Prof. Indira Parikh	2	0

Shri Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting of the Company held on August 3, 2018.

All the recommendations of the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company.

(iv) Performance evaluation criteria for Independent Directors

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

(v) Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management and is annexed to the Directors' Report. 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.

(C) Stakeholders' Relationship & Investors Grievance Committee:

(i) Composition

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri S. K. Anand	Chairman	Independent Director
Shri A. C. Mehta	Member	Non-Executive Director
Shri Umesh Asaikar	Member	Executive Director & CEO
Prof. Indira Parikh*	Member	Independent Director

** Prof. Indira Parikh inducted as a member with effect from February 1, 2019.*

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

(ii) Terms of Reference

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

1) Resolving the grievances of the security holders of the listed entity 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 listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

5) Such other terms as may be required under the Companies Act, 2013 or Listing Regulations.

(iii) 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 Pvt. Ltd. (Registrar & Share 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 shareholders' complaints received during the Financial Year 2018-19 and status thereof:

Number of pending complaints at the beginning of the Financial Year	00
Number of complaints received during the Financial Year	03
Number of complaints resolved during the Financial Year	03
Number of complaints pending at the end of the Financial Year	00
Number of complaints not solved to the satisfaction of shareholders	00

(D) Corporate Social Responsibility Committee:

(i) Composition

Pursuant to the requirement of Section 135 of the Companies Act, 2013, a duly constituted Corporate Social Responsibility Committee is in place.

The Corporate Social Responsibility Committee comprises of the following members:

Name of Member	Designation	Category
Shri Sudhir Mankad	Chairman	Independent Director
Dr. S. Sivaram	Member	Independent Director
Shri Deepak C. Mehta	Member	Chairman & Managing Director
Shri Umesh Asaikar	Member	Executive Director & CEO

(ii) Terms of Reference

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

1) To formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy").

2) Recommend the amount of expenditure to be incurred on the activities listed in CSR Policy.

3) Monitor the CSR Policy of the Company from time to time.

4) Such other roles and functions as may be prescribed in the Companies Act, 2013 and Rules made thereunder.

(iii) Report on CSR activities

As required under the Companies Act, 2013 and Rules made thereunder, the information on the CSR activities undertaken by the Company during the year ended March 31, 2019 is annexed to the Directors' Report.

All the recommendations of the Corporate and Social Responsibility Committee were accepted by the Board of Directors of the Company.

(E) Project Committee:

(i) Composition

A Project Committee has been constituted by the Board which meets from time to time to review various projects of the Company.

The Project Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri S. K. Anand	Chairman	Independent Director
Dr. R. H. Rupp	Member	Independent Director
Dr. S. Sivaram	Member	Independent Director

(ii) Terms of Reference

The Project Committee is constituted inter alia to evaluate the proposed projects / expansion plans and recommend them to the Board for approval and also to review the progress of ongoing projects.

(F) Risk Management Committee:

(i) Composition

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

The Risk Management Committee comprises of the following Directors:

Name of Member	Designation	Category
Shri Deepak C. Mehta	Chairman	Chairman & Managing Director
Shri S. K. Anand	Member	Independent Director
Dr. Swaminathan Sivaram	Member	Independent Director
Shri Umesh Asaikar	Member	Executive Director & CEO
Shri Sanjay Upadhyay	Member	Director-Finance & CFO
Shri Maulik Mehta	Member	Whole-time Director

(ii) Terms of Reference

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

1) To ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company;

2) To review the adequacy of the existing measures to mitigate risks covering various functions of the Company;

3) To evaluate and approve mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an on-going basis;

4) To review and recommend to the Board, amendment of any of the provisions of the Risk Management Framework;

5) Monitoring and reviewing the risk mitigation plan related to cyber security; and

6) Such other terms as may be required under the Listing Regulations.

All the recommendations of the Risk Management Committee were accepted by the Board of Directors of the Company.

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, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Companies Act, 2013.

The remuneration of Executive Directors comprise of fixed pay and variable pay which ranges from 0% to 20% of their respective costs to company for a particular Financial Year based on the performance rating depending upon their individual and also the Company's performance as per policy of the Company.

The details of remuneration of Chairman & Managing Directors and Executive Directors for the Financial Year 2018-19 are as under:

(₹ In Lakhs)

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Shri Deepak C. Mehta	236.83	31.60	38.17	600.00	906.60
Shri Umesh Asaikar	365.70	55.71	53.83	113.62	588.86
Shri Maulik D. Mehta	74.81	16.90	13.47	65.88	171.06
Shri Sanjay Upadhyay	158.57	31.61	24.89	79.33	294.40

Shri Ajay C. Mehta, Shri Umesh Asaikar, Shri Sanjay Upadhyay and Shri Maulik Mehta are liable to retire by rotation.

There is no provision for payment of severance fees.

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

The Independent Director and Non-Independent Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and of Committees of which they are members. Apart from the sitting fees, the Independent Director and Non-Independent Non-Executive Directors are also paid commission not exceeding 1% of the Net Profits of the Company for a particular year, computed in accordance with the provisions of Companies Act, 2013.

The amount of Commission to Independent Director and Non-Independent Non-Executive Directors is determined on the basis of the attendance of respective Director at the Board, Committee or General Meeting(s) of the Company during the particular year, the number of memberships/chairmanships held of Committees of the Board and the time devoted on various matters of the Company.

The details of remuneration paid/payable to Independent Director and Non-Independent Non-Executive Directors for the Financial Year 2018-19 are as under:

(₹ In Lakhs)

Name	Sitting Fees	Commission	Total
Shri Nimesh Kampani	1.50	8.00	9.50
Shri Sudhin Choksey	2.70	10.00	12.70
Shri Sudhir Mankad	2.85	10.00	12.85
Dr. R. H. Rupp	1.20	10.00	11.20
Shri S. K. Anand	3.60	25.00	28.60
Dr. S. Sivaram	1.80	8.00	9.80
Prof. Indira Parikh	0.60	4.00	4.60
Shri Ajay C. Mehta	1.20	-	1.20

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2019 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Shri Ajay C. Mehta	Nil
2	Shri Nimesh Kampani	Nil
3	Shri Sudhin Choksey	Nil
4	Dr. R. H. Rupp	Nil
5	Shri Sudhir Mankad	Nil
6	Shri S. K. Anand	Nil
7	Dr. S. Sivaram	Nil
8	Prof. Indira Parikh	Nil

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

5. GENERAL BODY MEETINGS:

(i) Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolution Passed
45th AGM	August 5, 2016	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
46th AGM	June 26, 2017	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
47th AGM	August 3, 2018	10.00 A.M.	Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara – 390 020	-

(ii) Postal Ballot conducted during the year and procedure thereof:

During the year under review and upto the date of this Report, Postal Ballot exercise was undertaken by the Company in the month of March 2019 and result of the Postal Ballot was declared on April 1, 2019. The details and voting pattern of the Special Resolutions passed through the said Postal Ballot exercise are as under:

Sr. No.	Resolution	Special / Ordinary	No. of Valid Votes received	No. and % of Votes in Favour	No. and % of Votes Against
1	Approval for continuation of Shri Sandesh Kumar Anand (DIN: 00001792) as Non- Executive and Independent Director, who has attained the age of seventy five (75) years.	Special	99041139	99034953 (99.99%)	6186 (0.01%)
2	Approval for continuation of Prof. Indira Parikh (DIN: 00143801) as Non-Executive and Independent Director, who has attained the age of seventy five (75) years.	Special	99041141	97991148 (98.94%)	1049993 (1.06%)

Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of M/s. 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:

The Quarterly and Half yearly 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). These are not sent individually to the shareholders.

The Company's results are displayed on the Company's website at www.godeepak.com. The website also displays official news releases.

Presentation(s) were made to the institutional investors and to the Analysts during the year under review.

7. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting:

Day & Date : Friday, June 28, 2019

Time : 10:30 a.m.

Venue : Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara 390 020

Financial Year : April 1 to March 31

Date of Book Closure : Friday, June 21, 2019 to Friday, June 28, 2019

Dividend Payment Date : Within the statutory time limit of 30 days, subject to Members' approval

(ii) Financial Calendar:

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2019	On or before August 14, 2019
September 30, 2019	On or before November 14, 2019
December 31, 2019	On or before February 14, 2019
Audited Annual Accounts for the year ended March 31, 2020	On or before May 30, 2020

(iii) Listing on Stock Exchanges:

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

Name: BSE Limited (BSE)

Address: Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Name: National Stock Exchange of India Limited (NSE)

Address: Exchange Plaza, C-1,Block-G, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051.

Listing fees for Financial Year 2019-20 has been paid to both the exchanges.

The Securities of the Company have not been suspended from trading during the Financial Year 2018-19.

Stock Code for Equity Shares (BSE): 506401

Stock Symbol for Equity Shares (NSE): DEEPAKNTR

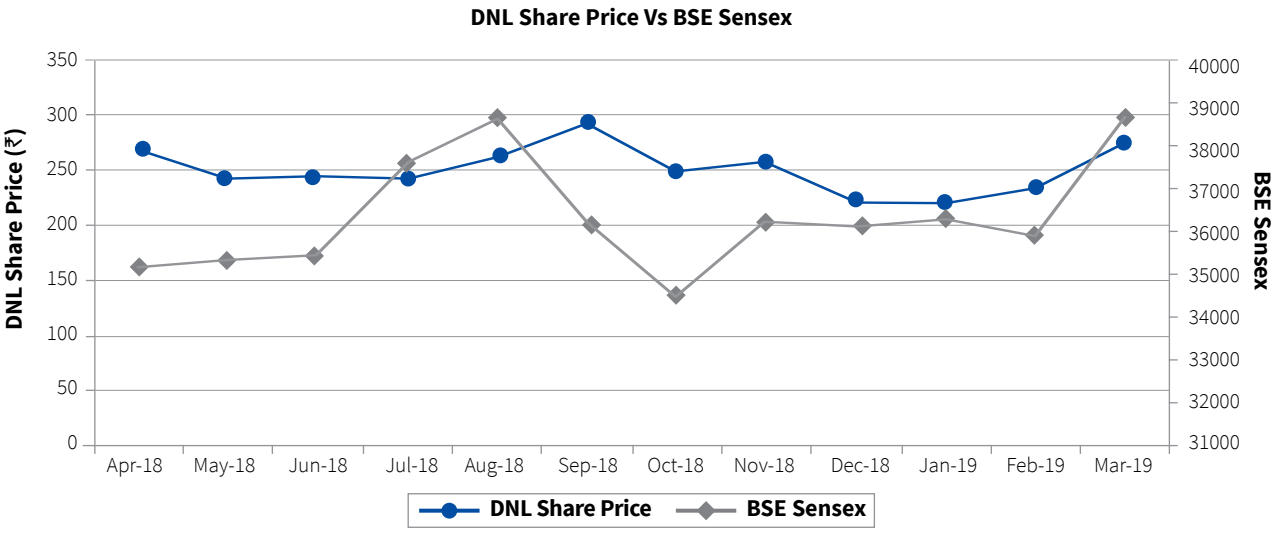
ISIN Number for Equity Shares (NSDL & CDSL): INE288B01029

(iv) Market Price Data of Equity Shares:

Monthly High & Low during the financial year 2018-19 at BSE and NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	281.50	245.00	281.85	244.10
May, 2018	273.65	235.00	273.40	238.75
June, 2018	258.00	215.00	258.60	215.50
July, 2018	252.65	216.00	253.30	215.50
August, 2018	292.50	233.30	292.00	232.40
September, 2018	305.00	250.00	305.00	249.00
October, 2018	292.35	225.00	289.20	212.50
November, 2018	285.85	241.65	286.50	245.50
December, 2018	262.95	204.60	263.20	205.05
January, 2019	233.00	206.05	232.50	206.00
February, 2019	235.00	211.00	235.20	211.40
March, 2019	282.70	232.25	282.50	233.05

Source: Respective Websites of BSE and NSE.



(v) Distribution of Shareholding as on March 31, 2019:

Range	No. of Holders	%	No. of Shares	%
1 – 500	30973	80.57	3796771	2.78
501 – 1000	2964	7.71	2404685	1.76
1001 – 5000	3410	8.88	8012253	5.88
5001 – 10000	609	1.58	4278319	3.14
10001 & above	486	1.26	117901013	86.44
TOTAL	**38442**	**100.00**	**136393041**	**100.00**

(vi) Shareholding Pattern as on March 31, 2019:

Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	61172468	44.85
Mutual Fund	20393369	14.95
Financial Institutions, Banks, Insurance Companies	702324	0.52
Foreign Portfolio Investor	14023615	10.28
Bodies Corporate	9272433	6.80
Non Resident Individuals	1055365	0.77
Resident Individuals	2767859	2.03
Others	27005608	19.80
TOTAL	**136393041**	**100.00**

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:

Electronic holding by Members comprises 99.02 % of the paid up Equity Capital of the Company as on March 31, 2019 held through National Securities Depository Limited and Central Depository Services (India) Limited.

(viii) Share Transfer System:

Share transfers are processed and Share Certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days.

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. 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.

(ix) Registrar and Share Transfer Agent:

Contact details of Link Intime India Private Limited:

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 - 390024
Contact Person: Shri Arvind Bajpai

Telephone Numbers : (0265) 235 1013, 233 4481
Fax No. : (0265) 233 0994
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) Unclaimed/Unpaid Dividend:

As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer unclaimed dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set by the Central Government.

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

Financial Year	Dividend Payment Date	Proposed Date for transfer to IEPF*
2011-2012	August 9, 2012	August 8, 2019
2012-2013	August 5, 2013	August 4, 2020
2013-2014	August 11, 2014	August 10, 2021
2014-2015	August 10, 2015	August 9, 2022
2015-2016	August 8, 2016	August 7, 2023
2016-2017	June 26, 2017	June 25, 2024
2017-2018	August 3, 2018	August 2, 2025

** Indicative dates, actual date may vary.*

(xii) 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.

(xiii) Plant Locations:

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

(xiv) Credit Ratings:

During the Financial Year 2018-19, ICRA Limited has re-affirmed the long-term rating of Line of credit at [ICRA] **A+** (pronounced ICRA A plus) and Short Term rating at [ICRA] **A1+** (pronounced ICRA A one plus) assigned to the fund based limits and non-fund based limits of the Company. The outlook on the long-term rating was revised from Stable to **Positive**.

ICRA has also re-affirmed the rating at [ICRA] **A1+** (pronounced ICRA A one plus) assigned to the Commercial Paper programme of DNL.

Further, CRISIL Limited has assigned the long-term rating for Bank Loan facilities of ₹ 750 crores as **CRISIL AA- Stable** and assigned Short Term rating as **CRISIL A1+** to the Company.

8. DISCLOSURE:

(i) Related Party Transactions

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and the Listing Regulations, during the Financial Year 2018-19 were in the ordinary course of business and on arm's length pricing basis. 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 approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link https://www.godeepak.com/investor-compliances/.

(ii) 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.

(iii) Whistle Blower Policy

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/investor-compliances/.

(iv) 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.

(v) Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company has framed a 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/investor-compliances/.

(vi) Details of Directors seeking appointment or re-appointment:

The details of Directors seeking appointment or re-appointment form part of Notes to the Notice convening the 48th Annual General Meeting of the Company.

(vii) Demat Suspense Account – Unclaimed Share Certificates

In terms of the provisions of the Listing Regulations, the Company has transferred the shares issued pursuant to the public issues or any other issue, the certificates of which remained unclaimed, to an Unclaimed Suspense Account and 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 year:	310	256630
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	02	3650
Number of shareholders to whom shares were transferred from suspense account during the year	02	3650
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	308	252980

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

(viii) Certificate from Company Secretary in Practice

The following certificates from Shri Dinesh Joshi, Practicing Company Secretary, Designated Partner of M/s. 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.

(ix) Utilization of funds raised through Qualified Institutions Placement

The funds raised through Qualified Institutions Placement in earlier years have been utilized fully in accordance with the objects stated in the Placement Document issued to the Qualified Institutional Buyers.

(x) Total Fees to Statutory Auditors

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

(₹ In Lakhs)

Payment to Statutory Auditors	FY 2018-19
Statutory Audit Fees	29.75
Quarterly Limited Review	21.00
Tax Audit Fees	2.00
Taxation Matters	3.75
Other Certification	2.61
Total	**59.11**

(xi) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the Financial Year 2018-19	0
Number of complaints disposed off during the Financial Year 2018-19	0
Number of complaints pending as at the end of the Financial Year 2018-19	0

(xii) Disclosure regarding adoption of discretionary requirements as specified in Part E of Schedule II of Listing Regulations

(a) The Board

The Chairman of the Company is a Non-Executive Director hence, not applicable.

(b) Shareholder Rights

The half year Financial Results are not sent individually to the shareholders and are displayed on the Company's website at www.godeepak.com.

(c) Modified Opinion(s) in Audit Report

The Auditors have issued the Audit Report of the year ended March 31, 2019 with unmodified opinion.

(d) Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

(xiii) 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. 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 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. The Code lays the general principles designed to guide all Directors and members of the Senior Management for ethical conduct of business and compliance of laws.

All Directors and members of the Senior Management have affirmed their adherence to the provisions of the Code. 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 2018-19.

Vadodara
May 3, 2019

Umesh Asaikar
Executive Director & CEO

10. 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 Board.

Certificate of Compliance with the Corporate Governance Requirements

To,
The Members,
DEEPAK NITRITE LIMITED,
Aaditya-I, Chhani Road,
Vadodara – 390 024
Gujrat

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, 2019 as per the relevant provisions of the 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: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune

To,
The Members
DEEPAK NITRITE LIMITED
Aaditya-I, Chhani Road,
Vadodara -390 024
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 the 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: FCS- 3752 CP No: 2246

Date: May 3, 2019
Place: Pune

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 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 31 March 2019, 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 specified under section 143(10) of the Act (SAs). 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 matter described below to be the key audit matters to be communicated in our report.

Revenue recognition

Revenue recognition is significant audit risk across all units within the Company. 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".

Auditor's Response

Principal Audit Procedures

Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- We evaluated the design 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 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 sample of 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 information included in the Management Discussion and Analysis report, 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.
- We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY 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 standalone 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 system 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,:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting 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 over financial reporting.
   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.
      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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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)

Place: Ahmedabad
Date: 3rd May, 2019

Annexure "A" to Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Deepak Nitrite Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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, 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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 OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Ahmedabad
Date: 3rd May, 2019

(Kartikeya Raval)
(Partner)
(Membership No. 106189)

Annexure "B" to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The Company has a regular program for verification of property, plant and equipment at every 2 years which, in our opinion, is reasonable having regarding to the size of the Company and nature of its assets. The property, plant and equipment were physically verified during the current year in accordance with this program. According to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, 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 are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. 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.

(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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax , Excise Duty, Central Sales Tax, Value Added Tax and other statutory dues which have not been deposited as on March 31, 2019 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 lakhs)	Amount Unpaid (₹ in lakhs)
Central Excise Act 1944	Excise Duty	Central Excise Asst. Commissioner	FY 2011 to FY 2017	76.65	71.62
Central Excise Act 1944	Excise Duty	Central excise commissioner	FY 1998 to FY 2016	54.73	32.35
Central Excise Act 1944	Excise Duty	Central excise commissioner Appeals	FY 2008 to FY 2014	27.40	16.44
Central Excise Act 1944	Excise Duty	Central Excise & Service Tax Appellate Tribunal	FY 2004 to FY 2015	127.78	104.89
Central Sales Tax Act	Sales Tax	Sales Tax commissioner (Appeal)	FY 2005 to FY 2014	115.05	109.05
Gujarat Vat Act, 2004	VAT	Assistant Commissioner Appeals	FY 2010 to FY 2013	43.92	43.92
Finance Act 1994	Service Tax	Assistant Commissioner, GST	FY 2015 to FY 2017	5.64	5.64
Hyderabad Metropolitan Water Supply & Sewerage Act 1989	Sewerage Cess	High Court of Andhra Pradesh	FY 2008 to FY 2013	27.13	27.13
The Gujarat Panchayats Law (Amendment) Act, 1963	Property Tax	Gram Panchayat	FY 2013 to FY 2017	170.00	170.00

There are no dues of Income-tax, Service Tax, Customs Duty, Goods and Service Tax and Value Added Tax that have not been deposited as at 31st March, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, 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) During the year, the Company has not made any preferential allotment or private placement of shares and debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(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 him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Ahmedabad
Date: 3rd May, 2019

(Kartikeya Raval)
(Partner)
(Membership No. 106189)

Balance Sheet as at March 31, 2019

₹ in Lakhs

		Notes	As at March 31, 2019	As at March 31, 2018
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	58,507.40	56,465.24
	(b) Capital Work-in-Progress	2	2,891.79	3,624.79
	(c) Other Intangible Assets	3	429.75	453.97
	(d) Financial Assets			
	Investments	4	56,287.10	43,382.67
	Loans	5	135.51	131.01
	Other Financial Assets	6	556.92	893.59
	(e) Non-Current Tax Assets (Net)	7	192.72	255.40
	(f) Other Non-Current Assets	8	380.23	353.91
	Total Non-Current Assets		**1,19,381.42**	**1,05,560.58**
	Current Assets			
	(a) Inventories	9	23,250.95	18,818.24
	(b) Financial Assets			
	Investments	10	-	2,140.30
	Trade Receivables	11	34,444.64	36,921.13
	Cash and Cash Equivalents	12.A	281.29	118.65
	Bank balances other than Cash and Cash Equivalents above	12.B	277.19	3,092.36
	Other Financial Assets	13	190.66	6,871.07
	(c) Other Current Assets	14	4,912.47	6,463.69
	(d) Assets classified as held for sale		34.61	63.87
	Total Current Assets		**63,391.81**	**74,489.31**
	TOTAL ASSETS		**1,82,773.23**	**1,80,049.89**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	15	2,727.86	2,727.86
	(b) Other Equity	16	103,056.69	91,656.63
	Total Equity		**1,05,784.55**	**94,384.49**
	Non-Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	17	8,159.17	9,295.86
	(b) Provisions	18	1,072.90	783.50
	(c) Deferred Tax Liabilities (Net)	19	7,658.69	5,219.81
	Total Non-Current Liabilities		**16,890.76**	**15,299.17**
	Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	20	18,441.91	26,406.01
	Trade Payables			
	Total outstanding dues of			
	a) micro enterprises and small enterprises	21	775.13	104.43
	b) creditors other than micro enterprises and small enterprises	21	31,710.28	31,300.03
	Other Financial Liabilities	22	6,633.27	11,008.49
	(b) Provisions	18	706.28	300.80
	(c) Current Tax Liabilities (Net)	23	174.00	-
	(d) Other Current Liabilities	24	1,657.05	1,246.47
	Total Current Liabilities		**60,097.92**	**70,366.23**
	Total Liabilities		**76,988.68**	**85,665.40**
	TOTAL EQUITY AND LIABILITIES		**1,82,773.23**	**1,80,049.89**
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lakhs

		Notes	For the year March 31, 2019	For the year March 31, 2018
I.	Revenue from Operations	25	1,79,191.87	1,47,922.97
II.	Other Income	26	259.52	1,153.57
III.	**Total Income (I+II)**		**1,79,451.39**	**1,49,076.54**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	27	1,02,784.87	83,992.79
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	28	(5,167.39)	389.15
	(c) Excise Duty on Sale of Goods		-	2,425.24
	(d) Employee Benefits Expense	29	15,860.30	13,205.93
	(e) Power & Fuel Expenses	30	14,093.72	11,987.90
	(f) Finance Costs	31	4,284.57	4,034.00
	(g) Depreciation and Amortisation Expense	32	5,287.82	5,194.92
	(h) Other Expenses	33	21,057.53	15,638.19
	Total Expenses (IV)		**1,58,201.42**	**1,36,868.12**
V.	**Profit Before Tax (III-IV)**		**21,249.97**	**12,208.42**
VI.	**Tax Expense:**			
	(a) Current Tax		4,864.34	2,594.99
	(b) Deferred Tax		2,581.42	1,556.44
	(c) Excess Provision of Earlier Years		-	(288.51)
VII.	**Profit for the Year (V-VI)**		**13,804.21**	**8,345.50**
VIII.	**Other Comprehensive Income**			
	(A) Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(416.94)	108.83
	(b) Tax Effect of Remeasurement of Defined Benefit Liabilities / (Assets)		145.26	(37.01)
	(B) Items that will be Reclassified to Profit and Loss:			
	(a) Fair Value Gains on Investments		7.84	20.97
	(b) Tax effect of Fair Value Gains on Investments		(2.73)	(7.13)
	Total Other Comprehensive Income for the Year (VIII)		**(266.57)**	**85.66**
IX.	**Total Comprehensive Income for the Year (VII+VIII)**		**13,537.64**	**8,431.16**
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)		10.12	6.34
	(b) Diluted (Nominal Value per Share ₹ 2)		10.12	6.34

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Cash Flow Statement for the year ended March 31, 2019

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	13,804.21	8,345.50
	Add: Income Tax Expense recognised in the Statement of Profit and Loss	7,445.76	3,862.92
	Profit Before Tax	**21,249.97**	**12,208.42**
	Non-cash adjustment to reconcile Profit Before Tax to net Cash Flows		
	1. Depreciation / Amortisation	5,287.82	5,194.92
	2. Loss on Sale of Fixed Assets	428.72	529.99
	3. Provision for Doubtful Debts	83.82	263.41
	4. Gain on Redemption of Investment	(44.11)	(345.81)
	5. Interest Expenses	4,284.57	4,034.00
	6. Interest Income	(80.38)	(131.95)
	7. Dividend Income	(0.01)	(0.01)
	8. Fair Value (Gains)/Loss	3.40	(9.64)
	Operating Profit Before Change in Operating Assets and Liabilities	**31,213.80**	**21,743.33**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(4,432.71)	(4,753.84)
	2. (Increase)/Decrease in Trade Receivables	2,392.68	(5,639.47)
	3. (Increase)/Decrease in Non-Current Loans	(4.50)	4.93
	4. (Increase)/Decrease in Other Financial Assets	212.80	405.02
	5. (Increase)/Decrease in Other Assets	1,526.98	(871.52)
	6. Increase/(Decrease) in Trade Payables	1,080.95	13,132.58
	7. Increase/(Decrease) in Other Financial Liabilities	(4.25)	(6.28)
	8. Increase/(Decrease) in Other Liabilities	422.11	129.06
	9. Increase/(Decrease) in Provisions	277.94	53.55
	Cash Generated from Operations	**32,685.80**	**24,197.36**
	Less: Income Tax paid (net of refund)	4,600.00	2,780.88
	Net Cash Inflow from Operating Activities (A)	**28,085.80**	**21,416.48**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(7,020.91)	(5,510.77)
	2. Purchase of Intangible assets	(134.29)	(53.95)
	3. Proceeds from Sale of Property, Plant & Equipment	169.37	111.96
	4. Insurance claims Received	1,782.71	750.00
	5. Investment in Subsidiaries	(7,900.00)	(20,100.00)
	6. Proceeds from Redemption of Investment	-	225.43
	7. Purchase of Current Investments	(10,776.65)	(29,664.77)
	8. Proceeds from Redemption/Maturity of Current Investments	12,961.06	38,194.47
	9. Deposit with Bank	3,026.22	(3,026.22)
	10. Interest received	89.66	131.51
	11. Dividend received	0.01	0.01
	Net Cash Outflow from Investing Activities (B)	**(7,802.82)**	**(18,942.33)**

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds from Issue of Equity Shares including Securities Premium	-	14,627.98
2. Proceeds from Non-Current Borrowings	5,000.00	9,950.00
3. Repayment of Non-Current Borrowings	(10,451.59)	(16,812.08)
4. Net Proceeds from Current Borrowings	(7,964.10)	(4,346.12)
5. Interest paid	(4,372.91)	(4,015.98)
6. Dividend paid on Equity Shares	(1,764.15)	(1,560.31)
7. Tax on Equity Dividend paid	(364.47)	(319.32)
8. Margin Money Deposit	(203.12)	(0.11)
Net Cash Outflow from Financing Activities (C)	**(20,120.34)**	**(2,475.94)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**162.64**	**(1.79)**
Cash and Cash Equivalents at the Beginning of the Financial Year	118.65	120.44
Cash and Cash Equivalents at the end of the Financial Year	**281.29**	**118.65**
Reconciliation of Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	120.47	105.73
In EEFC Accounts	151.02	11.45
Cash on Hand	9.80	1.47
Total Cash and Cash Equivalents as per Note 12 A	**281.29**	**118.65**

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(A) EQUITY SHARE CAPITAL

₹ in Lakhs

	Note	Amount
As at March 31, 2017		**2,614.23**
Issued during the year (Refer Note 15 (b) (iv))		113.63
As at March 31, 2018	**15**	**2,727.86**
Issued during the year		-
As at March 31, 2019		**2,727.86**

(B) OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at 31.03.2017	**34,202.32**	**71.27**	**7,390.13**	**15.00**	**28,902.22**	**18.04**	**70,598.98**
Profit for the year	8,345.50	-	-	-	-	-	8,345.50
Other Comprehensive Income	71.82	-	-	-	-	13.84	85.66
Dividend	(1,568.53)	-	-	-	-	-	(1,568.53)
Tax on Dividend	(319.32)	-	-	-	-	-	(319.32)
Transfer to/from Retained Earnings	(500.00)	-	500.00	-	-	-	-
Receipt of Securities Premium from issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv))	-	-	-	-	14,514.34	-	14,514.34
Balance as at 31.03.2018	**40,231.79**	**71.27**	**7,890.13**	**15.00**	**43,416.56**	**31.88**	**91,656.63**
Profit for the year	**13,804.21**	**-**	**-**	**-**	**-**	**-**	**13,804.21**
Other Comprehensive income	(271.68)	-	-	-	-	5.11	(266.57)
Dividend	(1,773.11)	-	-	-	-	-	(1,773.11)
Tax on dividend	(364.47)	-	-	-	-	-	(364.47)
Transfer to/from retained earnings	(500.00)	-	500.00	-	-	-	-
Balance as at 31.03.2019	**51,126.74**	**71.27**	**8,390.13**	**15.00**	**43,416.56**	**36.99**	**103,056.69**

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Notes forming part of the Financial Statements

as at and for the year ended March 31, 2019

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 Basic Chemicals, Fine & Speciality Chemicals and Performance Products.

Application of New Ind AS

Ind AS 115, 'Revenue from Contracts with Customers': On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers of the Company. The standard permits two possible methods of transaction:

a) Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

b) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch–up approach).

The effective date of adoption of Ind AS 115 is financial period beginning on or after April 01, 2018.

The Company has adopted the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. There is no material impact on adoption of Ind AS 115.

Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these 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 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 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 items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) 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 financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 17, 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:

- 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 Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

(iii) Use of estimates and critical accounting judgements

Preparation of the 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

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.

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.

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.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

(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.

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, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a lessor

Rental income from operating leases is generally recognised on a straight line basis over the term of the relevant lease.

As a lessee

Assets acquired under finance leases are initially recognised at fair value or present value of Minimum Lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

(e) Foreign Currency Transactions

In preparing the 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 Statement of profit and loss in the period in which they arise.

Exchange difference arising either on settlement or on translation, in case of long-term foreign currency borrowings, in so far as they relate to property, plant and equipment are capitalised.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the 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, option contracts and interest rate swaps.

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 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 Statement of Profit and Loss in the period in which they are incurred.

(g) Government Grants

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(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 Statement of Profit and Loss in proportion to fulfillment of associated export obligations and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(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 and is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in 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 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 Statement of Profit and Loss in the period in which they arise.

(i) Income Taxes

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 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.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the 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.

Dividend distribution tax arising out of payment of dividends to shareholders under the Income Tax Act, 1961 regulation are recognised in statement of changes in equity as part of associated dividend payment.

(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 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. 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 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.

(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:

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 net selling price 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 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 Stock-in-process 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 price.

(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 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 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 reclassified to Statement of Profit and Loss on disposal of the investments. Investments in subsidiary companies 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 Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in 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 a recovery a part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in 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 Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income 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.

(v) Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial contractual rights to receive cash or other financial asset, and financial guarantees not designated as at assets at amortised cost, debt instruments at FVTOCI lease receivables, trade receivables, other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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 expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company can again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort that is indicative of significant increases in credit risk since initial recognition.

Further, 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.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(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 Statement of Profit and Loss if such gain or loss would have otherwise been recognised in 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 Statement of Profit and Loss if such gain or loss would have otherwise been recognised in 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 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 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 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 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.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' 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 Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in 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 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'.

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 with 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 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.

(r) Provisions 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.

(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 Company has determined 3 (three) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz.

(i) Basic Chemicals,

(ii) Fine & Speciality Chemicals and

(iii) Performance Products.

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 Company.

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.

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Owned assets									
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Total	Capital Work-in-Progress
Net Carrying Amount as at March 31, 2017	**578.68**	**1,597.01**	**9,053.59**	**43,725.78**	**422.42**	**494.38**	**158.79**	**194.38**	**56,225.03**	**4,072.77**
Additions during the year 2017-18	-	314.24	289.06	4,796.63	60.92	21.97	56.65	10.24	5,549.71	5,101.73
Deductions during the year 2017-18	-	-	(87.02)	(199.07)	(0.34)	(29.07)	(6.08)	-	(321.58)	(5,549.71)
Depreciation for the year 2017-18	-	(20.12)	(434.39)	(4,231.67)	(67.15)	(102.01)	(64.08)	(104.40)	(5,023.82)	-
Depreciation on disposal during the year 2017-18	-	-	5.93	16.32	0.30	7.92	5.43	-	35.90	-
Net Carrying Amount as at March 31, 2018	**578.68**	**1,891.13**	**8,827.17**	**44,107.99**	**416.15**	**393.19**	**150.71**	**100.22**	**56,465.24**	**3,624.79**
Additions during the year 2018-19	-	30.84	719.39	6,852.52	36.46	57.00	39.18	4.70	7,740.09	7,141.38
Deductions during the year 2018-19	-	-	(33.52)	(612.51)	-	(68.63)	(1.87)	-	(716.53)	(7,874.38)
Depreciation for the year 2018-19	-	(24.78)	(463.11)	(4,363.21)	(71.55)	(90.46)	(59.19)	(57.01)	(5,129.31)	-
Depreciation on disposal during the year 2018-19	-	-	2.21	112.95	-	31.66	1.09	-	147.91	-
Net Carrying Amount as at March 31, 2019	**578.68**	**1,897.19**	**9,052.14**	**46,097.74**	**381.06**	**322.76**	**129.92**	**47.91**	**58,507.40**	**2,891.79**

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

2 Building includes ₹ 1,080.00 Lakhs (₹ 1,080.00 Lakhs at March 31, 2018) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

3 The useful lives of Plant & Machinery have been changed from Financial Year 2017-18 which is based on technical evaluation done by the Management experts which are in accordance to the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets.

4 Capitalised borrowing costs
Addition to Property, Plant & Equipment include borrowing costs (including exchange difference considered as adjustments to borrowings cost) amounting to ₹ 168.90 Lakhs (Previous year, ₹ 5.31 Lakhs)

₹ in Lakhs

	Capitalised during the Current Year	Capitalised during the Previous Year
Exchange loss/(Gain) Capitalised (Refer note below)		
(a) Plant & Machinery	159.28	5.01
(b) Factory & Other Building	9.62	0.30
Total	**168.90**	**5.31**

Note: Pursuant to the provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009, and related notifications of Ministry of Corporate Affairs, the Company in 2018-19 has adjusted to Property, Plant & Equipment, foreign exchange differences amounting to ₹ 168.90 Lakhs (Previous year, ₹ 5.31 Lakhs) on revaluation of long term foreign currency borrowing for acquisition of Property, Plant & Equipment as an adjustment to borrowing costs.

5 Capital Work in Progress

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Capital Work in Progress (Building)	-	397.88
(b) Capital Work in Progress (Others)	2,891.79	3,226.91
Capital Work in Progress	**2,891.79**	**3,624.79**

6 Research & Development Assets included in Property, Plant & Equipment

₹ in Lakhs

	Owned assets						
	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Computer Software	Total
Net Carrying Amount as at March 31, 2017	**51.78**	**646.99**	**114.19**	**20.43**	**12.25**	**2.01**	**847.65**
Additions during the year 2017-18	8.95	64.71	23.78	-	4.14	16.33	117.91
Depreciation for the year 2017-18	(3.54)	(80.12)	(10.52)	(3.23)	(3.23)	(0.88)	(101.52)
Net Carrying Amount as at March 31, 2018	**57.19**	**631.58**	**127.44**	**17.20**	**13.16**	**17.46**	**864.03**
Additions during the year 2018-19	-	188.12	-	-	0.61	4.17	192.90
Depreciation for the year 2018-19	(3.93)	(83.47)	(12.47)	(3.22)	(3.81)	(3.14)	(110.04)
Net Carrying Amount as at March 31, 2019	**53.26**	**736.23**	**114.97**	**13.98**	**9.96**	**18.49**	**946.89**

3. OTHER INTANGIBLE ASSETS

₹ in Lakhs

	Computer Software	Others	Total
Net Carrying Amount as at March 31, 2017	**325.28**	**245.84**	**571.12**
Additions during the year 2017-18	53.95	-	53.95
Depreciation for the year 2017-18	(96.50)	(74.60)	(171.10)
Net Carrying Amount as at March 31, 2018	**282.73**	**171.24**	**453.97**
Additions during the year 2018-19	126.79	7.50	134.29
Deductions during the year 2018-19	(1.39)	-	(1.39)
Depreciation for the year 2018-19	(118.87)	(39.64)	(158.51)
Depreciation on disposal during the year 2018-19	1.39	-	1.39
Net Carrying Amount as at March 31, 2019	**290.65**	**139.10**	**429.75**

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Investments in equity instruments of subsidiary companies measured at cost	28,047.68	28,047.68
(b)	Investments in Preference shares of subsidiary companies measured at cost	28,000.00	15,100.00
	Subtotal	**56,047.68**	**43,147.68**
(a)	Investments in equity instruments of other companies measured at FVTPL	7.30	10.71
(b)	Investments in equity instruments of other companies measured at FVOCI	232.11	224.27
(c)	Investments in Government or Trust Securities measured at amortised cost	0.01	0.01
	Subtotal	**239.42**	**234.99**
	Total	**56,287.10**	**43,382.67**

₹ in Lakhs

	Face Value	As at March 31, 2019		As at March 31, 2018	
		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	₹ 10/-	28,00,00,000	28,000.00	28,00,00,000	28,000.00
In Foreign subsidiary company measured at cost					
Deepak Nitrite Corporation, Inc.	US $ 10/-	7,500	47.68	7,500	47.68
(ii) Other Companies measured at FVTPL					
Quoted					
IDBI Bank	₹ 10/-	6,240	2.91	6,240	4.51
Dena Bank (Refer Note 1 below)	₹ 10/-	29,400	3.72	29,400	5.53
Unquoted					
Nandesari Environment Control Limited	₹ 10/-	800	0.08	800	0.08
Baroda Co-operative Bank Ltd.	₹ 50/-	10	0.01	10	0.01
Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.50	2,000	0.50
New India Co-op Bank Ltd.	₹ 10/-	798	0.08	798	0.08
(iii) Other Companies measured at FVOCI					
Unquoted					
Jedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	84.56	52,342	80.08
Deepak International Limited	GBP 1/-	73,706	66.72	73,706	68.01
Deepak Gulf LLC	Omani Riyal 1/-	45,000	80.83	45,000	76.18
(b) Investment in Preference Shares(fully paid-up)					
Subsidiary Company measured at cost					
Unquoted					
Deepak Phenolics Limited					
7% Non- Cumulative Optionally Convertible Preference Shares	₹ 100/-	2,80,00,000	28,000.00	1,51,00,000	15,100.00
(c) Investments in Government or Trust Securities measured at amortised cost					
National Savings Certificate		-	0.01	-	0.01
Total		**308,217,796**	**56,287.10**	**295,317,796**	**43,382.67**

Notes:

1. The Company has received 3,234 shares of Bank of Baroda in the scheme of amalgamation against 29,400 shares of the Dena Bank in the month of April 2019.

2.

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Aggregate amount of Unquoted Investments	56,280.47	43,372.63
(b)	Aggregate amount of Quoted Investments	6.63	10.04

5. LOANS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Loans to Employees		
Unsecured, considered good		
(a) Key Managerial Personnel and Directors	0.27	0.89
(b) Others	135.24	130.12
Total	**135.51**	**131.01**

These financial assets are carried at amortised cost.

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Security Deposits		
Unsecured, considered good		
(a) Related parties (Refer Note below)	-	383.09
(b) Others	556.92	510.50
Total	**556.92**	**893.59**

Security Deposits from related parties for the previous year include Deposit towards lease of residential premises of ₹ 400.00 Lakhs accounted at Fair Value using appropriate discount rate.

7. NON-CURRENT TAX ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	192.72	255.40
Total	**192.72**	**255.40**

8. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Capital Advances	258.02	255.93
(b) Prepaid Expenses	29.15	37.31
(c) Advance against Salary	93.06	60.67
Total	**380.23**	**353.91**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Raw materials and components	7,507.80	6,654.68
Goods-in-transit	2,492.94	3,427.14
	10,000.74	10,081.82
(b) Stores and Spares	1,604.46	1,683.39
Sub-Total	**11,605.20**	**11,765.21**
(c) Work-in-progress	2,729.28	3,820.16
(d) Finished goods	9,665.07	3,406.80
Provision for obsolescence	(748.60)	(173.93)
Sub-Total	**11,645.75**	**7,053.03**
Total	**23,250.95**	**18,818.24**

Inventories hypothecated as security for borrowings are disclosed under note 17 and note 20.

10. CURRENT INVESTMENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	-	2,140.30
Total	-	**2,140.30**

11. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current		
(a) Unsecured, Considered Good		
(i) Trade Receivables	34,048.05	36,412.36
(ii) Related Parties	396.59	508.77
(b) Trade Receivables - Credit Impaired	678.37	594.56
Allowance for credit losses	(678.37)	(594.56)
Total	**34,444.64**	**36,921.13**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 39.5 and 39.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

12A. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	9.80	1.47
(b) Balances with banks		
In Current accounts	120.47	105.73
In EEFC Accounts	151.02	11.45
Total	**281.29**	**118.65**

12B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Earmarked Balances with Bank	72.26	64.33
(b) Deposits with banks with maturity less than 3 months	-	3,026.22
(c) Margin Money Deposits	204.93	1.81
Total	**277.19**	**3,092.36**

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Loans to employees		
(i) Key Managerial Personnel and Directors	0.62	0.62
(ii) Others	76.29	124.07
(b) Interest Receivable	59.58	68.86
(c) Insurance Claim Receivable (Refer Note (i) below)	-	1,446.03
(d) Security Deposits	15.03	9.62
(e) Earnest Money	15.61	11.23
(f) Loan to Company (Refer Note (ii) below)	-	187.90
(g) Advance to company towards Share Application money (Refer Note (iii) below)	-	5,000.00
(h) Others	23.53	22.74
Total	**190.66**	**6,871.07**

(i) With respect to fire incident in October 2016, the Company had provisionally recognised ₹ 2,250 Lakhs (₹ 1,832.90 Lakhs Net of loss on account of fire) both for replacement value of the damaged facilities and loss of profits due to business interruption in the previous year ended March 31, 2018 . During the current year, upon final settlement of both the claims the Company recognised ₹ 348.36 Lakhs in the Statement of Profit and Loss under Fine & Speciality Chemicals Segment.

(ii) Loans to Company have been given for business purpose.

(iii) The Company has paid ₹ 5,000.00 Lakhs for the year ended March 31, 2018 towards Share Application Money pending allotment to Deepak Phenolics Limited (Wholly Owned Subsidiary).

14. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Balance with Government Authorities	2,794.32	4,928.68
(b) Prepaid Expenses	167.22	294.08
(c) Advances to Suppliers	1,939.30	1,224.82
(d) Other Receivables	11.63	16.11
Total	**4,912.47**	**6,463.69**

15. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Authorised		
15,00,00,000 Equity shares of ₹ 2 each	3,000.00	3,000.00
20,00,000 Preference shares of ₹ 100 each	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**
Issued, Subscribed and fully paid up		
Equity shares of ₹ 2 each	2,727.86	2,727.86
Total	**2,727.86**	**2,727.86**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the period:

₹ in Lakhs

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the period	13,63,93,041	2,727.86	13,07,11,266	2,614.23
Issued during the year- issued to QIB (Refer Note (b) (iv) below)	-	-	56,81,775	113.63
Shares outstanding at the end of the period	**13,63,93,041**	**2,727.86**	**13,63,93,041**	**2,727.86**

(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.

(iv) During the previous year, the Company offered Equity Shares to Qualified Institutional Buyers ("QIBs") through Qualified Institutions Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly, 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264 per Equity Share (including premium of ₹ 262 per Equity Share).

The issue proceeds has been fully utilised for the object stated in the offer document.

(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, 2019		As at March 31, 2018	
	No.	% Holding	No.	% Holding
Shri Deepak Chimanlal Mehta	2,12,16,331	15.56	2,12,36,331	15.57
Stiffen Credits & Capital Pvt. Ltd.	83,79,940	6.14	83,79,940	6.14
Reliance Capital Trustee Co. Ltd.	74,97,953	5.50	64,21,199	4.71
Aditya Birla Sun Life Trustee Private Limited	73,58,733	5.40	40,88,798	3.00
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) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
(a) Retained Earnings	51,126.74	40,231.79
(b) General Reserve	8,390.13	7,890.13
(c) Capital Reserve	71.27	71.27
(d) Capital Redemption Reserve	15.00	15.00
(e) Securities Premium	43,416.56	43,416.56
Reserves Representing Unrealised Gains/(Losses)		
Equity Instruments through Other Comprehensive Income	36.99	31.88
Total	**1,03,056.69**	**91,656.63**

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Retained Earnings		
Balance at beginning of year	40,231.79	34,202.32
Add: Profit attributable to owners of the Company (Profit for the year)	13,532.53	8,417.32
Less: Payment of Dividend on Equity Shares	1,773.11	1,568.53
Less: Payment of Dividend Distribution Tax	364.47	319.32
Less: Transferred to General Reserve	500.00	500.00
Balance at end of year	**51,126.74**	**40,231.79**
Retained earnings represents the Company's undistributed earnings after taxes.		
(b) General Reserve		
Balance at beginning of year	7,890.13	7,390.13
Add: Transferred from Surplus Balance in the Statement of Profit and Loss	500.00	500.00
Balance at end of year	**8,390.13**	**7,890.13**
The general reserve is used for purposes as specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.		
(c) Capital Reserve		
Balance at beginning of year	71.27	71.27
Balance at end of year	**71.27**	**71.27**
(d) Capital Redemption Reserve		
Balance at beginning of year	15.00	15.00
Balance at end of year	**15.00**	**15.00**
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	43,416.56	28,902.22
Add: Receipt of Securities Premium from issue of Equity Shares to QIBs	-	14,886.25
Less: Share issue Expenses	-	371.91
Balance at end of year	**43,416.56**	**43,416.56**
Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013. Share issue expenses includes fees of Statutory Auditors of ₹ 15.00 Lakhs in the previous year for work related to Qualified Institutions Placement.		

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(f) Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	31.88	18.04
Add: Gain on revaluation of Equity Instruments	5.11	13.84
Balance at end of year	**36.99**	**31.88**
This reserve represents the cumulative gains and losses arising on the revaluation 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.		

17. NON-CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Term Loans from Banks at amortised cost		
Secured	12,319.17	11,797.45
Unsecured	2,000.00	7,950.00
Sub-Total	**14,319.17**	**19,747.45**
Less:		
Current maturities of Non-Current Borrowings disclosed under "Other Current Financial Liabilities" (Refer Note 22 (a))	6,160.00	10,451.59
Total	**8,159.17**	**9,295.86**

Secured Term Loans:-

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all existing movable property, plant and equipment and mortgage of immovable properties of the Company.

Repayment Schedule:-

(i) Rate of interest of Rupee loan from Banks are in the range of MCLR plus 0.00% to 1.40% p.a. and is repayable on monthly/quarterly basis with last instalment payable from April, 2020 to March, 2026.

(ii) Rate of interest of External Commercial Borrowings are in the range of LIBOR plus 2.65% p.a. and is repayable on quarterly/half-yearly basis with a step up repayment schedule and last instalment paid in November, 2018.

(iii) Unsecured Term Loan from Banks is repayable on quarterly basis with last instalment payable in September, 2019.

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	1,072.90	783.50
Total-Non-Current	**1,072.90**	**783.50**
Current		
Provision for Employee Benefit Obligations		
Provision for Leave Benefits (Refer Note 37 (B))	326.35	298.04
Provision for Gratuity (Refer Note 37 (A)(iii))	379.93	2.76
Total-Current	**706.28**	**300.80**

19. DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Property, Plant and Equipment	9,045.67	8,204.75
Total Deferred Tax Liability	**9,045.67**	**8,204.75**
(b) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowances u/s 43B and Others	1,386.98	507.09
MAT Credit Entitlement	-	2,477.85
Total Deferred Tax Asset	**1,386.98**	**2,984.94**
Deferred Tax Liability (Net) (a-b)	**7,658.69**	**5,219.81**

20. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Working Capital Borrowings from Banks		
(a) Secured	17,058.48	16,927.45
(b) Unsecured	1,383.43	9,478.56
Total	**18,441.91**	**26,406.01**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as MCLR of respective banks plus spread ranging from 0% -1.25% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.30% p.a. to 1.50% 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 & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 7.20% p.a. to 8.60% p.a., tenure of each placement ranging from 55 days to 90 days.

21. TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) To outstanding dues of Micro, Small and Medium Enterprises	775.13	104.43
(b) To outstanding dues of Creditors other than Micro, Small and Medium Enterprises	31,710.28	31,300.03
Total	**32,485.41**	**31,404.46**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

22. OTHER FINANCIAL LIABILITIES - CURRENT

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Current maturities of Long term Borrowings (Refer Note 17)	6,160.00	10,451.59
(b)	Security Deposits	287.30	286.11
(c)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	70.02	61.06
	Unclaimed Matured Deposits (Refer Note below)	7.44	7.84
	Unpaid Interest on Matured Fixed Deposits	2.24	3.27
(d)	Interest accrued but not due on Borrowings	97.29	184.60
(e)	Others	8.98	14.02
	Total	**6,633.27**	**11,008.49**

The Unclaimed Matured deposits of ₹ 7.44 Lakhs outstanding as at March 31, 2019 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. CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current Tax Liabilities		
Provision for Tax (Net of Advances)	174.00	-
Total	**174.00**	**-**

24. OTHER CURRENT LIABILITIES

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Advances received from Customers	650.10	89.77
(b)	Payable for capital expenditure	585.96	597.49
(c)	Statutory Dues	420.99	559.21
	Total	**1,657.05**	**1,246.47**

25. REVENUE FROM OPERATIONS

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Sale of Products	1,75,806.10	1,42,962.65
(b)	Sale of Services	970.85	884.21
(c)	Other Operating Revenues		
	Export Incentives	1,734.28	1,605.37
	Scrap Sale	310.16	218.76
	Insurance Claims (Refer Note 13 (i))	370.48	2,251.97
		1,79,191.87	**1,47,922.97**

26. OTHER INCOME

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Interest Income	80.38	131.95
(b) Profit on redemption of Investments	44.11	345.81
(c) Rent	68.21	10.48
(d) Miscellaneous Receipts	66.81	36.59
(e) Dividend Income	0.01	0.01
(f) Foreign Exchange Gain	-	221.20
(g) Fair Value Gains on Financial Assets	-	9.65
(h) Write back of provision for Impairment	-	397.88
Total	**259.52**	**1,153.57**

27. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Raw Material and Components Consumed		
Inventory at the beginning of the year	10,081.82	5,292.93
Add: Purchases during the year	1,00,106.77	86,409.77
	1,10,188.59	91,702.70
Less: Inventory at the end of the year	10,000.74	10,081.82
Cost of Raw Material and Components Consumed	**1,00,187.85**	**81,620.88**
(b) Packing Material Consumed	2,597.02	2,371.91
Cost of Packing Material and Consumed	**2,597.02**	**2,371.91**
Total	**1,02,784.87**	**83,992.79**

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Inventories at the beginning of the year		
Stock in Process	3,820.16	3,529.68
Finished Goods	3,406.80	4,086.43
	7,226.96	**7,616.11**
Less:		
Inventories at the end of the year		
Stock in Process	2,729.28	3,820.16
Finished Goods	9,665.07	3,406.80
	12,394.35	**7,226.96**
Total	**(5,167.39)**	**389.15**

29. EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Salaries & Wages	14,323.58	11,747.48
(b) Contribution to provident fund and other funds (Refer Note No.37C)	738.86	688.43
(c) Gratuity Expenses (Refer Note No.37A(iv))	115.29	124.37
(d) Staff Welfare Expenses	682.57	645.65
Total	**15,860.30**	**13,205.93**

30. POWER & FUEL EXPENSES

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Consumption of Gas	1,997.80	2,404.45
(b)	Consumption of Furnace Oil	1,324.35	714.61
(c)	Consumption of High Speed Diesel	129.19	93.80
(d)	Consumption of Coal & Coke	3,909.44	3,556.30
(e)	Electricity Expenses	5,993.11	4,565.45
(f)	Water Charges	723.30	621.33
(g)	Other Expenses	16.53	31.96
	Total	**14,093.72**	**11,987.90**

31. FINANCE COSTS

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Interest on Borrowings	3,489.26	3,636.07
(b)	Exchange difference to the extent considered as an adjustment to Borrowing Costs	795.31	397.93
	Total	**4,284.57**	**4,034.00**

32. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Depreciation on Tangible assets	5,129.31	5,023.82
(b)	Amortisation of Intangible assets	158.51	171.10
	Total	**5,287.82**	**5,194.92**

33. OTHER EXPENSES

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Conversion Charges	547.85	528.49
(b)	Excise duty Relating to Increase / (Decrease) in Closing Stocks	-	(330.22)
(c)	Other Manufacturing Expenses	1,247.45	962.47
(d)	Rent	234.84	283.42
(e)	Repairs & Maintenance		
	Repairs to Building	116.02	100.55
	Repairs and Maintenance to Plant and Equipment	2,614.67	2,200.36
	Repairs and Maintenance to Others	69.82	70.47
(f)	Consumption of stores & spare parts	1,583.64	1,520.16
(g)	Insurance	359.22	329.04
(h)	Rates & Taxes	366.72	232.03
(i)	Bank Charges	194.41	152.81
(j)	Travelling & Conveyance	437.16	423.76
(k)	Freight & Forwarding Charges	5,788.41	4,203.79
(l)	Loss on Sale of Property, Plant & Equipment	428.72	529.99
(m)	Commission on sales	293.55	425.36
(n)	CSR Expenses	250.00	225.00
(o)	Provision for Doubtful Debts	357.92	275.67
	Less: Reversal of Provision for Doubtful Debts	274.10	12.26
	Provision for Doubtful Debts (Net)	83.82	263.41

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(p)	Bad Debts written off	1,036.61	9.57
(q)	Vehicle Expenses	353.21	299.89
(r)	Legal & Professional Expenses	1,012.16	947.53
(s)	General Expenses	2,782.06	2,181.29
(t)	Payment to Auditor	59.11	57.29
(u)	Director's Sitting Fees	15.45	18.00
(v)	Provision for Inventory Obsolescence	574.67	3.73
(w)	Foreign Exchange Loss	607.96	-
		21,057.53	**15,638.19**

Note: Payment to Auditor

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	As Auditor:		
	Audit fees	29.75	29.90
	Tax Audit fees	2.00	2.00
	Quarterly Limited Review	21.00	21.00
(b)	In Other Capacity:		
	Taxation Matters	3.75	2.76
	Other Services (Certification fees)	2.61	1.63
		59.11	**57.29**

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

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Whole Time Director
Shri Umesh Asaikar	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director-Finance & Chief Financial Officer

(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 * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited * Storewell Credits and Capital Private Limited* Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri C. K. Mehta
Shri Ajay C. Mehta
Shri Meghav D. Mehta

B) Transaction with Related Parties

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2019					March 31, 2018				
		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	-	-	7,890.93	-	**7,890.93**	-	-	8,077.65	-	**8,077.65**
	Deepak Novochem Technologies Limited	-	-	-	-	**-**	-	-	34.19	-	**34.19**
	Deepak Phenolics Limited	677.53	-	-	-	**677.53**	422.75	-	-	-	**422.75**
2	**Sale of Goods/Services**										
	Deepak Novochem Technologies Limited	-	-	695.88	-	**695.88**	-	-	902.21	-	**902.21**
	Deepak Phenolics Limited	-	-	-	-	**-**	26.25	-	-	-	**26.25**
3	**Conversion Charges Received**										
	Deepak Novochem Technologies Limited	-	-	968.33	-	**968.33**	-	-	1,032.50	-	**1,032.50**
4	**Sale of Fixed Assets**										
	Deepak Phenolics Limited	-	-	-	-	**-**	87.02	-	-	-	**87.02**
5	**Sharing of Utilities**										
	Deepak Phenolics Limited	151.72	-	-	-	**151.72**	-	-	-	-	**-**
6	**Rendering of Services / Reimbursement of Expenses**										
	Deepak Novochem Technologies Limited	-	-	1.88	-	**1.88**	-	-	0.38	-	**0.38**
	Deepak Phenolics Limited	384.67	-	-	-	**384.67**	643.56	-	-	-	**643.56**
	Storewell Credits and Capital Private Limited	-	-	10.04	-	**10.04**	-	-	8.80	-	**8.80**
7	**Sale of Investments**										
	Forex Leafin Private Ltd	-	-	-	-	**-**	-	-	131.13	-	**131.13**
8	**Receiving of services / Reimbursement of Expenses**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	60.05	-	**60.05**	-	-	7.47	-	**7.47**
	Deepak Novochem Technologies Limited	-	-	0.13	-	**0.13**	-	-	1.08	-	**1.08**
	Deepak Phenolics Limited	27.30	-	-	-	**27.30**	1.77	-	-	-	**1.77**
	Deepak Foundation	-	-	1.25	-	**1.25**	-	-	0.78	-	**0.78**
	Deepak Medical Foundation	-	-	18.99	-	**18.99**	-	-	8.90	-	**8.90**
	Deepak Nitrite Corporation Inc.	125.28	-	-	-	**125.28**	335.65	-	-	-	**335.65**
	Deepak Cybit Private Limited	-	-	21.68	-	**21.68**	-	-	24.97	-	**24.97**
	Shri Deepak C. Mehta	-	7.20	-	-	**7.20**	-	9.60	-	-	**9.60**
	Shri C.K. Mehta	-	-	-	-	**-**	-	-	-	-	**-**
	Shri Maulik D.Mehta	-	-	-	-	**-**	-	-	-	-	**-**
	Shri Meghav D. Mehta	-	-	-	54.78	**54.78**	-	-	-	53.55	**53.55**
	Shri Ajay C. Mehta	-	-	-	1.20	**1.20**	-	-	-	0.60	**0.60**

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2019					March 31, 2018				
		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
9	**Managerial Remuneration**										
	Shri Deepak C. Mehta	-	899.40	-	-	**899.40**	-	496.16	-	-	**496.16**
	Shri Ajay C. Mehta	-	-	-	-	**-**	-	72.79	-	-	**72.79**
	Shri Maulik D. Mehta	-	171.06	-	-	**171.06**	-	103.02	-	-	**103.02**
	Shri Umesh Asaikar	-	588.86	-	-	**588.86**	-	470.73	-	-	**470.73**
	Shri Sanjay Upadhyay	-	294.39	-	-	**294.39**	-	205.67	-	-	**205.67**
10	**Subscription of Investment / Acquisition of Investment/ Liquidation of Investment**										
	Deepak Phenolics Limited	7,900.00	-	-	-	**7,900.00**	20,100.00	-	-	-	**20,100.00**
11	**Dividend Paid**										
	Checkpoint Credits & Capitals Private Limited	-	-	93.68	-	**93.68**	-	-	86.47	-	**86.47**
	Stigma Credits & Capital Private Limited	-	-	80.32	-	**80.32**	-	-	74.14	-	**74.14**
	Stiffen Credits & Capital Private Limited	-	-	108.94	-	**108.94**	-	-	100.56	-	**100.56**
	Stepup Credits & Capital Private Limited	-	-	89.90	-	**89.90**	-	-	82.99	-	**82.99**
	Skyrose Finvest Private Limited	-	-	49.11	-	**49.11**	-	-	44.30	-	**44.30**
	Shri Deepak C. Mehta	-	276.07	-	-	**276.07**	-	284.54	-	-	**284.54**
	Shri C.K. Mehta	-	-	-	1.02	**1.02**	-	-	-	0.94	**0.94**
	Shri Maulik D. Mehta	-	1.71	-	-	**1.71**	-	1.58	-	-	**1.58**
	Shri Meghav D. Mehta	-	-	-	0.61	**0.61**	-	-	-	0.57	**0.57**
	Others	-	-	72.47	17.76	**90.23**	-	-	66.89	16.39	**83.28**
12	**Donation / CSR Activity**										
	Deepak Medical Foundation	-	-	-	-	**-**	-	-	16.65	-	**16.65**
	Deepak Foundation	-	-	261.92	-	**261.92**	-	-	211.33	-	**211.33**
13	**Net Accounts Receivable / (Payable)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	(1,288.34)	-	**(1,288.34)**	-	-	(1,795.43)	-	**(1,795.43)**
	Deepak Novochem Technologies Limited	-	-	396.59	-	**396.59**	-	-	508.77	-	**508.77**
	Deepak Phenolics Limited	(245.53)	-	-	-	**(245.53)**	(412.61)	-	-	-	**(412.61)**
	Deepak Nitrite Corporation Inc.	(78.54)	-	-	-	**(78.54)**	(65.79)	-	-	-	**(65.79)**
	Deepak Cybit Private Limited	-	-	(0.19)	-	**(0.19)**	-	-	-	-	**-**
	Deepak Medical Foundation	-	-	(0.50)	-	**(0.50)**	-	-	-	-	**-**
	Shri Deepak C. Mehta	-	(600.00)	-	-	**(600.00)**	-	200.00	-	-	**200.00**
	Shri Ajay C. Mehta	-	-	-	-	**-**	-	(20.60)	-	-	**(20.60)**
	Shri Maulik D. Mehta	-	(65.88)	-	-	**(65.88)**	-	(11.34)	-	-	**(11.34)**
	Shri Umesh Asaikar	-	(113.62)	-	-	**(113.62)**	-	(45.44)	-	-	**(45.44)**
	Shri Sanjay Upadhyay	-	(79.33)	-	-	**(79.33)**	-	(24.25)	-	-	**(24.25)**

35. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
I.	**Claims against the Company not acknowledged as debts in respect of**		
(a)	Matters relating to Income Tax from AY 2012-13 is being contested at various levels of Tax authorities.	58.64	98.60
(b)	Matters relating to Sales Tax/VAT from AY 2005-06 to FY 2013-14 is being contested at various level of Indirect Tax authorities.	158.97	86.41
(c)	Matters relating to Excise duty from FY 1998-99 to FY 2016-17 is being contested at various level of Indirect Tax authorities.	292.20	479.33
(d)	Bank Guarantees:		
	Financial	1,702.90	1,479.06
	Performance	1,593.73	2,717.92
(e)	Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
	Management is not expecting any future cash outflow in respect of (a) to (c) & (e)		
	Total (I)	**3,806.44**	**4,861.32**
II.	**Commitments**		
	Capital Commitments (Net of Advances)	2,349.72	1,335.18
	Total (II)	**2,349.72**	**1,335.18**

36. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
I.	**Expense / (Benefit) recognised in the statement of profit and loss**		
	Current tax on profit for the year	4,864.34	2,594.99
	Increase in deferred tax liabilities	2,581.42	1,556.44
	Excess provision of earlier years	-	(288.51)
	Total	**7,445.76**	**3,862.92**
II.	**Expense / (Benefit) recognised in statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(145.26)	37.01
	Equity instruments through other comprehensive income	2.73	7.13
	Total	**(142.53)**	**44.14**

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 Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Profit before taxes	**21,249.97**	**12,208.42**
Enacted income tax rate in India	34.94%	34.61%
Computed expected tax expense	**7,425.57**	**4,225.09**
Effect of		
Weighted deduction for R&D Expenditure	(172.56)	(155.66)
Income taxed at higher/ (lower) rates	-	(21.48)
Others (Net)	192.75	103.48
Excess provision of earlier years	-	(288.51)
Total income tax expense	**7,445.76**	**3,862.92**

C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Lakhs

	As at March 31, 2019	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2018	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2017
Property, plant and equipment	9,045.67	840.92	8,204.75	1,148.15	7,056.60
Total Deferred Tax Liabilities (a)	**9,045.67**	**840.92**	**8,204.75**	**1,148.15**	**7,056.60**
Disallowances u/s 43B and Others	1,386.98	879.89	507.09	(55.12)	562.21
MAT Credit Entitlement	-	(2,477.85)	2,477.85	(108.79)	2,586.64
Total Deferred Tax Assets (b)	**1,386.98**	**(1,597.96)**	**2,984.94**	**(163.91)**	**3,148.85**
Net Deferred Tax (Asset)/Liabilities (a-b)	**7,658.69**	**2,438.88**	**5,219.81**	**1,312.06**	**3,907.75**

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 Lakhs

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,826.99	1,794.01
Current Service Cost	116.35	109.45
Interest Cost	141.95	130.93
Actuarial (gain)/losses	384.31	(100.62)
Benefits Paid	(150.37)	(106.78)
Balance at the end of the year	**2,319.23**	**1,826.99**

(ii) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,824.23	1,673.13
Interest Income	143.01	122.91
Return on Plan Assets	(32.62)	8.21
Contribution by the Company	155.06	131.26
Benefits Paid	(150.37)	(111.28)
Balance at the end of the year	**1,939.30**	**1,824.23**
Actual Return on Plan Assets	7.54% to 7.88%	7.12% to 7.88%

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation	2,319.23	1,826.99
Less: Fair Value of Plan Assets:	1,939.30	1,824.23
Amounts recognised as liability	**379.93**	**2.76**
Recognised under		
Short Term provision (Refer Note 18)	379.93	2.76
Total	**379.93**	**2.76**

(iv) Expenses Recognised in the Statement of Profit and Loss

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Current Service Cost	116.35	109.45
Net Interest Cost	(1.06)	8.02
Liability Transferred	-	6.90
Total Expenses (Refer Note No. 29)	**115.29**	**124.37**

(v) Expenses Recognised in the Other Comprehensive Income

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Actuarial gain/(losses) on Obligation for the period	(384.31)	100.62
Return on Plan assets excluding Interest Income	(32.63)	8.21
Total Expenses recognised in OCI	**(416.94)**	**108.83**

(vi) Major Category of Plan Assets

	As at March 31, 2019		As at March 31, 2018	
	₹ in Lakhs	%	₹ in Lakhs	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	1,939.30	100.00	1,824.23	100.00
Others	-	-	-	-

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 G.Sec. 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.

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

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.79%	7.85%
Expected Return on Plan Assets	7.79%	7.85%
Salary Growth Rate	8.00%	6.50%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, 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 in Assumptions		Decrease in Assumptions	
	As at March 31, 2019 %	As at March 31, 2018 %	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Discount Rate	1.00%	1.00%	(126.62)	(94.37)	144.31	106.81
Salary Growth Rate	1.00%	1.00%	142.45	107.15	(127.38)	(96.31)
Attrition Rate	1.00%	1.00%	(4.96)	7.48	5.29	(8.46)

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability 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.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2019, is ₹ 1,399.25 Lakhs (Previous year ₹ 1,081.54 Lakhs), which is determined on actuarial basis using Projected Unit Credit Method.

(c) **Principal Actuarial Assumptions**

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.79%	7.85%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Employer's Contribution to Provident Fund and other funds except superannuation	565.51	523.11
Employer's Contribution to Superannuation Fund	173.35	165.32

Expected Contribution for the next year	₹ in Lakhs
Employer's Contribution to Provident Fund and other funds except superannuation	610.75
Employer's Contribution to Superannuation Fund	187.22

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 Lakhs

	As at March 31, 2019	As at March 31, 2018
Total Equity (A)	1,05,784.55	94,384.49
Non-Current Borrowings (including current maturities)	14,319.17	19,747.45
Current Borrowings	18,441.91	26,406.01
Total Borrowings (B)	32,761.08	46,153.46
Total Capital (A+B)	**1,38,545.63**	**1,40,537.95**
Total Borrowings as % of Total Capital	23.65%	32.84%
Total Borrowings as % of Total Equity	30.97%	48.90%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
EBITDA (excluding other income)	30,562.84	20,283.77
Interest	4,284.57	4,034.00
Interest Coverage Ratio	**7.13**	**5.03**

39. FINANCIAL INSTRUMENTS

39.1. Categories of Financial Instruments

The Carrying Value of Financial Instruments by Categories as of March 31, 2019 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	281.29
Other Balances with Banks	-	-	277.19
Quoted Investments (Level 1)	-	6.63	-
Unquoted Investments (Level 3)	232.11	0.67	56,047.68
Government Securities	-	-	0.01
Trade Receivables	-	-	34,444.64
Loans	-	-	212.42
Other Financial Assets	-	-	670.67
Total	**232.11**	**7.30**	**91,933.90**
Financial Liabilities			
Current Borrowings	-	-	18,441.91
Non-Current Borrowings (including current maturities)	-	-	14,319.17
Trade Payables	-	-	32,485.41
Other Financial Liabilities	-	8.98	464.29
Total	**-**	**8.98**	**65,710.78**

The Carrying Value of Financial Instruments by Categories as of March 31, 2018 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	118.65
Other Balances with Banks	-	-	3,092.36
Quoted Investments (Level 1)	-	2,150.34	-
Unquoted Investments (Level 3)	224.27	0.67	43,147.68
Government Securities	-	-	0.01
Trade Receivables	-	-	36,921.13
Loans	-	-	255.70
Other Financial Assets	-	-	7,639.97
Total	**224.27**	**2,151.01**	**91,175.50**
Financial Liabilities			
Current Borrowings	-	-	26,406.01
Non-Current Borrowings (including current maturities)	-	-	19,747.45
Trade Payables	-	-	31,404.46
Other Financial Liabilities	-	14.02	542.88
Total	**-**	**14.02**	**78,100.80**

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, 2019

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	6.63	-	-	6.63
Investments in Unquoted Instruments	-	-	232.78	232.78

Fair Value Hierarchy as at March 31, 2018

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	2,150.34	-	-	2,150.34
Investments in Unquoted Instruments	-	-	224.94	224.94

Reconciliation of Level 3 Fair Value Measurements

	₹ in Lakhs
	Investment in unquoted shares irrevocably designated as FVTOCI
Opening Balance as at March 31, 2017	137.44
Reclassification of Investments	65.86
Total gains/losses in other comprehensive income	20.97
Closing balance as at March 31, 2018	**224.27**
Total gains in other comprehensive income	7.84
Closing balance as at March 31, 2019	**232.11**

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, option contracts and interest swaps 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.

Item	Primarily Effected by	Risk Management Policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency 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; interest rate swaps for long-term borrowings; 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.
3. Foreign currency borrowings in the form of Term loans, External Commercial Borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

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, options 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (Lakhs)	212.66	319.66	101.70	280.66
₹ (Lakhs)	14,709.65	20,609.06	7,034.72	18,162.49
GBP (Lakhs)	-	1.29	-	-
₹ (Lakhs)	-	110.71	-	-
JPY (Lakhs)	-	7.09	-	-
₹ (Lakhs)	-	4.35	-	-
EURO (Lakhs)	15.10	17.30	13.99	11.14
₹ (Lakhs)	1,173.30	1,388.19	1,087.05	893.45

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, option contracts and interest rate swaps outstanding as at the Balance Sheet date

	As at March 31, 2019		As at March 31, 2018	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Lakhs)	-	-	-	60.00
Forward Contracts (EURO Lakhs)	7.50	-	-	-
Option Contracts (USD Lakhs)	-	-	-	35.00
Interest rate Swaps ECB (USD Lakhs)	-	-	-	36.00

The forward and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables. The swap contracts have been entered into to hedge the interest rate risks on the external commercial borrowings of the Company.

(c) Net Open Exposures Outstanding as at the Balance Sheet Date

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (Lakhs)	110.96	99.00	-	-
GBP (Lakhs)	-	1.29	-	-
JPY (Lakhs)	-	7.09	-	-
EURO (Lakhs)	-	6.16	6.39	-

(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 ₹ 1 increase and decrease against the US Dollar. ₹ 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 ₹ 1 change in foreign currency rates. A positive number below indicates an increase in

profit where the Rupee strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Lakhs

Currency USD Impact on Profit or Loss	As at March 31, 2019	As at March 31, 2018
Impact of ₹ 1 strengthening against US Dollar	104.73	177.09
Impact of ₹ 1 weakening against US Dollar	(104.73)	(167.09)

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

39.4.2 Interest Rate Risk Management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit 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.

(a) Interest rate swap contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 39.4.1(b).

(b) 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 10 basis points increase or decrease in case of foreign currency borrowings and 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 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/ increase by ₹ 77.66 Lakhs (March 31, 2018: ₹ 99.53 Lakhs)

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.

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 evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

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.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on the provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

	Expected Credit Loss (%)
Within the Credit period	0.42%
91 to <=180 days	48.15%
>180 days	100.00%

Age of receivables

	As at March 31, 2019	As at March 31, 2018
Within the Credit period	34,488.05	32,619.02
91 to <=180 days	193.70	2,008.27
>180 days	441.26	2,888.40

Reconciliation of loss allowance provision - Trade receivables

	₹ in Lakhs
Loss allowance on March 31, 2017	**331.15**
Changes in loss allowance	263.41
Loss allowance on March 31, 2018	**594.56**
Changes in loss allowance	83.81
Loss allowance on March 31, 2019	**678.37**

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)/assets including estimated interest payments as at March 31, 2019

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade Payables	(32,485.41)	(32,485.41)			(32,485.41)
Borrowings	(32,761.08)	(24,601.91)	(7,159.17)	(1,000.00)	(32,761.08)
Other Financial Liabilities	(6,633.27)	(6,633.27)			(6,633.27)
Foreign Currency Forward Contracts, option contracts and interest swaps	(8.98)	(8.98)			(8.98)
Trade Receivables (Gross)	35,123.01	35,123.01	-	-	35,123.01

The table below provides details of financial assets as at March 31, 2019

₹ in Lakhs

	Carrying Amount
Loans	212.42
Other financial assets	670.67
Total	**883.09**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31 2018

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade Payables	(31,404.46)	(31,404.46)	-	-	(31,404.46)
Borrowings	(46,153.46)	(36,857.60)	(9,295.86)	-	(46,153.46)
Other Financial Liabilities	(11,008.49)	(11,008.49)	-	-	(11,008.49)
Foreign Currency Forward Contracts, option contracts and interest swaps	(14.02)	(14.02)	-	-	(14.02)
Trade Receivables (Gross)	37,515.69	37,515.69	-	-	37,515.69

The table below provides details of financial assets as at March 31, 2018

₹ in Lakhs

	Carrying Amount
Loans	255.70
Other financial assets	7,639.97
Total	**7,895.67**

40. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered. Accordingly, the Company's reportable segments under Ind AS 108 are as follows

(i) Basic Chemicals

(ii) Fine & Speciality Chemicals

(iii) Performance Products

The accounting policies of the reportable segments are same as the Company'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.

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
I)	**Segment Revenue**		
	(a) Basic Chemicals	89,319.14	76,160.62
	(b) Fine & Speciality Chemicals	53,563.58	46,324.06
	(c) Performance Products	40,288.89	29,931.00
	(d) Un- allocable	-	7.19
	TOTAL	**1,83,171.61**	**1,52,422.87**
	Less: Inter Segment Revenue	3,979.74	4,499.90
	Net Sales/Income from operations	**1,79,191.87**	**147,922.97**
II)	**Segment Results**		
	Profit (Loss) Before Tax & Interest		
	(a) Basic Chemicals	14,534.90	10,664.95
	(b) Fine & Speciality Chemicals	12,655.29	11,479.05
	(c) Performance Products	8,318.27	(808.08)
	TOTAL	**35,508.46**	**21,335.92**
Less :	(i) Interest Expenses	4,284.57	4,034.00
	(ii) Other un-allocable expenditure net of un-allocable Income	9,973.92	5,093.50
III)	**Profit Before Tax**	**21,249.97**	**12,208.42**

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
IV)	**Segment Assets**		
	(a) Basic Chemicals	45,853.23	41,046.49
	(b) Fine & Speciality Chemicals	37,964.85	43,321.63
	(c) Performance Products	37,964.49	36,668.46
	(d) Un- allocable	60,990.66	59,013.31
	TOTAL	**1,82,773.23**	**1,80,049.89**
V)	**Segment Liabilities**		
	(a) Basic Chemicals	16,863.03	17,587.81
	(b) Fine & Speciality Chemicals	8,289.43	7,932.09
	(c) Performance Products	6,419.66	6,538.65
	(d) Un- allocable	45,416.56	53,606.85
	TOTAL	**76,988.68**	**85,665.40**
VI)	**Capital Expenditure**		
	(a) Basic Chemicals	3,380.79	1,125.52
	(b) Fine & Speciality Chemicals	3,388.96	2,940.25
	(c) Performance Products	661.40	1,251.27
	(d) Un- allocable	443.23	286.62
	TOTAL	**7,874.38**	**5,603.66**
VII)	**Depreciation**		
	(a) Basic Chemicals	1,914.22	1,638.38
	(b) Fine & Speciality Chemicals	1,337.44	1,403.54
	(c) Performance Products	1,602.97	1,720.26
	(d) Un- allocable	433.19	432.74
	TOTAL	**5,287.82**	**5,194.92**

(b) Secondary Segment Information

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

₹ in Lakhs

Revenue	As at March 31, 2019	As at March 31, 2018
In India	1,21,152.80	96,838.30
Outside India	58,039.07	51,084.67
Total	**1,79,191.87**	**1,47,922.97**

₹ in Lakhs

Carrying Amount of Segment Assets	For the year March 31, 2019	For the year March 31, 2018
In India	1,74,456.40	1,60,718.66
Outside India	8,316.83	19,331.23
Total	**1,82,773.23**	**1,80,049.89**

₹ in Lakhs

Addition to Fixed Assets	For the year March 31, 2019	For the year March 31, 2018
In India		
- Tangible	7,740.09	5,549.71
- Intangible	134.29	53.95
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**7,874.38**	**5,603.66**

41. EARNINGS PER SHARE

	As at March 31, 2019	As at March 31, 2018
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Lakhs)	1,363.93	1,307.11
Number of Shares at the end (Nos. in Lakhs)	1,363.93	1,363.93
Weighted Average Number of Shares considered for Basic Earnings Per Share (Nos. in Lakhs)	1,363.93	1,316.45
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Lakhs)	1,363.93	1,316.45
Net Profit after Tax available for Equity Shareholders (₹ in Lakhs)	13,804.21	8,345.50
Basic Earnings (in Rupees) Per Share of ₹ 2/- each	10.12	6.34
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each.	10.12	6.34

42 A. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(i)	Capital Expenditure (Refer Note 2.6)	**192.90**	**117.90**
(ii)	Revenue Expenditure		
	Materials	81.32	51.21
	Utilities	15.51	5.21
	Maintenance	8.67	17.54
	Personnel	474.34	438.19
	Others	121.03	88.13
		700.87	**600.28**
	Depreciation	110.05	101.52
		110.05	**101.52**
	Total Revenue Expenditure	**810.92**	**701.80**
(iii)	**Total Capital & Revenue Expenditure ((i)+(ii))**	**1,003.82**	**819.70**

42 B.R & D DISCLOSURE FOR DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH (DSIR)

₹ in Lakhs

	2018-19	2017-18	2016-17	2015-16	2014-15
(i) Capital Expenditure					
Nandesari	99.02	105.05	117.90	158.95	97.48
Roha	93.89	12.85	-	-	-
Total	**192.91**	**117.90**	**117.90**	**158.95**	**97.48**
(ii) Revenue Expenditure					
Nandesari	784.62	676.01	677.48	648.77	673.67
Roha	26.30	25.79	31.63	13.90	86.32
Total	**810.92**	**701.80**	**709.11**	**662.67**	**759.99**
(iii) Total Capital & Revenue Expenditure					
Nandesari	883.64	781.06	795.39	807.72	771.15
Roha	120.19	38.64	31.63	13.90	86.32
Total	**1,003.83**	**819.70**	**827.01**	**821.62**	**857.47**

43. 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 Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(i)	Principal amount remaining unpaid	775.13	104.43
(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.	-	0.07
(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.	-	-

44. During FY 2018-19, the Company has spent ₹ 250.00 Lakhs on Corporate Social Responsibility activities, against the requirement of ₹ 213.00 Lakhs, being 2% of average of the net profits for the preceding three years.

45. The Income Tax Department has conducted search operations during the year at the premises of the Company. The Company believes that the search operations will not have any material adverse impact on its performance.

46. Events occurring after the balance sheet date: The Board of Directors has recommended, subject to the approval of shareholders, dividend of ₹ 2/- (Rupees Two only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2019 on 13,63,93,041 equity shares amounting to ₹ 3,288.58 Lakhs (including tax on dividend of ₹ 560.72 Lakhs)

47. The Financial Statements were approved for issue by the Board of Directors on May 03, 2019.

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIN CHOKSEY
Director
DIN: 00036085

SANDESH ANAND
Director
DIN: 00001792

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIR MANKAD
Director
DIN: 00086077

Vadodara: May 03, 2019

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 Nitrite Corporation, Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2018-19	2018-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	₹	US$ 1 US$ = ₹ 69.17
4	Share Capital (₹ in Lakhs)	56,000.00	47.68
5	Reserves & Surplus (₹ in Lakhs)	1,831.82	30.47
6	Total Assets (₹ in Lakhs)	1,66,784.95	82.81
7	Total Liabilities (₹ in Lakhs)	1,08,953.13	3.53
8	Investments (₹ in Lakhs)	-	-
9	Turnover (₹ in Lakhs)	91,350.22	125.28
10	Profit before Tax (₹ in Lakhs)	5,572.88	4.76
11	Provision for Tax (₹ in Lakhs)	1,984.58	1.35
12	Profit after Tax (₹ in Lakhs)	3,588.30	3.41
13	Total Comprehensive Income (₹ in Lakhs)	3,570.95	3.41
14	Proposed Dividend (₹ in Lakhs)	-	-
15	% of Shareholding	100%	100%

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIN CHOKSEY
Director
DIN: 00036085

SANDESH ANAND
Director
DIN: 00001792

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIR MANKAD
Director
DIN: 00086077

Vadodara: May 03, 2019

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 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows 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 the subsidiaries referred to in the Other Matters paragraph 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 31 March 2019, 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 specified under section 143 (10) of the Act (SAs). 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 paragraph 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 all units within the Company. 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".	**Principal Audit Procedures** Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design 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 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 sample of revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Inventory Valuation at component as reported by component auditor** Inventory valuation is a key audit matter as the prices of raw materials, primarily being crude based and consequently the finished goods tend to vary significantly during the accounting period. Inventory is valued at lower of cost or net realizable value and complex calculations are involved in arriving at carrying value.	**Principal Audit Procedures** As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for audit procedures to be performed. In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below: We have : • Assessed the inventory valuation practices and checked the workings on a test check basis. • Checked the valuation of inventory of raw material, WIP and finished goods on the basis of the production norms made available by the management. Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of : a) Reviewing a written summary of the audit procedures performed by the Other Auditors. b) Discussing with Other Auditors and the Management of component to understand the inventory valuation practices and the basis of valuations.

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 Management Discussion and Analysis report, 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, 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.
- We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY 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 Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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 system 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 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 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 business activities within the Group and 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 business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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 two subsidiaries, whose financial statements reflect total assets of Rs. 166,856.40 lacs as at 31st March, 2019, total revenues of Rs. 92,811.36 lacs and net cash outflows amounting to Rs. 813.41 lacs 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.

One of the subsidiary company is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the country and which have been audited by other auditor under generally accepted auditing standards applicable in the country. The Parent's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and audited by us.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

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 Statement of Cash Flows 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 Parents on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 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 over financial reporting 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 company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting 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, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group ;

      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 company incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: 3rd May, 2019

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 OVER FINANCIAL REPORTING 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, 2019, we have audited the internal financial controls over financial reporting of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary company which is company 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 company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 over financial reporting of the Parent and its subsidiary company, which is company 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors of the subsidiary company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which is company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 over financial reporting 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 OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Kartikeya Raval)
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: 3rd May, 2019

Consolidated Balance Sheet as at March 31, 2019

₹ in Lakhs

		Notes	As at March 31, 2019	As at March 31, 2018
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	1,70,056.75	58,291.07
	(b) Capital Work-in-Progress	2	3,386.79	95,450.66
	(c) Other Intangible Assets	3	1,526.68	465.26
	(d) Financial Assets			
	Investments	4	239.42	234.99
	Loans	5	135.51	131.01
	Other Financial Assets	6	675.67	992.02
	(e) Non-Current Tax Assets (Net)	7	204.08	265.62
	(f) Other Non-Current Assets	8	381.37	3,937.54
	Total Non-Current Assets		**1,76,606.27**	**1,59,768.17**
	Current Assets			
	(a) Inventories	9	41,073.15	32,541.59
	(b) Financial Assets			
	Investments	10	-	2,941.69
	Trade Receivables	11	57,496.42	41,177.18
	Cash and Cash Equivalents	12.A	296.04	942.66
	Bank balances other than Cash and Cash Equivalents above	12.B	2,280.95	3,877.28
	Other Financial Assets	13	190.66	1,871.07
	(c) Other Current Assets	14	14,800.35	15,872.49
	(d) Assets classified as held for sale		34.61	63.87
	Total Current Assets		**1,16,172.18**	**99,287.83**
	TOTAL ASSETS		**2,92,778.45**	**2,59,056.00**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	15	2,727.86	2,727.86
	(b) Other Equity	16	1,04,430.60	89,485.97
	Total Equity		**1,07,158.46**	**92,213.83**
	Non-Current Liabilities			
	(a) Financial Liabilities	17		
	Borrowings	18	86,986.39	55,045.79
	(b) Provisions	19	1,144.23	793.73
	(c) Deferred Tax Liabilities (Net)	20	7,746.00	4,540.19
	(d) Other Non-Current Liabilities		1,380.41	1,702.99
	Total Non-Current Liabilities		**97,257.03**	**62,082.70**
	Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	21	25,505.29	33,157.01
	Trade Payables			
	Total outstanding dues of			
	a) micro enterprises and small enterprises	22	777.43	104.43
	b) creditors other than micro enterprises and small enterprises	22	49,678.25	48,891.54
	Other Financial Liabilities	23	9,594.54	11,069.47
	(b) Provisions	17	762.09	353.82
	(c) Current Tax Liabilities (Net)	24	374.37	-
	(d) Other Current Liabilities	25	1,670.99	11,183.20
	Total Current Liabilities		**88,362.96**	**1,04,759.47**
	Total Liabilities		**1,85,619.99**	**1,66,842.17**
	TOTAL EQUITY AND LIABILITIES		**2,92,778.45**	**2,59,056.00**
	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

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

₹ in Lakhs

		Notes	2018-19	2017-18
I.	Revenue from Operations	26	2,69,992.45	1,67,618.20
II.	Other Income	27	1,512.00	1,229.27
III.	**Total Income (I+II)**		**2,71,504.45**	**1,68,847.47**
IV.	**Expenses:**			
	(a) Cost of Materials Consumed	28	1,74,826.92	84,058.07
	(b) Purchase of Traded Goods	29	5,201.73	18,749.93
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	30	(15,359.07)	1,070.78
	(d) Excise Duty on Sale of Goods		-	2,472.80
	(e) Employee Benefits Expense	31	17,977.25	13,615.26
	(f) Power & Fuel Expenses	32	20,732.97	11,987.90
	(g) Finance Costs	33	8,324.54	4,514.74
	(h) Depreciation and Amortisation Expense	34	7,779.27	5,259.97
	(i) Other Expenses	35	25,223.03	16,032.85
	Total Expenses (IV)		**2,44,706.64**	**1,57,762.30**
V.	**Profit Before Tax (III-IV)**		**26,797.81**	**11,085.17**
VI.	**Tax Expense:**			
	(a) Current Tax		6,073.99	2,595.30
	(b) Deferred Tax		3,357.69	876.81
	(c) Excess Provision of Earlier Years		-	(288.51)
VII.	**Profit for the Year (V-VI)**		**17,366.13**	**7,901.57**
VIII.	**Other Comprehensive Income**			
	(A) Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		(443.59)	108.69
	(b) Tax Effect of Remeasurement of Defined Benefit Liabilities / (Assets)		154.57	(37.01)
	(B) Items that will be Reclassified to Profit and Loss:			
	(a) Fair Value Gains on Investments		7.84	20.97
	(b) Tax effect of Fair Value Gains on Investments		(2.73)	(7.13)
	Total Other Comprehensive Income for the Year (VIII)		**(283.91)**	**85.52**
IX.	**Total Comprehensive Income for the Year (VII+VIII)**		**17,082.22**	**7,987.09**
X.	**Profit is attributable to**			
	Owners of the company		17,366.13	7,901.57
	Non-Controlling Interest		-	-
XI.	**Other Comprehensive Income is attributable to:**			
	Owners of the company		(283.91)	85.52
	Non-Controlling Interest		-	-
XII.	**Total Comprehensive Income is attributable to:**			
	Owners of the company		17,082.22	7,987.09
	Non-Controlling Interest		-	-
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)		12.73	6.00
	(b) Diluted (Nominal Value per Share ₹ 2)		12.73	6.00

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

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

		2018-19	2017-18
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	17,366.13	7,901.57
	Add: Income Tax Expense recognised in the consolidated statement of Profit and Loss	9,431.68	3,183.60
	Profit Before Tax	**26,797.81**	**11,085.17**
	Non-cash adjustment to reconcile Profit Before Tax to net Cash Flows		
	1. Depreciation / Amortisation	7,779.27	5,275.97
	2. Loss on Sale of Fixed Assets	428.46	547.34
	3. Provision for Doubtful Debts	73.28	314.57
	4. Gain on redemption of investment	(46.96)	(395.37)
	5. Interest expenses	8,324.54	4,514.74
	6. Interest Income	(147.77)	(155.88)
	7. Dividend Income	(0.01)	(0.01)
	8. Fair Value Gains	(0.37)	(9.64)
	9. Amortisation Expense		1.05
	Operating Profit Before Change in Operating Assets and Liabilities	**43,208.25**	**21,177.94**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(8,517.08)	(15,825.23)
	2. (Increase)/Decrease in Trade Receivables	(16,185.75)	(5,304.06)
	3. (Increase)/Decrease in Non Current Loans	(4.50)	4.93
	4. (Increase)/Decrease in Other Financial Assets	212.80	508.13
	5. (Increase)/Decrease in Other Assets	1,025.19	(7,982.04)
	6. Increase/(Decrease) in Trade Payables	1,277.14	26,612.13
	7. Increase/(Decrease) in Other financial liabilities	(9,429.86)	(6.28)
	8. Increase/(Decrease) in Other liabilities	77.25	1,834.03
	9. Increase/(Decrease) in Provisions	315.18	66.29
	Cash Generated from Operations	**11,978.62**	**21,085.84**
	Less: Income Tax paid (net of refund)	5,609.28	2,785.90
	Net Cash Inflow from Operating Activities (A)	**6,369.34**	**18,299.94**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(24,273.80)	(62,174.28)
	2. Purchase of Intangible Assets	(1,279.20)	(53.95)
	3. Proceeds from Sale of Property, Plant & Equipment	169.90	111.96
	4. Insurance claims received	1,782.71	750.00
	5. Proceeds from Redemption of Investment	-	527.96
	6. Purchase of Current Investments	(10,777.79)	(29,664.77)
	7. Proceeds from sale/maturity of Current Investments	13,765.30	38,194.47
	8. Deposit with bank	1,807.37	(3,026.22)
	9. Interest received	157.04	155.44
	10. Dividend received	0.01	0.01
	11. Increase/(Decrease) in Liabilities related to Capital Assets	2,393.34	2,706.62
	Net Cash Outflow from Investing Activities (B)	**(16,255.12)**	**(52,472.77)**

₹ in Lakhs

		2018-19	2017-18
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
1.	Proceeds from issue of Equity Shares including Securities Premium	-	14,627.98
2.	Proceeds from Non-Current Borrowings	38,077.28	47,575.75
3.	Repayment of Non-Current Borrowings	(10,451.59)	(16,812.08)
4.	Net Proceeds from Current Borrowings	(7,641.92)	(4,336.32)
5.	Proceeds/(repayment) from/of Short-Term Borrowings	-	(169.10)
6.	Interest paid	(8,412.87)	(4,496.72)
7.	Dividend paid on Equity Shares	(1,764.15)	(1,560.31)
8.	Tax on Equity Dividend paid	(364.47)	(319.32)
9.	Margin Money Deposit	(203.12)	21.58
Net Cash Outflow from Financing Activities (C)		**9,239.16**	**34,531.46**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(646.62)**	**358.64**
Cash and Cash Equivalents at the Beginning of the Financial Year		942.66	584.02
Cash and Cash Equivalents at the end of the Financial Year		**296.04**	**942.66**
Reconciliation of Cash and Cash Equivalents			
Balances with Banks:			
In Current Accounts		135.22	929.74
In EEFC Accounts		151.02	11.45
Cash on Hand		9.80	1.47
Total Cash and Cash Equivalents as per Note 12 A		**296.04**	**942.66**

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
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

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(A) EQUITY SHARE CAPITAL

₹ in Lakhs

	Note	Amount
As at March 31, 2017		**2,614.23**
Issued during the year (Refer Note 15 (b) (iv))		113.64
As at March 31, 2018	**15**	**2,727.87**
Issued during the year		-
As at March 31, 2019		**2,727.87**

(B) OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at March 31, 2017	**32,475.72**	**71.27**	**7,390.13**	**15.00**	**28,902.22**	**18.04**	**68,872.38**
Profit for the year	7,901.57	-	-	-	-	-	7,901.57
Other Comprehensive income	71.68	-	-	-	-	13.84	85.52
Dividend	(1,568.53)	-	-	-	-	-	(1,568.53)
Tax on dividend	(319.32)	-	-	-	-	-	(319.32)
Transfer to/from retained earnings	-	-	-	-	-	-	-
Receipt of Securities Premium from issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv))	(500.00)	-	500.00	-	14,514.34	-	14,514.34
Balance as at March 31, 2018	**38,061.12**	**71.27**	**7,890.13**	**15.00**	**43,416.56**	**31.88**	**89,485.97**
Profit for the year	**17,366.13**	**-**	**-**	**-**	**-**	**-**	**17,366.13**
Other Comprehensive income	(289.02)	-	-	-	-	5.11	(283.91)
Dividend	(1,773.11)	-	-	-	-	-	(1,773.11)
Tax on dividend	(364.47)	-	-	-	-	-	(364.47)
Transfer to/from retained earnings	(500.00)	-	500.00	-	-	-	-
Balance as at March 31, 2019	**52,500.65**	**71.27**	**8,390.13**	**15.00**	**43,416.56**	**36.99**	**1,04,430.60**

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

Ahmedabad: May 03, 2019

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIN CHOKSEY
Director
DIN: 00036085

SUDHIR MANKAD
Director
DIN: 00086077

SANDESH ANAND
Director
DIN: 00001792

Vadodara: May 03, 2019

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

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 with its two subsidiaries namely Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. are referred to as the Group here under.

The Group manufactures Basic Chemicals, Fine & Speciality Chemicals, Performance Products and Phenolics.

Application of New Ind AS

Ind AS 115, 'Revenue from Contracts with Customers': On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers of the Group.

The standard permits two possible methods of transaction:

a) Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

b) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch–up approach)

The effective date of adoption of Ind AS 115 is financial period beginning on or after April 01, 2018.

The Group has adopted the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. There is no material impact on adoption of Ind AS 115.

Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Group is in the process of evaluating the impact of such 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 items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) 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 17, 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:

- 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 Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Consolidated Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

(iii) Use of estimates and critical accounting judgements

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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

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.

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.

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.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

(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 2019. 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 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 in to 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 Company and to the non-controlling interests. Total Comprehensive Income of subsidiaries is attributed to the owners of the Company 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
	2018-19	2017-18		
Deepak Phenolics 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.

(c) Revenue Recognition

Sale of Goods

Revenue from the sale of goods is only recognized – net of Goods & Service Tax, cash discounts, discounts and rebates – if the following conditions are met:

- The significant risks and rewards of ownership 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessor

Rental income from operating leases is generally recognised on a straight line basis over the term of the relevant lease.

The Group as a lessee

Assets acquired under finance leases are initially recognised at fair value or present value of Minimum Lease Payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

(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.

Exchange difference arising either on settlement or on translation, in case of long-term foreign currency borrowings, in so far as they relate to property, plant and equipment are capitalised.

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, option contracts and interest rate swaps.

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 recognised at their fair value where 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 fulfillment of associated export obligations and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(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 and 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 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.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Consolidated Balance Sheet date.

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.

Dividend distribution tax arising out of payment of dividends to shareholders under the Income Tax Act, 1961 regulation are recognised in Consolidated Statement of Changes in Equity as part of associated dividend payment.

(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	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 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.

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:

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 Consolidated Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price 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 Stock-in-process 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 price.

(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.

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 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.

(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 applies the expected credit loss model for recognising impairment loss on financial contractual rights to receive cash or other financial asset, and financial guarantees not designated as at assets at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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 expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at life-time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group can again measure the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort that is indicative of significant increases in credit risk since initial recognition.

Further, 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.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the Consolidated Balance Sheet.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires, 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 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:

• 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.

(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 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.

(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 Equity 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

Pursuant to commencement of commercial operations of plant for manufacturing Phenol and Acetone under the Company's wholly owned subsidiary, Deepak Phenolics Limited, its results have been classified under new segment "Phenolics".

Accordingly, the Group has determined 4 (four) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz.

(i) Basic Chemicals ,
(ii) Fine & Speciality Chemicals,
(iii) Performance Products and
(iv) 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.

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Owned assets								Total	Capital Work-in-Progress
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road		
Net Carrying amount as at March 31, 2017	**578.68**	**3,221.05**	**9,053.59**	**43,757.28**	**496.87**	**517.10**	**189.41**	**194.38**	**58,008.36**	**34,919.04**
Additions during the year 2017-18	-	314.24	289.06	4,812.58	71.31	21.97	81.98	10.24	5,601.38	66,081.33
Deductions during the year 2017-18	-	-	-	(211.01)	(0.34)	(29.07)	(6.08)	-	(246.50)	(5,549.71)
Depreciation for the year 2017-18	-	(40.31)	(434.61)	(4,246.06)	(93.95)	(105.45)	(77.36)	(104.40)	(5,102.14)	-
Depreciation on disposal during the year 2017-18	-	-	-	16.32	0.31	7.92	5.42	-	29.97	-
Net Carrying amount as at March 31, 2018	**578.68**	**3,494.98**	**8,908.04**	**44,129.11**	**474.20**	**412.47**	**193.37**	**100.22**	**58,291.07**	**95,450.66**
Additions during the year 2018-19	-	30.84	4,400.96	113,237.40	126.85	195.70	169.05	1,750.73	119,911.53	29,126.87
Deductions during the year 2018-19	-	-	(33.52)	(614.04)	-	(68.63)	(1.87)	-	(718.06)	(121,190.73)
Depreciation for the year 2018-19	-	(50.53)	(527.52)	(6,568.06)	(105.91)	(105.64)	(89.51)	(129.76)	(7,576.94)	-
Depreciation on disposal during the year 2018-19	-	-	2.21	114.19	-	31.66	1.09	-	149.15	-
Net Carrying Amount as at March 31, 2019	**578.68**	**3,475.29**	**12,750.17**	**1,50,298.59**	**495.14**	**465.56**	**272.13**	**1,721.19**	**1,70,056.75**	**3,386.79**

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

2 Building includes ₹ 1,080.00 Lakhs (₹ 1,080.00 Lakhs) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

3 The useful lives of Plant & Machinery have been changed from Financial Year 2017-18 which is based on technical evaluation done by the Management experts which are in accordance to the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets.

4 Capital Work in Progress

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2018
(a) Capital Work in Progress (Building)	-	397.88
(b) Capital Work in Progress (Projects)	-	76,286.90
(c) Capital Work in Progress (Others)	3,386.79	18,765.87
Capital Work in Progress (Net)	**3,386.79**	**95,450.65**

3. OTHER INTANGIBLE ASSETS

₹ in Lakhs

	Computer Software	Others	Total
Net Carrying amount as at March 31, 2017	**339.28**	**245.84**	**585.12**
Additions during the year 2017-18	53.95	-	53.95
Depreciation for the year 2017-18	(99.21)	(74.60)	(173.81)
Net Carrying amount as at March 31, 2018	**294.02**	**171.24**	**465.26**
Additions during the year 2018-19	252.66	1,026.54	1,279.20
Deductions during the year 2018-19	(1.39)	-	(1.39)
Depreciation for the year 2018-19	(135.69)	(82.10)	(217.78)
Depreciation on disposal during the year 2018-19	1.39	-	1.39
Net Carrying Amount as at March 31, 2019	**410.99**	**1,115.68**	**1,526.68**

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Investments in equity instruments of other companies measured at FVTPL	7.30	10.71
(b)	Investments in equity instruments of other companies measured at FVOCI	232.11	224.27
(c)	Investments in Government or Trust Securities measured at amortised cost	0.01	0.01
	Total	**239.42**	**234.99**

₹ in Lakhs

	Face Value	As at March 31, 2019		As at March 31, 2018	
		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	₹ 10/-	6,240	2.91	6,240	4.51
Dena Bank (Refer Note 1 below)	₹ 10/-	29,400	3.72	29,400	5.53
Unquoted					
Nandesari Environment Control Limited	₹ 10/-	800	0.08	800	0.08
Baroda Co-operative Bank Ltd.	₹ 50/-	10	0.01	10	0.01
Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.50	2,000	0.50
New India Co-op Bank Ltd.	₹ 10/-	798	0.08	798	0.08
(ii) Other Companies measured at FVOCI					
Unquoted					
Jedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	84.56	52,342	80.08
Deepak International Limited	GBP 1/-	73,706	66.72	73,706	68.01
Deepak Gulf LLC	Omani Riyal 1/-	45,000	80.83	45,000	76.18
(b) Investments in Government or Trust Securities measured at amortised cost					
National Savings Certificate		-	0.01	-	0.01
Total		**2,10,296**	**239.42**	**2,10,296**	**234.99**

Note:

1. The Group has received 3,234 shares of Bank of Baroda in the scheme of amalgamation against 29,400 shares of the Dena Bank in the month of April 2019.

2.

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Aggregate amount of Unquoted Investments	232.79	224.95
(b)	Aggregate amount of Quoted Investments	6.63	10.04

5. LOANS

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
Loans to Employees			
Unsecured, considered good			
(a)	Key Managerial Personnel and Directors	0.27	0.89
(b)	Others	135.24	130.12
Total		**135.51**	**131.01**

These financial assets are carried at amortised cost.

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Security Deposits		
Unsecured, considered good		
(a) Related parties (Refer Note below)	-	383.09
(b) Others	675.67	608.93
Total	**675.67**	**992.02**

Security Deposits from related parties for the previous year include Deposit towards lease of residential premises of ₹ 400.00 Lakhs accounted at Fair Value using appropriate discount rate.

7. NON-CURRENT TAX ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Non-Current Tax Assets		
Advance Income Tax (Net of provisions)	204.08	265.62
Total	**204.08**	**265.62**

8. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Capital Advances	258.02	3,834.69
(b) Prepaid Expenses	29.15	37.31
(c) Advance against Salary	94.20	65.54
Total	**381.37**	**3,937.54**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Raw materials and components	12,181.09	18,410.58
Goods-in-transit	2,715.78	3,427.14
	14,896.87	21,837.72
(b) Stores and Spares	2,371.40	1,683.39
(c) Traded goods	-	1,967.45
Sub-Total	**17,268.27**	**25,488.56**
(d) Work-in-progress	5,877.79	3,820.16
(e) Finished goods	18,675.69	3,406.80
Provision for obsolescence	(748.60)	(173.93)
Sub-Total	**23,804.88**	**7,053.03**
Total	**41,073.15**	**32,541.59**

Inventories hypothecated as security for borrowings are disclosed under note 17 and note 21.

10. CURRENT INVESTMENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Investments measured at FVTPL (Quoted)		
Investments in Mutual Funds	-	2,941.69
Total	-	**2,941.69**

11. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current		
(a) Unsecured, Considered Good		
(i) Trade Receivables	57,100.13	40,668.72
(ii) Related Parties	396.29	508.46
(b) Trade Receivables - Credit Impaired	718.97	645.73
Allowance for credit losses	(718.97)	(645.73)
Total	**57,496.42**	**41,177.18**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 41.5 and 41.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

12A. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	9.80	1.47
(b) Balances with banks		
In Current accounts	135.22	929.74
In EEFC Accounts	151.02	11.45
Total	**296.04**	**942.66**

12B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Earmarked Balances with Bank	72.26	64.33
(b) Deposits with banks with maturity less than 3 months	-	3,026.22
(c) Deposits with banks with maturity more than 3 months but less than 12 months (Refer Note below)	2,003.76	-
(d) Margin Money Deposits		
- Maturity less than 3 months	204.93	707.43
- Maturity more than 3 months but less than 12 months	-	79.30
Total	**2,280.95**	**3,877.28**

Deposit to bank is given for Debt Service Reserve Account (DSRA).

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Loans to employees		
(i) Key Managerial Personnel and Directors	0.62	0.62
(ii) Others	76.29	124.07
(b) Interest Receivable	59.58	68.86
(c) Insurance Claim Receivable (Refer Note (i) below)	-	1,446.03
(d) Security Deposits	15.03	9.62
(e) Earnest Money	15.61	11.23
(f) Loan to Company (Refer Note (ii) below)	-	187.90
(g) Others	23.53	22.74
Total	**190.66**	**1,871.07**

(i) With respect to fire incident in October 2016, the Company had provisionally recognised ₹ 2,250 Lakhs (₹ 1,832.90 Lakhs Net of loss on account of fire) both for replacement value of the damaged facilities and loss of profits due to business interruption in the previous year ended March 31, 2018 . During the current year, upon final settlement of both the claims the Company recognised ₹ 348.36 Lakhs in the Statement of Profit and Loss under Fine & Speciality Chemicals Segment.

(ii) Loans to Company have been given for business purpose.

14. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
(a) Balance with Government Authorities	11,534.82	14,243.91
(b) Prepaid Expenses	387.57	387.65
(c) Advances to Suppliers	2,866.33	1,224.82
(d) Other Receivables	11.63	16.11
Total	**14,800.35**	**15,872.49**

15. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Authorised		
15,00,00,000 Equity shares of ₹ 2 each	3,000.00	3,000.00
20,00,000 Preference shares of ₹ 100 each	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**
Issued, Subscribed and fully paid up		
Equity shares of ₹ 2 each	2,727.86	2,727.86
Total	**2,727.86**	**2,727.86**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the period:

₹ in Lakhs

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the period	13,63,93,041	2,727.86	13,07,11,266	2,614.23
Issued during the year- issued to QIB (Refer Note (b) (iv) below)	-	-	56,81,775	113.64
Shares outstanding at the end of the period	**13,63,93,041**	**2,727.86**	**13,63,93,041**	**2,727.86**

(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 recommended 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.

(iv) During the previous year, the Company offered Equity Shares to Qualified Institutional Buyers ("QIBs") through Qualified Institutions Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly, 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264 per Equity Share (including premium of ₹ 262 per Equity Share).

The issue proceeds has been fully utilised for the object stated in the offer document.

(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, 2019		As at March 31, 2018	
	No.	% Holding	No.	% Holding
Shri Deepak Chimanlal Mehta	2,12,16,331	15.56	2,12,36,331	15.57
Stiffen Credits & Capital Pvt. Ltd.	83,79,940	6.14	83,79,940	6.14
Reliance Capital Trustee Co. Ltd.	74,97,953	5.50	64,21,199	4.71
Aditya Birla Sun Life Trustee Private Limited	73,58,733	5.40	40,88,798	3.00
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) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
(a) Retained Earnings	52,500.65	38,061.12
(b) General Reserve	8,390.13	7,890.13
(c) Capital Reserve	71.27	71.27
(d) Capital Redemption Reserve	15.00	15.00
(e) Securities Premium	43,416.56	43,416.56
Reserves Representing Unrealised Gains/(Losses)		
Equity Instruments through Other Comprehensive Income	36.99	31.88
Total	**1,04,430.60**	**89,485.97**

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	**Retained Earnings**		
	Balance at beginning of year	38,061.12	32,475.72
	Add: Profit attributable to owners of the Company (Profit for the year)	17,077.11	7,973.25
	Less: Payment of Dividend on Equity Shares	1,773.11	1,568.53
	Less: Payment of Dividend distribution tax	364.47	319.32
	Less: Transferred to General Reserve	500.00	500.00
	Balance at end of year	**52,500.65**	**38,061.12**
	Retained earnings represents the Company's undistributed earnings after taxes.		
(b)	**General Reserve**		
	Balance at beginning of year	7,890.13	7,390.13
	Add: Transferred from Surplus Balance in the Statement of Profit and Loss	500.00	500.00
	Balance at end of year	**8,390.13**	**7,890.13**
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes as per Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.		
(c)	**Capital Reserve**		
	Balance at beginning of year	71.27	71.27
	Balance at end of year	**71.27**	**71.27**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	15.00	15.00
	Balance at end of year	**15.00**	**15.00**
	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	43,416.56	28,902.22
	Add: Receipt of Securities Premium from issue of Equity Shares to QIBs	-	14,886.25
	Less: Share issue Expenses	-	371.91
	Balance at end of year	**43,416.56**	**43,416.56**
	Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013. Share issue expenses includes fees of Statutory Auditors of ₹ 15.00 Lakhs in the previous year for work related to Qualified Institutions Placement.		
(f)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	31.88	18.04
	Add: Gain on revaluation of Equity Instruments	5.11	13.84
	Balance at end of year	**36.99**	**31.88**
	This reserve represents the cumulative gains and losses arising on the revaluation 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.		

17. NON-CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Term Loans from Banks at amortised cost		
Secured	91,146.39	57,547.38
Unsecured	2,000.00	7,950.00
Sub-Total	**93,146.39**	**65,497.38**
Less:		
Current maturities of Non-Current Borrowings disclosed under "Other Current Financial Liabilities" (Refer Note 23 (a))	6,160.00	10,451.59
Total	**86,986.39**	**55,045.79**

Secured Term Loans:-

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, present and future, and second charge on entire current assets of the Company, both present and future.

Repayment Schedule:-

(i) Rate of interest of Rupee loan from Banks are in the range of MCLR plus 0.00% to 2.20% p.a. and is repayable on monthly/quarterly basis with last installment payable from April, 2020 to December, 2028.

(ii) Rate of interest of External Commercial Borrowings are in the range of LIBOR plus 2.65% p.a. and is repayable on quarterly/half-yearly basis with a step up repayment schedule and last installment paid on November, 2018.

(iii) Unsecured Term Loan from Banks is repayable on quarterly basis with last installment payable in September, 2019.

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for Employee Benefit Obligations		
Provision for leave benefits (Refer Note 39 B)	1,144.23	793.73
Total-Non-Current	**1,144.23**	**793.73**
Current		
Provision for Employee benefit obligations		
Provision for leave benefits (Refer Note 39 B)	334.26	341.39
Provision for Gratuity (Refer Note 39 (A)(iii))	427.83	12.43
Total-Current	**762.09**	**353.82**

19. DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Break up of deferred tax liability as at year end:		
Nature of timing difference		
Property, Plant and Equipment	10,983.74	8,204.75
Total Deferred Tax Liability (a)	**10,983.74**	**8,204.75**
(b) Break up of deferred tax asset as at year end:		
Nature of timing difference		
Disallowances u/s 43B and Others	2,071.38	1,186.71
MAT Credit Entitlement	1,166.36	2,477.85
Total Deferred Tax Asset (b)	**3,237.74**	**3,664.56**
Deferred Tax Liability (Net) (a-b)	**7,746.00**	**4,540.19**

20. OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Export Obligations	1,380.41	1,702.99
Total	**1,380.41**	**1,702.99**

21. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Working Capital Borrowings from Banks		
(a) Secured	22,166.86	21,012.82
(b) Unsecured	1,383.43	9,488.35
Unsecured Short term Borrowings from Related Parties (Refer note (iv) below)	1,955.00	2,650.00
Buyers Credit for capital goods (Refer note (v) below)	-	5.84
Total	**25,505.29**	**33,157.01**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as MCLR of respective banks plus spread ranging from 0% - 1.30% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.20% p.a. to 1.50% 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 & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 7.20% p.a. to 8.60% p.a., tenure of each placement ranging from 55 days to 90 days.

(iv) Short term Borrowings from Related parties includes unsecured loan taken from related parties carrying interest rate of 10.50% p.a.

(v) Buyers Credit for capital goods against Letter of Undertaking carrying rate of interest ranging from 0.27% p.a. to 0.40 % p.a. availed against sublimit of project loan of ₹ 84,000.00 Lakhs.

22. TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) To outstanding dues of Micro, Small and Medium Enterprises	777.43	104.43
(b) To outstanding dues of creditors other than Micro, Small and Medium Enterprises	49,678.25	48,891.54
Total	**50,455.68**	**48,995.97**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

23. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Current maturities of Long term Borrowings (Refer Note 17)	6,160.00	10,451.59
(b)	Security Deposits	587.40	330.42
(c)	Investor Education and Protection Fund will be credited by following amounts (as and when due)		
	Unpaid Dividend	70.02	61.06
	Unclaimed Matured Deposits (Refer Note below)	7.44	7.84
	Unpaid Interest on Matured Fixed Deposits	2.24	3.27
(d)	Interest accrued but not due on Borrowings	364.96	201.27
(e)	Others	2,402.48	14.02
	Total	**9,594.54**	**11,069.47**

The Unclaimed Matured deposits of ₹ 7.44 Lakhs outstanding as at March 31, 2019 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.

24. CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current Tax Liabilities		
Provision for Tax (Net of Advances)	374.37	-
Total	**374.37**	**-**

25. OTHER CURRENT LIABILITIES

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Advances received from Customers	650.10	90.65
(b)	Payable for capital expenditure	585.96	10,530.04
(c)	Statutory Dues	434.93	562.51
	Total	**1,670.99**	**11,183.20**

26. REVENUE FROM OPERATIONS

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Sale of Products		
	Finished Goods	2,59,593.97	1,43,010.21
	Traded Goods	6,955.16	19,647.60
(b)	Sale of Services	970.85	884.21
(c)	Other Operating Revenue		
	- Export Incentives	1,773.90	1,605.45
	- Scrap Sale	328.09	218.76
	- Insurance Claims (Refer Note 13 (i))	370.48	2,251.97
	Total	**2,69,992.45**	**1,67,618.20**

27. OTHER INCOME

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Amortised Export Obligation	322.56	-
(b) Interest Income	147.77	155.88
(c) Profit on redemption of Investments	46.96	395.36
(d) Rent	12.18	10.48
(e) Penalties recovered	909.71	-
(f) Miscellaneous Receipts	72.81	36.59
(g) Dividend Income	0.01	0.01
(h) Foreign Exchange Gain	-	223.42
(i) Fair Value Gains on Financial Assets	-	9.65
(j) Write back of provision for Impairment	-	397.88
Total	**1,512.00**	**1,229.27**

28. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Raw Material and Components Consumed		
Inventory at the beginning of the year	18,410.58	5,292.93
Add: Purchases during the year	165,938.53	94,738.58
	184,349.11	100,031.51
Less: Inventory at the end of the year	12,181.09	18,410.58
Cost of Raw Material and Components Consumed	**1,72,168.02**	**81,620.93**
(b) Packing Material Consumed	2,658.90	2,437.14
Cost of Packing Material and Consumed	**2,658.90**	**2,437.14**
Total	**1,74,826.92**	**84,058.07**

29. PURCHASE OF TRADED GOODS

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Purchase of Finished Goods for Resale	5,201.73	18,749.93
Total	**5,201.73**	**18,749.93**

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Inventories at the beginning of the year		
Stock in Process	3,820.16	3,529.68
Finished Goods	3,406.80	4,086.43
Traded Goods	1,967.45	2,649.08
	9,194.41	**10,265.19**
Less:		
Inventories at the end of the year		
Stock in Process	5,877.79	3,820.16
Finished Goods	18,675.69	3,406.80
Traded Goods	-	1,967.45
	24,553.48	**9,194.41**
Total	**(15,359.07)**	**1,070.78**

31. EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Salaries & Wages	16,213.63	12,126.95
(b) Contribution to provident fund and other funds (Refer Note 39C)	813.03	696.41
(c) Gratuity Expenses (Refer Note 39A(iv))	131.25	129.30
(d) Staff Welfare Expenses	819.34	662.60
Total	**17,977.25**	**13,615.26**

32. POWER & FUEL EXPENSES

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Consumption of Gas	2,091.39	2,404.45
(b) Consumption of Furnace Oil	1,324.35	714.61
(c) Consumption of High Speed Diesel	129.19	93.80
(d) Consumption of Coal & Coke	6,393.84	3,556.30
(e) Electricity Expenses	9,833.23	4,565.45
(f) Water Charges	944.46	621.33
(g) Other Expenses	16.51	31.96
Total	**20,732.97**	**11,987.90**

33. FINANCE COSTS

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Interest on Borrowings	7,529.23	4,116.81
(b) Exchange difference to the extent considered as an adjustment to Borrowing Costs	795.31	397.93
Total	**8,324.54**	**4,514.74**

34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
(a) Depreciation on Tangible assets	7,576.94	5,102.14
Less: Transferred to Pre-operative Expenses	15.46	15.98
	7,561.48	**5,086.16**
(b) Amortisation of Intangible assets	217.78	173.81
Total	**7,779.27**	**5,259.97**

35. OTHER EXPENSES

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	Conversion Charges	562.40	542.61
(b)	Excise duty Relating to Increase / (Decrease) in Closing Stocks	-	(330.22)
(c)	Other Manufacturing Expenses	1,319.95	962.47
(d)	Rent	400.88	242.99
(e)	Repairs & Maintenance		
	Repairs to Building	116.02	100.55
	Repairs and maintenance to Plant and Equipment	3,479.54	2,200.36
	Repairs and maintenance to Others	98.22	70.64
(f)	Consumption of stores & spare parts	1,676.85	1,520.16
(g)	Insurance	512.84	369.60
(h)	Rates & taxes	373.18	271.26
(i)	Bank Charges	330.59	227.46
(j)	Travelling & Conveyance	561.21	469.35
(k)	Freight & Forwarding Charges	7,103.19	4,383.95
(l)	Loss on Sale of Property, Plant & Equipment	428.46	547.34
(m)	Commission on sales	290.81	463.94
(n)	CSR Expenses	250.00	225.00
(o)	Provision for Doubtful Debts	381.80	326.83
	Less: Reversal of Provision for Doubtful Debts	308.52	12.26
	Provision for Doubtful Debts (Net)	73.28	314.57
(p)	Bad Debts written off	1,036.71	9.76
(q)	Vehicle Expenses	491.79	309.72
(r)	Legal & Professional Expenses	1,307.82	1,022.14
(s)	General Expenses	3,558.24	2,015.87
(t)	Payment to Auditors	80.68	68.44
(u)	Director's Sitting Fees	18.85	21.16
(v)	Provision for Inventory Obsolescence	574.67	3.73
(w)	Foreign Exchange Loss	576.85	-
	Total	**25,223.03**	**16,032.85**

Note: Payment to Auditors

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
(a)	As Auditor:		
	Audit fees	44.75	38.40
	Tax Audit fees	3.50	3.00
	Quarterly Limited Review	25.50	21.00
(b)	In Other Capacity:		
	Taxation Matters	3.75	2.76
	Other Services (Certification fees)	3.18	3.28
		80.68	**68.44**

36. 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

(ii) Key Management Personnel

Shri Deepak C. Mehta	Chairman & Managing Director
Shri Maulik D. Mehta	Whole Time Director
Shri Umesh Asaikar	Executive Director & Chief Executive Officer
Shri Sanjay Upadhyay	Director-Finance & Chief Financial Officer

(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 * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited *Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Shri C. K. Mehta
Shri Ajay C. Mehta
Shri Meghav D. Mehta

B) Transaction with Related Parties

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2019				March 31, 2018			
		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
1	**Purchase of Goods**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	7,900.40	-	**7,900.40**	-	10,245.25	-	**10,245.25**
2	**Sale of Goods**								
	Deepak Novochem Technologies Limited	-	695.88	-	**695.88**	-	902.21	-	**902.21**
3	**Conversion Charges Received**								
	Deepak Novochem Technologies Limited	-	968.33	-	**968.33**	-	1,032.50	-	**1,032.50**
4	**Rendering of Services / Reimbursement of Expenses**								
	Deepak Novochem Technologies Limited	-	2.42	-	**2.42**	-	0.38	-	**0.38**
	Storewell Credits and Capital Private Limited	-	10.04	-	**10.04**	-	8.80	-	**8.80**
5	**Receiving of services / Reimbursement of Expenses**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	60.05	-	**60.05**	-	7.47	-	**7.47**
	Deepak Novochem Technologies Limited	-	0.13	-	**0.13**	-	1.19	-	**1.19**
	Deepak Foundation	-	1.25	-	**1.25**	-	0.78	-	**0.78**
	Deepak Medical Foundation	-	66.86	-	**66.86**	-	12.52	-	**12.52**
	Deepak Cybit Private Limited	-	38.32	-	**38.32**	-	42.07	-	**42.07**
	Shri Deepak C. Mehta	7.20	-	-	**7.20**	9.60	-	-	**9.60**
	Shri Meghav D. Mehta	-	-	54.78	**54.78**	-	-	53.55	**53.55**
	Shri Ajay C. Mehta	-	-	1.20	**1.20**	-	-	0.60	**0.60**
6	**Sale of Investments**								
	Forex Leafin Private Ltd	-	-	-	**-**	-	131.13	-	**131.13**
7	**Interest paid to Related Parties**								
	Shri Deepak C. Mehta	20.34	-	-	**20.34**	72.59	-	-	**72.59**
	Storewell Credits & Capital Private Limited	-	221.93	-	**221.93**	-	241.50	-	**241.50**

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2019				March 31, 2018			
		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
8	**Managerial Remuneration**								
	Shri Deepak C. Mehta	899.40	-	-	**899.40**	496.16	-	-	**496.16**
	Shri Ajay C. Mehta	-	-	-	**-**	72.79	-	-	**72.79**
	Shri Maulik D. Mehta	171.06	-	-	**171.06**	103.02	-	-	**103.02**
	Shri Umesh Asaikar	588.86	-	-	**588.86**	470.73	-	-	**470.73**
	Shri Sanjay Upadhyay	294.39	-	-	**294.39**	205.67	-	-	**205.67**
9	**Dividend Paid**								
	Checkpoint Credits & Capitals Private Limited	-	93.68	-	**93.68**	-	86.47	-	**86.47**
	Stigma Credits & Capital Private Limited	-	80.32	-	**80.32**	-	74.14	-	**74.14**
	Stiffen Credits & Capital Private Limited	-	108.94	-	**108.94**	-	100.56	-	**100.56**
	Stepup Credits & Capital Private Limited	-	89.90	-	**89.90**	-	82.99	-	**82.99**
	Skyrose Finvest Private Limited	-	49.11	-	**49.11**	-	44.30	-	**44.30**
	Shri Deepak C. Mehta	276.07	-	-	**276.07**	284.54	-	-	**284.54**
	Shri C.K. Mehta	-	-	1.02	**1.02**	-	-	0.94	**0.94**
	Shri Maulik D. Mehta	1.71	-	-	**1.71**	1.58	-	-	**1.58**
	Shri Meghav D. Mehta	-	-	0.61	**0.61**	-	-	0.57	**0.57**
	Others	-	72.47	17.76	**90.23**	-	66.89	16.39	**83.28**
10	**Donation / CSR Activity**								
	Deepak Medical Foundation	-	-	-	**-**	-	16.65	-	**16.65**
	Deepak Foundation	-	261.92	-	**261.92**	-	211.33	-	**211.33**
11	**Net Accounts Receivable / (Payable)**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(1,288.34)	-	**(1,288.34)**	-	(1,795.43)	-	**(1,795.43)**
	Deepak Novochem Technologies Limited	-	396.29	-	**396.29**	-	508.46	-	**508.46**
	Shri Deepak C. Mehta	(600.00)	-	-	**(600.00)**	(150.00)	-	-	**(150.00)**
	Shri Ajay C. Mehta	-	-	-	**-**	(20.60)	-	-	**(20.60)**
	Shri Maulik D. Mehta	(65.88)	-	-	**(65.88)**	(11.34)	-	-	**(11.34)**
	Shri Umesh Asaikar	(113.62)	-	-	**(113.62)**	(45.54)	-	-	**(45.54)**
	Shri Sanjay Upadhyay	(79.33)	-	-	**(79.33)**	(24.25)	-	-	**(24.25)**
	Deepak Medical Foundation	-	3.50	-	**3.50**	-	15.00	-	**15.00**
	Deepak Cybit Ltd.	-	(0.19)	-	**(0.19)**	-	(2.50)	-	**(2.50)**
	Storewell Credits and Capital Pvt Ltd	-	(1,955.00)	-	**(1,955.00)**	-	(2,300.00)	-	**(2,300.00)**

37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

		As at March 31, 2019	As at March 31, 2018
I.	**Claims against the Company not acknowledged as debts in respect of:**		
(a)	Matters relating to Income Tax from AY 2012-13 is being contested at various levels of Tax authorities	58.64	98.60
(b)	Matters relating to Sales Tax/VAT from AY 2005-06 to FY 2013-14 is being contested at various level of Indirect Tax authorities.	158.97	86.41
(c)	Matters relating to Excise duty from FY 1998-99 to FY 2016-17 is being contested at various level of Indirect Tax authorities.	292.20	479.33
(d)	Bank Guarantees:		
	- Financial	1,702.90	3,060.55
	- Performance	1,593.73	2,717.92
(e)	Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
	Management is not expecting any future cash outflow in respect of (a) to (c) & (e)		
	Total (I)	**3,806.44**	**6,442.81**
II.	**Commitments**		
	Capital Commitments (Net of Advances)	3,422.65	16,239.18
	Total (II)	**3,422.65**	**16,239.18**

38. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
I.	**Expense / (Benefit) recognised in the statement of profit and loss**		
	Current tax on profit for the year	6,073.99	2,595.30
	Increase in deferred tax liabilities	3,357.69	876.81
	Excess provision of earlier years	-	(288.51)
	Total	**9,431.68**	**3,183.60**
II.	**Expense / (Benefit) recognised in statement of other comprehensive income**		
	Re-measurement gains / (losses) on defined benefit plans	(154.57)	37.01
	Equity instruments through other comprehensive income	2.73	7.13
	Total	**(151.84)**	**44.14**

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 Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Profit before taxes	**26,797.81**	**11,085.17**
Enacted income tax rate in India	34.94%	34.61%
Computed expected tax expense	**9,364.23**	**3,836.36**
Effect of		
Weighted deduction for R&D Expenditure	(172.56)	(155.66)
Income taxed at higher/ (lower) rates	-	(21.48)
Others (Net)	240.01	(187.11)
Excess provision of earlier years	-	(288.51)
Total income tax expense	**9,431.68**	**3,183.60**

C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Lakhs

	As at March 31, 2019	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2018	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2017
Property, plant and equipment	10,983.74	2,778.99	8,204.75	1,148.15	7,056.60
Total Deferred Tax Liabilities (a)	**10,983.74**	**2,778.99**	**8,204.75**	**1,148.15**	**7,056.60**
Disallowances u/s 43B and Others	2,071.38	884.67	1,186.71	624.50	562.21
MAT Credit Entitlement	1,166.36	(1,311.49)	2,477.85	(108.79)	2,586.64
Total Deferred Tax Assets (b)	**3,237.74**	**(426.82)**	**3,664.56**	**515.71**	**3,148.85**
Net Deferred Tax (Asset)/Liabilities (a-b)	**7,746.00**	**3,205.81**	**4,540.19**	**632.44**	**3,907.75**

39. 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. 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 Lakhs

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,862.70	1,815.60
Current Service Cost	136.84	120.44
Interest Cost	144.76	132.51
Actuarial (gain)/losses	411.20	(99.08)
Benefits Paid	(154.07)	(106.77)
Balance at the end of the year	**2,401.42**	**1,862.70**

(ii) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,850.27	1,673.13
Interest Income	145.06	122.91
Return on Plan Assets	(32.39)	9.25
Contribution by the Company	164.73	156.25
Benefits Paid	(154.07)	(111.27)
Balance at the end of the year	**1,973.59**	**1,850.27**
Actual Return on Plan Assets	7.54% to 7.88%	7.12% to 7.88%

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation	2,401.42	1,862.70
Less: Fair Value of Plan Assets:	1,973.59	1,850.27
Amounts recognised as liability	**427.83**	**12.43**
Recognised under:		
Short Term provision (Refer Note 18)	427.83	12.43
Total	**427.83**	**12.43**

(iv) Expenses Recognised in the Statement of Profit and Loss

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Current Service Cost	131.55	119.70
Net Interest Cost	(0.30)	9.60
Total Expenses (Refer Note No. 31)	**131.25**	**129.30**

(v) Expenses Recognised in the Other Comprehensive Income

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Actuarial (gain)/losses on Obligation for the period	411.20	99.44
Return on Plan assets excluding Interest Income	32.39	9.25
Total Expenses recognised in OCI	**443.59**	**108.69**

(vi) Major Category of Plan Assets

	As at March 31, 2019		As at March 31, 2018	
	₹ in Lakhs	%	₹ in Lakhs	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	1,973.59	100.00	1,850.27	100.00
Others	-	-	-	-

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 G.Sec. 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.

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

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.79%	7.85%
Expected Return on Plan Assets	7.79%	7.85%
Salary Growth Rate	8.00%	6.50%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, 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 in Assumptions		Decrease in Assumptions	
	As at March 31, 2019 %	As at March 31, 2018 %	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Discount Rate	1.00%	1.00%	(137.25)	(98.62)	157.20	111.89
Salary Growth Rate	1.00%	1.00%	155.18	112.24	(138.08)	(100.65)
Attrition Rate	1.00%	1.00%	(6.74)	7.28	7.14	(8.33)

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability 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.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2019, is ₹ 1,478.49 Lakhs (₹ 1,135.12 Lakhs), which is determined on actuarial basis using Projected Unit Credit Method.

(c) **Principal Actuarial Assumptions**

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.79%	7.85%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
Employer's Contribution to Provident Fund and other funds except superannuation	625.12	531.09
Employer's Contribution to Superannuation Fund	173.35	165.32

Expected Contribution for the next year	₹ in Lakhs
Employer's Contribution to Provident Fund and other funds except superannuation	740.13
Employer's Contribution to Superannuation Fund	187.22

40. 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 Lakhs

	As at March 31, 2019	As at March 31, 2018
Total Equity (A)	1,07,158.46	92,213.83
Non-Current Borrowings (including current maturities)	93,146.39	65,497.38
Current Borrowings	25,505.29	33,157.01
Total Borrowings (B)	1,18,651.68	98,654.39
Total Capital (A+B)	**2,25,810.14**	**1,90,868.22**
Total Borrowings as % of Total Capital	52.54%	51.69%
Total Borrowings as % of Total Equity	110.73%	106.98%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	For the year March 31, 2019	For the year March 31, 2018
EBITDA (excluding other income)	41,389.62	19,630.61
Interest	8,324.54	4,514.74
Interest Coverage Ratio	**4.97**	**4.35**

41. FINANCIAL INSTRUMENTS

41.1. Categories of Financial Instruments

The Carrying Value of Financial Instruments by Categories as of March 31, 2019 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	296.04
Other Balances with Banks	-	-	2,280.95
Quoted investments (Level 1)	-	6.63	-
Unquoted investments (Level 3)	232.11	0.67	-
Government Securities	-	-	0.01
Trade receivables	-	-	57,496.42
Loans	-	-	212.42
Other financial asset	-	-	789.42
Total	**232.11**	**7.30**	**61,075.26**
Financial Liabilities			
Current Borrowings	-	-	25,505.29
Non-Current Borrowings (including current maturities)	-	-	93,146.39
Trade Payables	-	-	50,455.68
Other Financial Liabilities	-	9.14	3,425.40
Total	**-**	**9.14**	**1,72,532.76**

The Carrying Value of Financial Instruments by Categories as of March 31, 2018 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	942.66
Other Balances with Banks	-	-	3,877.28
Quoted investments (Level 1)	-	2,951.73	-
Unquoted investments (Level 3)	224.27	0.67	-
Government Securities	-	-	0.01
Trade receivables	-	-	41,177.18
Loans	-	-	443.60
Other financial asset	-	-	2,550.50
Total	**224.27**	**2,952.39**	**48,991.23**
Financial Liabilities			
Current Borrowings	-	-	33,157.01
Non-Current Borrowings (including current maturities)	-	-	65,497.38
Trade Payables	-	-	48,995.97
Other financial liabilities	-	14.02	603.86
Total	-	**14.02**	**1,48,254.22**

41.2. 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, 2019

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	6.63	-	-	6.63
Investments in Unquoted Instruments	-	-	232.78	232.78

Fair Value Hierarchy as at March 31, 2018

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted Instruments	2,951.73	-	-	2,951.73
Investments in Unquoted Instruments	-	-	224.94	224.94

Reconciliation of Level 3 Fair Value Measurements

₹ in Lakhs

	Investment in unquoted shares irrevocably designated as FVTOCI
Opening Balance as at March 31, 2017	137.44
Reclassification of Investments	65.86
Total gains/losses in other comprehensive income	20.97
Closing balance as at March 31, 2018	**224.27**
Total gains in other comprehensive income	7.84
Closing balance as at March 31, 2019	**232.11**

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.

41.3. 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, option contracts and interest swaps 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.

Item	Primarily Effected by	Risk Management Policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts and option contracts.	Note 41.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 41.4.2
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 41.5.
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 41.6.

41.4. 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.

41.4.1 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 borrowings in the form of Term loans, external commercial borrowings, buyers credit, packing credit etc. 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, options 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (Lakhs)	212.68	549.32	107.89	280.66
₹ (Lakhs)	14,711.03	35,547.31	7,462.56	18,162.49
GBP (Lakhs)	0.02	1.31	-	-
₹ (Lakhs)	1.70	112.44	-	-
JPY (Lakhs)	-	7.09	-	-
₹ (Lakhs)	-	4.35	-	-
CHF (Lakhs)	-	0.05	-	
₹ (Lakhs)	-	3.62	-	
EURO (Lakhs)	15.10	23.99	13.99	11.14
₹ (Lakhs)	1,173.30	1,927.67	1,087.05	893.45

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, option contracts and interest rate swaps outstanding as at the Balance Sheet date

	As at March 31, 2019		As at March 31, 2018	
	Buy	Sell	Buy	Sell
Forward Contracts (USD Lakhs)	-	3.00	110.72	60.00
Forward Contracts (EURO Lakhs)	7.50	-	6.39	-
Option Contracts (USD Lakhs)	-	-	-	35.00
Interest rate Swaps ECB (USD Lakhs)	-	-	-	36.00

The forward and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables. The swap contracts have been entered into to hedge the interest rate risks on the external commercial borrowings of the Company.

(c) Net Open Exposures Outstanding as at the Balance Sheet Date

Currency	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD (Lakhs)	107.79	217.94	-	-
GBP (Lakhs)	0.02	1.31	-	-
JPY (Lakhs)	-	7.09	-	-
CHF (Lakhs)	-	0.05	-	-
EURO (Lakhs)	-	6.46	6.39	-

(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 ₹ 1 increase and decrease against the US Dollar. ₹ 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 ₹ 1 change in foreign currency rates. A positive number below indicates an increase in

profit where the Rupee strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Lakhs

Currency USD Impact on Profit or Loss	As at March 31, 2019	As at March 31, 2018
Impact of ₹ 1 strengthening against US Dollar	110.90	33.70
Impact of ₹ 1 weakening against US Dollar	(110.90)	(23.70)

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

41.4.2 Interest Rate Risk Management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. 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.

(a) Interest rate swap contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 41.4.1(b).

(b) 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 10 basis points increase or decrease in case of foreign currency borrowings and 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 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/ increase by ₹ 296.34 Lakhs (₹ 230.80 Lakhs)

41.5. 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 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 evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

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.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on the provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

	Expected Credit Loss (%)
Within the Credit period	0.25%
91 to <=180 days	38.77%
>180 days	100.00%

Age of receivables

	As at March 31, 2019	As at March 31, 2018
Within the Credit period	57,492.52	37,806.37
91 to <=180 days	241.32	2,008.27
>180 days	481.56	2,940.75

Reconciliation of loss allowance provision - Trade receivables

	₹ in Lakhs
Loss allowance on March 31, 2017	**331.15**
Changes in loss allowance	314.58
Loss allowance on March 31, 2018	**645.73**
Changes in loss allowance	73.24
Loss allowance on March 31, 2019	**718.97**

41.6. 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)/assets including estimated interest payments as at March 31, 2019

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade payable	(50,455.68)	(50,455.68)	-	-	(50,455.68)
Borrowings	(1,18,651.68)	(30,084.67)	(15,199.96)	(73,367.05)	(1,18,651.68)
Other Financial Liabilities	(9,594.54)	(9,594.54)	-	-	(9,594.54)
Foreign Currency Forward Contracts, option contracts and interest swaps	(9.14)	(9.14)	-	-	(9.14)
Trade Receivables (Gross)	58,215.39	58,215.39	-	-	58,215.39

The table below provides details of financial assets as at March 31, 2019

₹ in Lakhs

	Carrying Amount
Loans	212.42
Other financial assets	789.42
Total	**1,001.84**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31 2018

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade payable	(48,995.97)	(48,995.97)	-	-	(48,995.97)
Borrowings	(98,654.39)	(43,608.59)	(12,655.86)	(42,389.94)	(98,654.39)
Other Financial Liabilities	(11,069.47)	(11,069.47)	-	-	(11,069.47)
Foreign Currency Forward Contracts, option contracts and interest swaps	(14.02)	(14.02)	-	-	(14.02)
Trade Receivables (Gross)	41,822.91	41,822.91	-	-	41,822.91

The table below provides details of financial assets as at March 31, 2018

₹ in Lakhs

	Carrying Amount
Loans	443.60
Other financial assets	2,550.50
Total	**2,994.10**

42. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered.

Pursuant to commencement of commercial operations of plant for manufacturing Phenol and Acetone under the Company's wholly owned subsidiary, Deepak Phenolics Limited, its results have been classified under new segment "Phenolics".

Accordingly, the Group's reportable segments under Ind AS 108 are as follows:

(i) Basic Chemicals

(ii) Fine & Speciality Chemicals

(iii) Performance Products

(iv) Phenolics

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.

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
I)	**Segment Revenue**		
	(a) Basic Chemicals	89,319.15	76,160.62
	(b) Fine & Speciality Chemicals	53,563.58	46,324.06
	(c) Performance Products	40,288.88	30,000.03
	(d) Phenolics	90,800.58	19,626.20
	(e) Un- allocable	-	7.19
	TOTAL	**2,73,972.19**	**1,72,118.10**
	Less: Inter Segment Revenue	3,979.74	4,499.90
	Net Sales/Income from operations	**2,69,992.45**	**1,67,618.20**

₹ in Lakhs

		For the year March 31, 2019	For the year March 31, 2018
II)	**Segment Results**		
	Profit (Loss) Before Tax & Interest		
	(a) Basic Chemicals	14,534.90	10,669.28
	(b) Fine & Speciality Chemicals	12,655.28	11,479.05
	(c) Performance Products	8,323.03	(814.13)
	(d) Phenolics	9,578.55	(640.79)
	TOTAL	**45,091.77**	**20,693.41**
	Less : (i) Interest Expenses	8,324.54	4,514.74
	(ii) Other un-allocable expenditure net of un-allocable Income	9,969.42	5,093.50
III)	**Profit Before Tax**	**26,797.81**	**11,085.17**
IV)	**Segment Assets**		
	(a) Basic Chemicals	45,853.23	41,046.49
	(b) Fine & Speciality Chemicals	37,962.24	43,315.10
	(c) Performance Products	37,967.63	36,667.07
	(d) Phenolics	1,66,052.37	1,27,161.71
	(e) Un- allocable	4,942.98	10,865.63
	TOTAL	**2,92,778.45**	**2,59,056.00**
V)	**Segment Liabilities**		
	(a) Basic Chemicals	16,863.03	17,587.81
	(b) Fine & Speciality Chemicals	8,043.90	7,507.57
	(c) Performance Products	6,423.20	6,477.80
	(d) Phenolics	1,08,873.30	81,662.14
	(e) Un- allocable	45,416.56	53,606.85
	TOTAL	**1,85,619.99**	**1,66,842.17**
VI)	**Capital Expenditure**		
	(a) Basic Chemicals	3,380.79	1,125.52
	(b) Fine & Speciality Chemicals	3,388.96	2,940.26
	(c) Performance Products	661.40	1,251.27
	(d) Phenolics	1,13,316.35	51.67
	(e) Un- allocable	443.23	286.61
	TOTAL	**1,21,190.73**	**5,655.33**
VII)	**Depreciation**		
	(a) Basic Chemicals	1,914.22	1,638.38
	(b) Fine & Speciality Chemicals	1,337.44	1,403.54
	(c) Performance Products	1,602.97	1,720.26
	(d) Phenolics	2,491.46	65.05
	(e) Un- allocable	433.18	432.74
	TOTAL	**7,779.27**	**5,259.97**

(b) Secondary Segment Information

The following table shows the distribution of the Company's Revenue and Assets by geographical market:

₹ in Lakhs

Revenue	As at March 31, 2019	As at March 31, 2018
In India	2,10,654.90	1,16,421.84
Outside India	59,337.55	51,196.36
Total	**2,69,992.45**	**1,67,618.20**

₹ in Lakhs

Carrying Amount of Segment Assets	For the year March 31, 2019	For the year March 31, 2018
In India	2,84,033.78	2,39,713.65
Outside India	8,744.67	19,342.36
Total	**2,92,778.45**	**2,59,056.00**

₹ in Lakhs

Addition to Fixed Assets	For the year March 31, 2019	For the year March 31, 2018
In India		
- Tangible	1,19,911.53	5,601.38
- Intangible	1,279.20	53.95
Outside India		
- Tangible	-	-
- Intangible	-	-
Total	**1,21,190.73**	**5,655.33**

43. EARNINGS PER SHARE

	As at March 31, 2019	As at March 31, 2018
Basic and Diluted Earnings per Share		
Number of Shares at the beginning (Nos. in Lakhs)	1,363.93	1,307.11
Number of Shares at the end (Nos. in Lakhs)	1,363.93	1,363.93
Weighted Average Number of Shares considered for Basic Earnings Per Share (Nos. in Lakhs)	1,363.93	1,316.45
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Lakhs)	1,363.93	1,316.45
Net Profit after Tax available for Equity Shareholders (₹ in Lakhs)	17,366.13	7,901.57
Basic Earnings (in Rupees) Per Share of ₹ 2/- each	12.73	6.00
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	12.73	6.00

44. During FY 2018-19, the Company has spent ₹ 250.00 Lakhs on Corporate Social Responsibility activities.

45. The Income Tax Department has conducted search operations during the year at the premises of Deepak Nitrite Limited and Deepak Phenolics Limited. The Companies believe that the search operations will not have any material adverse impact on the performance.

46. Events occurring after the balance sheet date: The Board of Directors has recommended, subject to the approval of shareholders, dividend of ₹ 2/- (Rupees Two only) per equity share of face value of ₹ 2/- (Rupees Two only) each for the year ended March 31, 2019 on 13,63,93,041 equity shares amounting to ₹ 3,288.58 Lakhs (including tax on dividend of ₹ 560.72 Lakhs)

47. The Financial Statements were authorised for issue by the Board of Directors on May 03, 2019.

48. Additional Information in Consolidated Financial Statements as per Schedule III of Companies Act,2013

	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 Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of consolidated total comprehensive income	Amount ₹ in Lakhs
Parent								
Deepak Nitrite Limited	46.60%	49,937.31	79.49%	13,804.26	93.89%	(266.55)	79.25%	13,537.71
Subsidiaries								
1. Deepak Phenolics Limited	53.40%	57,221.54	20.49%	3,558.46	6.11%	(17.36)	20.73%	3,541.10
2. Deepak Nitrite Corporation Inc.	0.00%	(0.39)	0.02%	3.41	0.00%	-	0.02%	3.41
Non Controlling Interests in All Subsidiaries	-	-	-	-	-	-	-	-

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN: 06595059

SUDHIN CHOKSEY
Director
DIN: 00036085

SANDESH ANAND
Director
DIN: 00001792

SANJAY UPADHYAY
Director-Finance & CFO
DIN: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIR MANKAD
Director
DIN: 00086077

Vadodara: May 03, 2019

NOTES

NOTES

Investor's Welfare Scheme

The Company's scheme covers the risk of death and permanent (total/partial) disablement sustained due to an accident by first-named shareholder of the Company solely and directly from external, violent and visible means.

Details of entitlement under the Personal Accident Policy are as under:

I. COVERAGE:

a. Death

b. Permanent (total/partial) disablement

EXPLANATION:

i. Permanent Total Disablement:

Loss of sight of both eyes or of actual loss by physical separation of the two entire hands or two entire feet.

ii. Permanent Partial Disablement:

Loss of sight of one eye or actual loss by physical separation of one entire hand or one entire foot.

II. AGE LIMIT:

18 to 65 years

III. SUM INSURED:

No. of Equity Shares held	Sum Insured
Up to 1500	₹ 40,000/-
1501 to 5000	₹ 60,000/-
5001 and above	₹ 80,000/-

IV. BENEFITS:

The benefits available under the Group Personal Accident Insurance Policy are as under:

1.	Fatal Accident (Death)	: Sum Insured*
2.	Permanent Total Disablement	: Sum Insured*
3.	Loss of two limbs or two eyes or one limb and one eye	: Sum Insured*
4.	Loss of one limb or one eye	: 50% of the Sum Insured
5.	Permanent Partial Disablement	: Specific percentage of the Sum Insured* depending on the extent of disablement.

[* Sum Insured as explained in para (III) above]

Note:

1. Temporary disablement, medical / hospitalisation expenses are out of the purview of the scheme.
2. Members who have not filed the Nomination Form earlier in respect of Personal Accident Policy may approach the Company for obtaining the Nomination Form and return the same duly filled in and signed for registration with the Company.

DEEPAK NITRITE

RESPONSIBLE CHEMISTRY

Corporate & Registered Office:
Aaditya-I, Chhani Road,
Vadodara - 390 024,
Gujarat, India
Tel: +91-265-276 5200
Fax: +91-265-2765344

www.godeepak.com

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

Printed by: www.westernpress.in